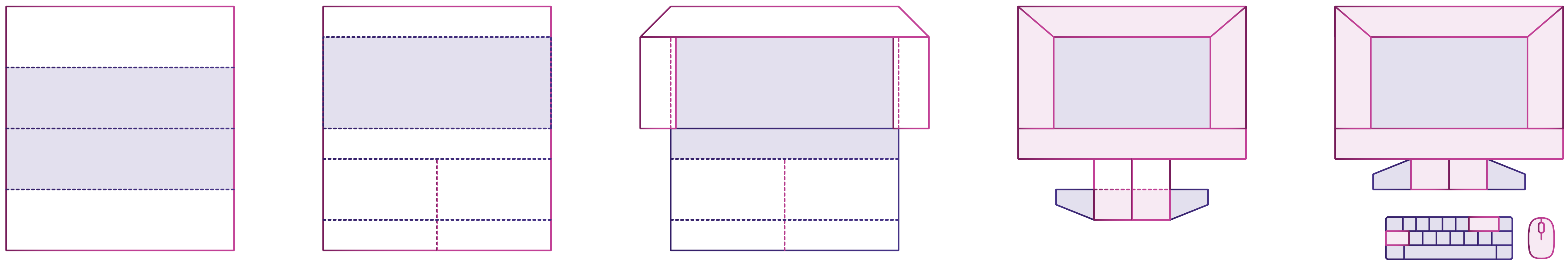
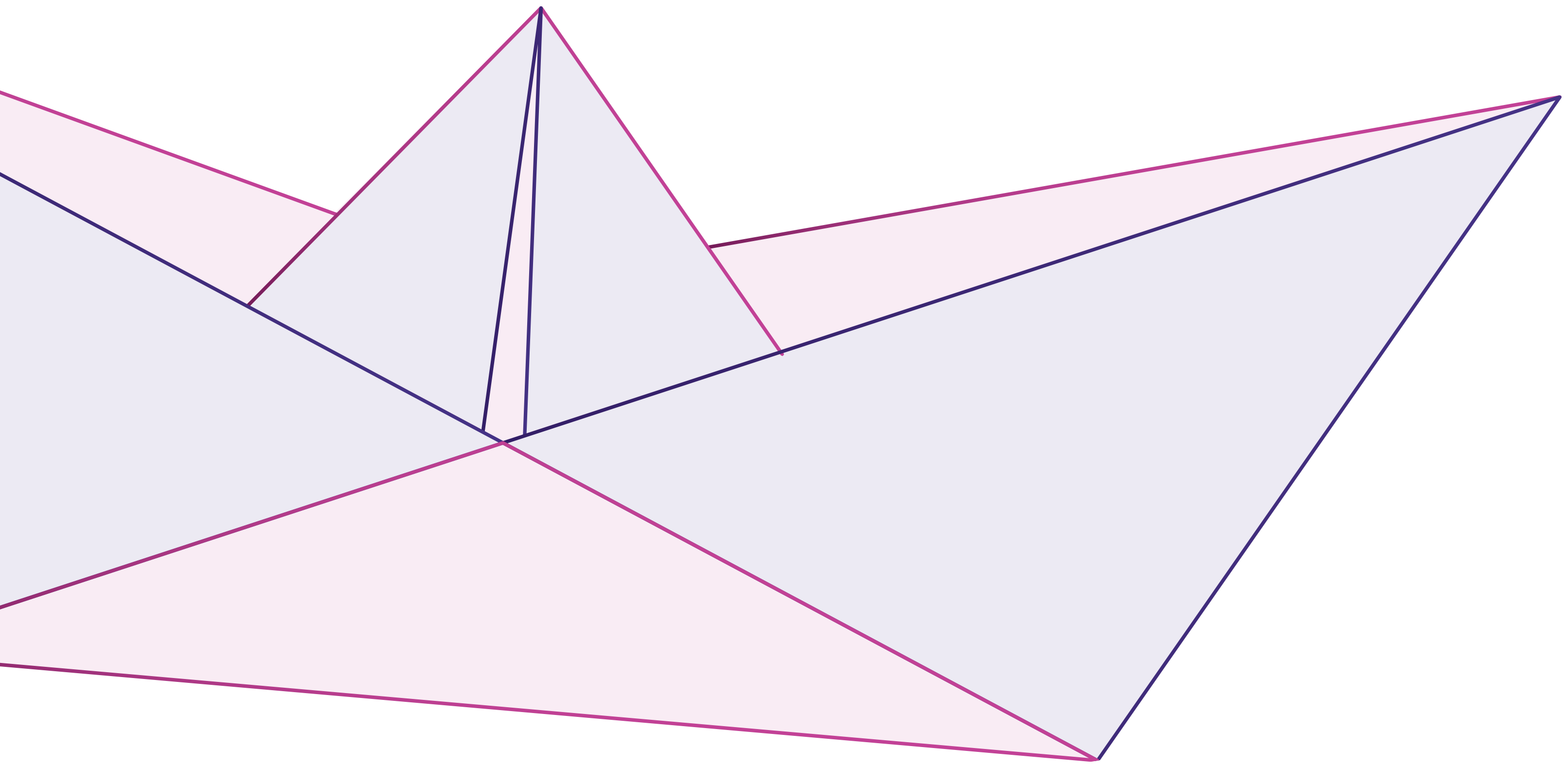
Workforce Singapore

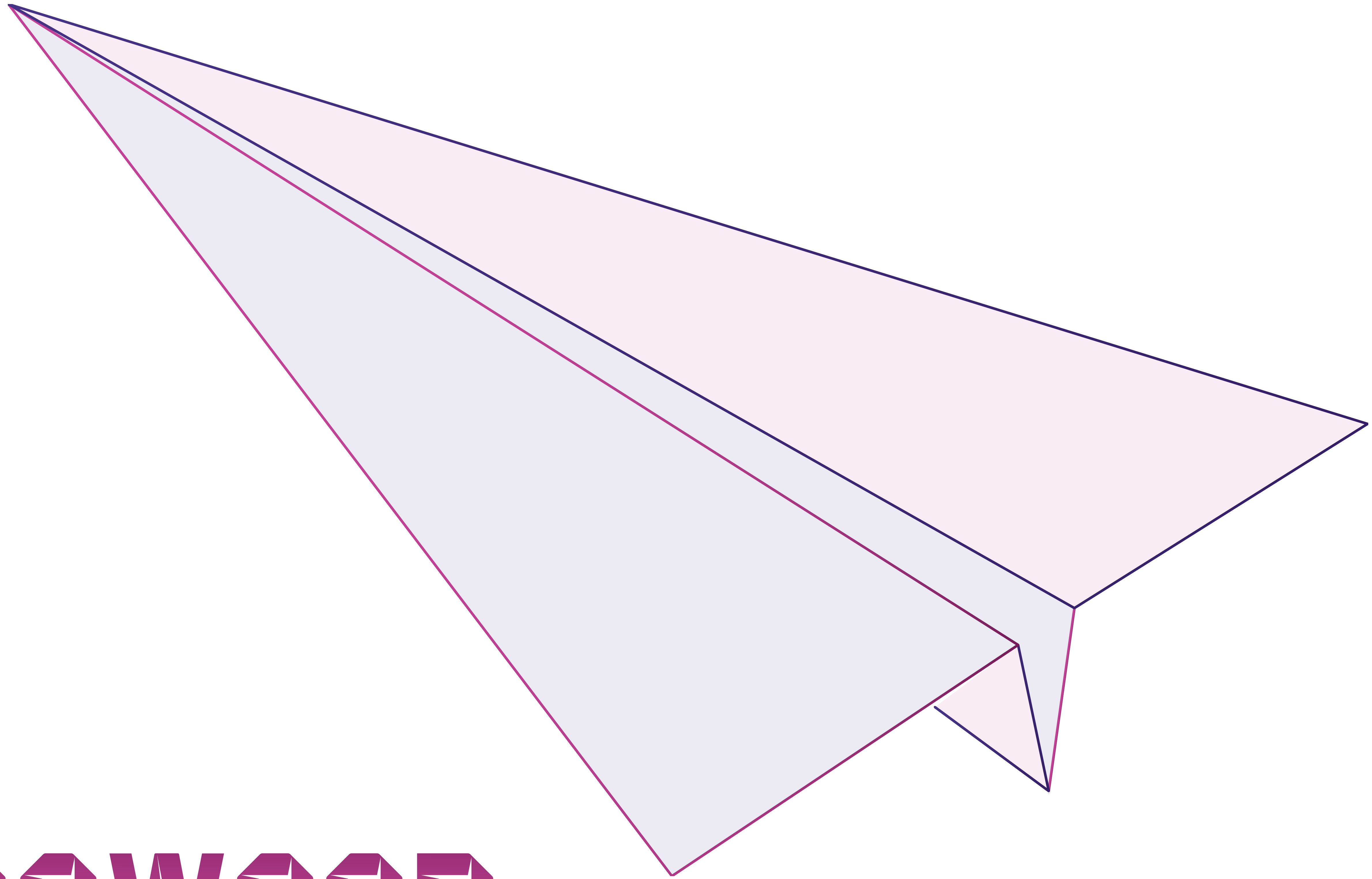


EMERGING AS A STRONGER WORKFORCE

ANNUAL REPORT **2020/2021**



CONTENT



02

FOREWORD

BY CHAIRMAN AND CHIEF EXECUTIVE

FOREWORD BY CHAIRMAN AND CHIEF EXECUTIVE

2020 was a challenging year for Singapore, with many workers and businesses impacted by the global COVID-19 pandemic. The Government presented an unprecedented four budgets, with measures to protect livelihoods and support workers. The SGUnited Jobs and Skills Package was one such measure, intended to create jobs, traineeships, attachments and skills upgrading opportunities to tide Singaporeans through the pandemic. Workforce Singapore (WSG) played an integral role in the rollout of the SGUnited Jobs and Skills Package.

The SGUnited Jobs and Skills Package provided opportunities for all Singaporeans, offering support and assistance on a broad scale. Notably, we set up SGUnited Jobs and Skills Centres (SGUJSC) in all 24 HDB towns, benefitting over 11,400 individuals. These centres, together with Careers Connect On-the-Go (CCOTG) as well as WSG's Careers Connect brought career matching services closer to jobseekers. All in all, we have organised more than 1,300 outreach events that comprised of Virtual and Physical Career Fairs, Virtual and Walk-in interviews, SGUnited Jobs and Skills Information Kiosks, and CCOTG. About 34,000 jobseekers have benefitted from individualised career coaching and about 25,000 jobseekers have found new jobs through career matching services. The SGUnited Traineeships and Mid-Career Pathways (Company Attachment) Programmes helped companies provide opportunities to more than 5,300 fresh graduates and mid-career workers looking to develop industry-relevant skills and boost their employability in preparation for the eventual economic recovery. The SGUnited Jobs and Skills Package has also helped to build a pipeline of local talents to support business transformation, capitalise on new areas of growth, and to prepare for the eventual economic recovery.

To make redesigning jobs easier for enterprises, WSG rolled out the Productivity Solutions Grant (PSG) – Job Redesign (JR), to fund JR consultancy services, to complement and drive both business and workforce transformation. PSG-JR seeks to increase employee productivity and the value of jobs in support of business growth and transformation. This creates a virtuous cycle, which ensures the economy continues to create and improve jobs to keep up with the aspirations of Singapore's workforce.

In 2020, WSG also significantly expanded our Career Conversion Programme (CCP) support as part of the SGUnited Jobs and Skills Package to assist individuals and companies affected by the pandemic. We continued our roll-out of redeployment programmes to assist workers at risk of redundancy. In line with long term transformation efforts under the sectoral Industry Transformation Maps (ITMs), WSG introduced the Job Redesign (JR) Reskilling programmes, a new mode of Career Conversion Programme, which redeploys workers who are at risk of redundancy and help them to take on redesigned job roles in the companies. These efforts provided near term support to preserve jobs in sectors such as Hotel, F&B, Tour Travel, MICE and Air Transport, which were severely impacted by the COVID-19 pandemic and allowed the businesses to take this downtime as an opportunity to accelerate business and workforce transformation. We have also continued to roll out Place-and-Train and Attach-and-Train programmes, to enable individuals to take on new job roles in sectors or companies that still have hiring opportunities. Collectively, the CCP supported more than 13,000 individuals.

The SGUnited Jobs and Skills Package has made a positive difference to many workers and employers. This would not have been possible without the very strong support and collaboration of our Tripartite partners and other stakeholders. I also want to acknowledge the intrepid efforts of WSG's staff and thank them for working so hard under tremendous pressure during the height of the COVID-19 pandemic in 2020. But there is still more to be done, and we continue to be prepared to provide the support needed.

Singapore's open economy and dependence on international trade has long meant that external global factors have a large impact on our businesses and workforce, and this will remain true even after the pandemic ends. WSG will continue to do its part to look ahead and further mould our workforce to be more agile and resilient, in order to seize new opportunities and emerge stronger in the long run.

Mr Lim Ming Yan,
Chairman

Mr Tan Choon Shian,
Chief Executive

04

ABOUT US

BOARD MEMBERS AND COMMITTEES

Mr Lim Ming Yan
Chairman
Workforce Singapore

Ms Teo Lay Lim
Chairman
Accenture

Ms Elaine Yew
Senior Partner and Global
Co-Head of Leadership Advisory
Egon Zehnder International

Mr Wahab Yusoff
Vice President
ForeScout
Technologies, Inc.

Mr Andrew Chong
Chairman
Singapore Semiconductor
Industry Association

Mr James Wong
Deputy Secretary
(Land and Corporate)
Ministry of Transport
Chairman, Finance Committee (FC)
Workforce Singapore

Mr Patrick Tay
Assistant Secretary-General
National Trades
Union Congress

Mr Benjamin Mah
Head, Strategy and
Business Development,
Asia Pacific & Japan
Oracle Netsuite

Mr Murali Pillai
Partner
Rajah & Tann
Singapore LLP

Mr Douglas Foo
Chairman
Sakae Holdings Ltd
Chairman, Remuneration
Committee (RC)
Workforce Singapore

Mr Ong Tze Chin
Chief Executive
SkillsFuture Singapore
Deputy Secretary (SkillsFuture)
Ministry of Education

Ms Judy Hsu
Chief Executive Officer, Consumer,
Private and Business Banking
Standard Chartered Bank
(Singapore) Limited

Mr Tan Choon Shian
Chief Executive
Workforce Singapore

Ms Deborah Ong
Chairman, Audit &
Risk Committee (ARC)
Workforce Singapore

WSG BOARD MEMBERS AND COMMITTEES CHART

Mr Lim Ming Yan
Chairman
Workforce Singapore

AUDIT AND RISK COMMITTEE (ARC)

CHAIRMAN

Ms Deborah Ong
Chairman, ARC
Workforce Singapore

MEMBERS

Mr Murali Pillai
Partner
Rajah & Tann Singapore LLP

Mr Wahab Yusoff
Vice President
ForeScout Technologies, Inc.

FINANCE COMMITTEE (FC)

CHAIRMAN

Mr James Wong
Deputy Secretary
(Land and Corporate)
Ministry of Transport

MEMBERS

Mr Patrick Tay
Assistant Secretary-General
National Trades Union Congress

Mr Benjamin Mah
Head, Strategy and Business
Development, Asia Pacific & Japan
Oracle Netsuite

Mr Andrew Chong
Chairman
Singapore Semiconductor
Industry Association

Ms Judy Hsu
Chief Executive Officer, Consumer,
Private and Business Banking
Standard Chartered Bank
(Singapore) Limited

REMUNERATION COMMITTEE (RC)

CHAIRMAN

Mr Douglas Foo
Chairman
Sakae Holdings Ltd

MEMBERS

Ms Elaine Yew
Senior Partner and Global
Co-Head of Leadership Advisory
Egon Zehnder International

Mr Ong Tze Chin
Chief Executive
SkillsFuture Singapore
Deputy Secretary (SkillsFuture)
Ministry of Education

Ms Teo Lay Lim
Chairman
Accenture

MEMBER

Mr Tan Choon Shian
Chief Executive
Workforce Singapore

FUNCTIONS OF THE WSG BOARD

The WSG Board shall be responsible for the policy and general administration of the affairs and business of WSG as spelt out in the WSG Act. The basic responsibility and function of the WSG Board is to oversee the work and the performance of WSG Management and assess the health of WSG. It also evaluates, approves and monitors WSG's plans and budgets. WSG Board members are selected from a diverse range of backgrounds, from the unions, and the private and public sectors to tap on their varied experience and perspective. Under the WSG Act, the WSG Board shall comprise a Chairman, and not less than 8 but not more than 14 other members as determined by the Minister for Manpower. The Minister for Manpower may also appoint a member to be the Deputy Chairman of the WSG Board.

The WSG Board Committee

The WSG Act empowers the WSG Board to form committees from among its own members or other persons to support the work of the WSG Board. In order to guide the development of specific areas of WSG and perform the necessary due diligence and reporting to the WSG Board, three committees have been formed. They are the Audit and Risk Committee, the Finance Committee, and the Remuneration Committee.

The WSG Board Committees

a) Audit and Risk Committee
The Audit and Risk Committee ensures that WSG has a rigorous and robust system of internal controls. It reviews WSG's risk assessment and management systems, the rigour of internal control systems, as well as the set-up of the internal audit function. Internal and external auditors are engaged to conduct audit reports on WSG's work and processes. The committee will also review and monitor the integrity of the annual financial statements.

b) Finance Committee
The Finance Committee ensures that WSG has a robust financial system to fulfil WSG's mission. It provides advice on grant policies for WSG-administered funds. The committee also approves finance policies and funding allocation for WSG-administered funds, as well as funding proposals that are within budget values specified by the WSG Board.

c) Remuneration Committee
The Remuneration Committee sets human resource management and development policies, which includes approving staff remuneration policies, major changes to schemes of service, early retirement and early release schemes, as well as the appointment, promotion and performance bonuses for senior management in WSG. It also reviews and deliberates on staff appeals related to personnel matters.

Internal Control Framework

WSG's internal control system ensures that assets and resources are safeguarded, and that the risk management, control measures and procedures are adequate and effective. It also ensures compliance with established policies and regulations, proper maintenance of accounting records and reliability of the financial statements.

The risk items and mitigation measures are monitored regularly by the WSG Management and reported to the Audit and Risk Committee and the WSG Board. The WSG Management is responsible for reviewing and monitoring the effectiveness of internal controls to safeguard WSG's interests, and will evaluate the need to implement other internal control policies from time to time, to ensure compliance with all regulatory and statutory standards.

Internal and External Audit Functions

The Internal Audit Unit provides independent reasonable assurance to the WSG Board and the WSG Management through the evaluation of adequacy and effectiveness of internal controls, risk management and governance of WSG. It adopts a risk-based approach as the key audit assurance practice, and the results of audits and recommendations for enhancements are promptly communicated to the WSG Management. The Internal Audit Unit reports directly to the Audit and Risk Committee and administratively to the WSG's Chief Executive.

The external auditor performs the annual statutory audit and its audit observations (if any) are detailed in the Management Letter which is reported to the Audit and Risk Committee. The Audit and Risk Committee (ARC) will meet with the external auditors, without the presence of the Management, at least once a year. The financial statements are endorsed by ARC and approved by the Board.

Business and Ethical Conduct

All WSG staff must adhere to high standards of professional integrity and personal conduct. They are to avoid placing themselves in matters where a conflict of interest may arise and are to declare these types of situations to their supervisor. WSG staff are also subject to provisions of the Official Secrets Act.

To reinforce WSG's commitment to a culture of integrity and transparency within the organisation, WSG has in place a whistle-blowing policy and reporting mechanism to facilitate the reporting of fraud and wrongdoing of staff.

Whistle-Blowing

WSG has in place a whistle-blowing policy for the reporting of possible irregularities regarding WSG's partners, grant recipients, vendors, contractors or any other matters. The policy is communicated regularly to the employees.

Employees and members of public may disclose concerns through various secure and confidential channels without fear of reprisal, discrimination or adverse consequences

Information provided will be treated sensitively and in the strictest confidence. All cases reported and investigated will be surfaced to the Audit and Risk Committee.

Annual Report and Financial Reporting

WSG submits an annual report after the end of each financial year to the Minister for Manpower. WSG's full-year financial results are reported to the WSG Board and included in WSG's Annual Reports, which are published on WSG's corporate website.

SENIOR MANAGEMENT

Mr Tan Choon Shian
Chief Executive Officer
Workforce Singapore

Mr Foo Kok Jwee
Deputy Chief Executive
Workforce Singapore

Mr Goh Eng Ghee
Chief Corporate Officer
Workforce Singapore

Ms Julia Ng
Group Director
Enterprise Development Group (EDG)

Ms Lynn Ng
Group Director
Careers Connect Group (CCG)

Mr Brandon Lee
Group Director
Transformation Support Group (TSG)

Mr Richard Lim
Director
Partners & Operations Division, CCG
Term started Oct 2020 (Director-Designate), Jan 2021 (Director)
Career Services Division, CCG
(Term ended Sep 2020)

Ms Janice Foo
Director
Career Services Division, CCG
Term started Jul 2020 (Director-Designate), Oct 2020 (Director)
Healthcare, Social & Business Services Division, EDG
(Term ended Jun 2020)

Ms Ong Bee Lee
Director
Data Analytics Division, CCG

Ms Joyce Tan
Director
Digital Experience, Career Services, CCG

Ms Gillian Woo
Director
Creative & Professional Services Division, EDG
Term started Jan 2021 (Director-Designate), Feb 2021 (Director)
Partners & Operations Division, CCG
(Term ended Dec 2020)

SENIOR MANAGEMENT

Mr Aaron Lye
Director
Corporate Marketing & Communications Division, CDG

Mr Ow Seng Fong
Director
Corporate Services Division, CDG

Ms Serene Chiang
Director
Human Resource Division, CDG
(Term ended Apr 2021)

Ms Doris Kuek
Director
Strategic & Resource Planning Division, CDG

Mr Kenneth Wong
Director
Tourism Division, EDG

Ms Sharon Chiew
Acting Director
Creative & Professional Services Division, EDG
(Term ended Jan 2021)

Ms Safrah d/o Mohamed Eusoof
Director
Healthcare, Social & Business Services Division, EDG
(Term started Jul 2020)

Mr Anderson Ee
Director
Manufacturing Division, EDG
(Term started Oct 2020)
Acting Director
Manufacturing Division, EDG
(Term ended Sep 2020)

Mr Jason Tay
Director
Enterprise Programme Division, EDG
(Term started Oct 2020)
Acting Director
Enterprise Programme Division, EDG
(Term ended Sep 2020)

Mr Teh Sim Seng
Director, Chief Information Officer
Digital Technology Division, TSG

Ms Mui Seah Lee
Acting Director
New Operations Division
(Term started Oct 2020)

WSG ORGANISATION CHART

FY2020 (April 2020 – March 2021)

Mr Tan Choon Shian
Chief Executive

Mr Foo Kok Jwee
Deputy Chief Executive

Mr Goh Eng Ghee
Chief Corporate Officer

Internal Audit Unit

Ms Tan Ying Ying
Deputy Director

TRANSFORMATION SUPPORT GROUP (TSG)

Mr Brandon Lee
Group Director

Digital Technology Division
Mr Teh Sim Seng
Director
Chief Information Officer

Ops-Tech Team
Mr Brandon Lee
Group Director

CAREERS CONNECT GROUP (CCG)

Ms Lynn Ng
Group Director

Career Practitioners Division
Ms Lynn Ng
Group Director

Career Services Division
Ms Janice Foo
Director

Data Analytics Division
Ms Ong Bee Lee
Director

Digital Experience, Career Services
Ms Joyce Tan
Director

Partners & Operations Division
Mr Richard Lim
Director

CORPORATE DEVELOPMENT GROUP (CDG)

Corporate Marketing & Communications Division
Mr Aaron Lye
Director

Corporate Services Division
Mr Ow Seng Fong
Director

Fraud & Enforcement
Mr Brandon Lee
Group Director

Human Resource Division
Ms Serene Chiang
Director

New Operations Division
Ms Mui Seah Lee
Acting Director

Strategic & Resource Planning Division
Ms Doris Kuek
Director

ENTERPRISE DEVELOPMENT GROUP (EDG)

Ms Julia Ng
Group Director

Creative & Professional Services Division
Ms Gillian Woo
Director

Enterprise Programmes Division
Mr Jason Tay
Director

Healthcare, Social & Business Services Division
Ms Safra d/o Mohamed Eusoof
Director

Manufacturing Division
Mr Anderson Ee
Director

Tourism Division
Mr Kenneth Wong
Director

SSG SHARED SERVICES ORGANISATION CHART

Mr Tan Wee Beng
Deputy Chief Executive
(Operations & Regulation)

BUSINESS SERVICES GROUP (BSG) & TRAINING MANPOWER INFRASTRUCTURE GROUP (TMIG) - SSG

Mr Tan Tow Koon
Group Director

Shared Services Management Division
Ms Emily Low
Director
(Term started Oct 2020)

Integrated Business Services Division
Ms Angelina Soh
Director

11

KEY ACHIEVEMENTS

ACHIEVEMENTS FOR YEAR 2020

PLACED CLOSE TO
55,000
locals into jobs, traineeships and attachments; >70% higher than what was achieved in 2019

Breakdown of 2020's placements into jobs, traineeships and attachments:
- 45% mature workers (aged 40 and above)
- 35% LTUs placed
- 45% females and 55% males placed
- ~60% PMET and ~40% RnF placed

OVER
175
roles have been identified for redesign, to take on higher-value tasks, potentially uplifting the jobs of more than
1,100
workers through IHCI

SUPPORTED MORE THAN
5,700
unique companies in industry transformation programmes by WSG in 2020

SUPPORTED MORE THAN
13,000
individuals through the Career Conversion Programmes, which was more than twice of what was achieved in 2019

TRAINED MORE THAN
540
career development practitioners to provide career coaching to job seekers

~34,000
jobseekers benefited from Individualised Career Coaching, ~15% increase compared to 2019

12,800
assisted by Careers Connect On-the-Go

PLACED CLOSE TO
5,300
locals into traineeships and company attachments under the SGUnited Traineeships and Mid-Career Pathway Programmes

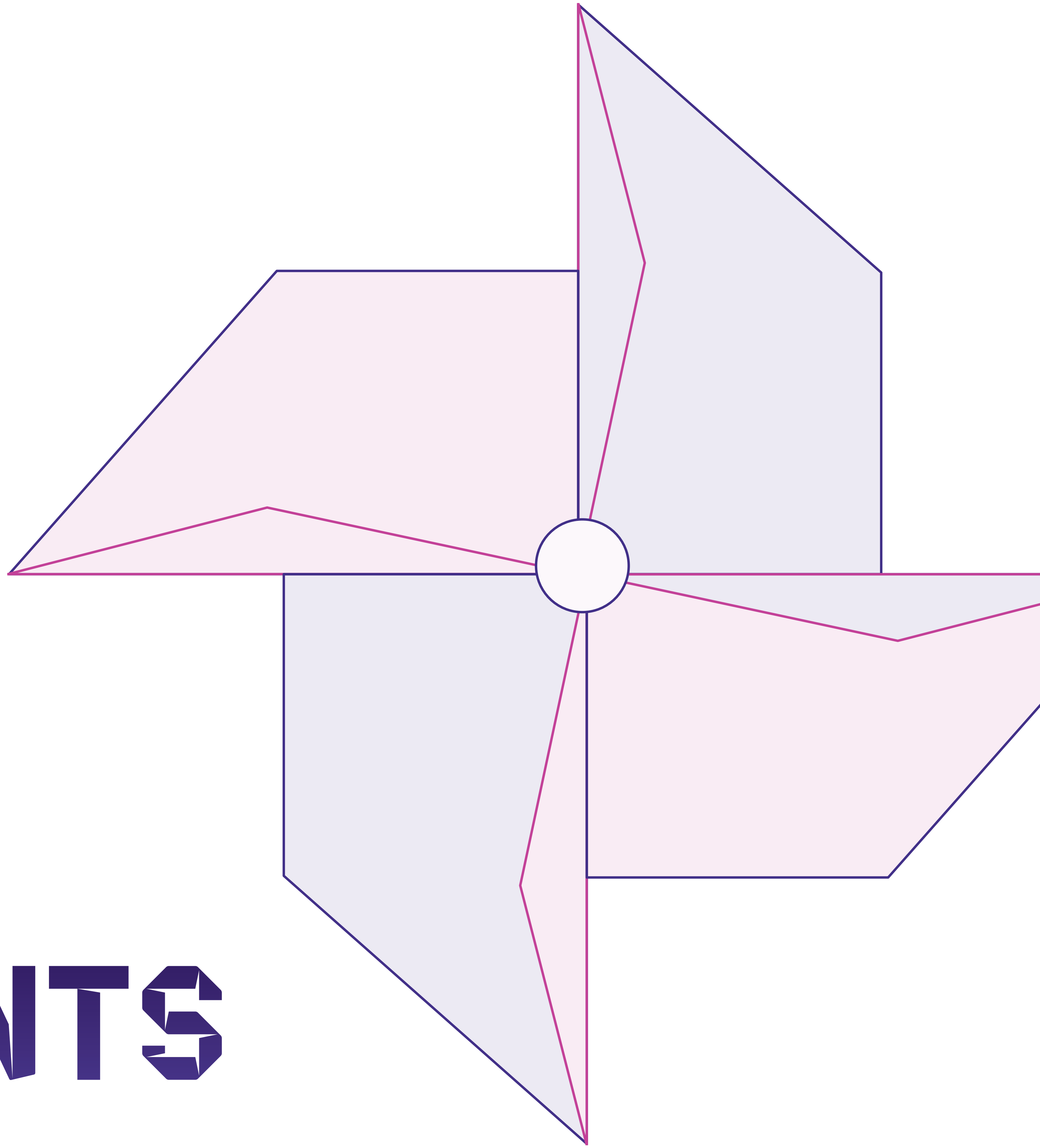
ASSISTED OVER
11,400
individuals through the SGUnited Jobs and Skills Centres set up in all 24 HDB towns

~25,000
jobseekers found new jobs through Career Matching Services, ~25% increase from 2019

>1,300
events organised to bring career matching services closer to jobseekers in the heartlands, ~40% increase compared to 2019

13

FINANCIAL STATEMENTS



Workforce Singapore Agency

Registration Number: T08GB0060H

Financial Statements and the Statement by the Board of Workforce Singapore Agency

Year ended 31 March 2021

Statement by the Board of Workforce Singapore Agency

In our opinion:

(a) the accompanying financial statements of Workforce Singapore Agency ("WSG") as set out on pages FS1 to FS38 are properly drawn up in accordance with the provisions of the Workforce Singapore Agency Act, Cap. 305D (the "Act"), the Public Sector (Governance) Act, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of WSG as at 31 March 2021, and the results, changes in equity and cash flows of WSG for the year ended on that date.

(b) proper accounting and other records have been kept, including records of all assets of WSG whether purchased, donated or otherwise, in accordance with the provisions of the Act and the Public Sector (Governance) Act.

(c) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by WSG during the financial year have been in accordance with the provisions of the Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by WSG.

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

On behalf of the Board of Workforce Singapore Agency

Lim Ming Yan
Chairman

Tan Choon Shian
Chief Executive

16 August 2021

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of WSG
Workforce Singapore Agency

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Workforce Singapore Agency ("WSG"), which comprise the statement of financial position of WSG as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS38.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Workforce Singapore Agency Act, Cap. 305D (the "Act"), the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of WSG as at 31 March 2021, and the results, changes in equity and cash flows of WSG for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information contained in the annual report. The other information comprises the Statement by the Board of Workforce Singapore Agency, but does not include the financial statements and our auditors' report thereon.

We have obtained the Statement by the Board of Workforce Singapore Agency prior to the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified, 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's and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, the Public Sector (Governance) Act 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 constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing WSG'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 WSG or for WSG to cease operations.

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

Auditors' 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 auditors' 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 SSAs, we exercise professional judgement 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 controls.

- Obtain an understanding of internal controls 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 WSG's internal control.

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

- Conclude on the appropriateness of 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 WSG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause WSG 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.

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 controls 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 WSG during the year are, in all material respects, in accordance with the provisions of the Act and the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by WSG; and

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

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the compliance audit*' section of our report. We are independent of WSG 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.

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 Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by WSG. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditors' 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 Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by WSG.

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 Board's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
16 August 2021

Statement of financial position
As at 31 March 2021

	Note	2021 $	2020 $
ASSETS			
Non-current assets			
Deposits and prepayments	4	1,531,002	2,231,467
Property, plant and equipment	5	16,606,287	13,822,448
Intangible assets	6	18,504,677	10,532,168
		36,641,966	26,586,083
Current assets			
Deposits and prepayments	4	1,649,609	2,023,894
Cash and cash equivalents	7	102,161,270	71,094,369
Other receivables	8	63,606,351	43,354,403
		167,417,230	116,472,666
Total assets		204,059,196	143,058,749
EQUITY AND LIABILITIES			
Equity			
Capital account	9	7,872,073	7,872,073
Share capital	10	1,000	1,000
Accumulated surplus			
General Fund		51,910,137	29,568,345
Restricted Funds	11	(5,703)	(5,703)
Total equity		59,777,507	37,435,715
Non-current liabilities			
Provision for reinstatement costs	12	2,329,410	236,210
Deferred capital grants	13	15,381,691	3,734,783
Lease liabilities	16	6,210,699	10,354,958
		23,921,800	14,325,951
Current liabilities			
Provision for reinstatement costs	12	–	241,237
Deferred capital grants	13	9,950,004	8,417,598
Other payables	14	93,658,213	62,521,057
Provision for contribution to consolidated fund	15	4,576,029	2,079,877
Lease liabilities	16	5,103,622	3,021,027
Government grants received in advance	17	7,072,021	15,016,287
		120,359,889	91,297,083
Total liabilities		144,281,689	105,623,034
Total equity and liabilities		204,059,196	143,058,749
Net assets of trust funds			
Skills Development Fund	26	–	–
Lifelong Learning Endowment Fund	27	5,200,978	118,324

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

Statement of comprehensive income
Year ended 31 March 2021

		2021			2020		
	Note	**General funds**	**Restricted funds**	**Total**	**General funds**	**Restricted funds**	**Total**
		$	**$**	**$**	**$**	**$**	**$**
Income							
Operating income	18	200,857	–	200,857	211,303	–	211,303
Interest and other income	19	692,722	108,968	801,690	449,414	347,498	796,912
Total income		893,579	108,968	1,002,547	660,717	347,498	1,008,215
Expenditure							
Depreciation of property, plant and equipment	5	(4,380,545)	(1,181,372)	(5,561,917)	(2,031,480)	(1,248,459)	(3,279,939)
Amortisation of intangible assets	6	(1,005,618)	(3,928,957)	(4,934,575)	(304,257)	(3,978,079)	(4,282,336)
Staff costs	21	(44,817,004)	(9,893,563)	(54,710,567)	(40,120,456)	(8,401,108)	(48,521,564)
Grant disbursements		(21,882,772)	(438,893,125)	(460,775,897)	(40,952,250)	(221,037,865)	(261,990,115)
Lease expenses		(38,636)	(388)	(39,024)	(131)	(11,368)	(11,499)
Interest expense on lease liabilities		(346,321)	(49,692)	(396,013)	(126,046)	(77,290)	(203,336)
Professional services		(19,380,633)	(814,007)	(20,194,640)	(29,983,309)	(261,448)	(30,244,757)
Maintenance expenses		(18,351,016)	(13,608,593)	(31,959,609)	(17,626,711)	(7,925,017)	(25,551,728)
Supplies and materials		(1,396,288)	(84,863)	(1,481,151)	(358,183)	(50,258)	(408,441)
Public relations		(25,390,040)	(4,829,487)	(30,219,527)	(17,733,851)	623,900	(17,109,951)
Travel expenses		(50,088)	(4,555)	(54,643)	(385,867)	(11,881)	(397,748)
GST expenses		(4,268,563)	(1,648,913)	(5,917,476)	(5,064,800)	(1,143,289)	(6,208,089)
Temporary staff costs		(1,125,419)	(1,257,557)	(2,382,976)	(2,005,865)	(222,286)	(2,228,151)
Course-related trainers' fees		(185,345)	–	(185,345)	(159,600)	–	(159,600)
Others		(3,209,078)	(224,264)	(3,433,342)	(3,500,033)	(274,884)	(3,774,917)
Total expenditure		(145,827,366)	(476,419,336)	(622,246,702)	(160,352,839)	(244,019,332)	(404,372,171)
Deficit for the year before grants and contribution to consolidated fund	20	(144,933,787)	(476,310,368)	(621,244,155)	(159,692,122)	(243,671,834)	(403,363,956)

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

Statement of comprehensive income (continued)
Year ended 31 March 2021

	Note	2021 General funds $	2021 Restricted funds $	2021 Total $	2020 General funds $	2020 Restricted funds $	2020 Total $
Grants							
Grants from government	17	170,176,958	472,137,603	642,314,561	171,235,336	239,339,909	410,575,245
Deferred capital grants amortised	13	1,674,650	4,172,765	5,847,415	691,334	4,331,925	5,023,259
		171,851,608	476,310,368	648,161,976	171,926,670	243,671,834	415,598,504
Surplus for the year before contribution to consolidated fund		26,917,821	–	26,917,821	12,234,548	–	12,234,548
Contribution to consolidated fund	15	(4,576,029)	–	(4,576,029)	(2,079,877)	–	(2,079,877)
Net surplus for the year, representing total comprehensive income for the year		22,341,792	–	22,341,792	10,154,671	–	10,154,671

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

Statement of changes in equity
Year ended 31 March 2021

	Capital account $	Share capital $	Accumulated surplus General fund $	Accumulated surplus Restricted fund $	Total $
At 1 April 2019	7,872,073	1,000	19,989,674	1,132,448	28,995,195
Net surplus for the year, representing total comprehensive income for the year	–	–	10,154,671	–	10,154,671
Transactions with owners, recognised directly in equity					
Return of unutilised accumulated surplus on restricted funds to government	–	–	–	(1,138,151)	(1,138,151)
Dividend paid*	–	–	(576,000)	–	(576,000)
Balance at 31 March 2020	7,872,073	1,000	29,568,345	(5,703)	37,435,715
Net surplus for the year, representing total comprehensive income for the year	–	–	22,341,792	–	22,341,792
Balance at 31 March 2021	7,872,073	1,000	51,910,137	(5,703)	59,777,507

* In prior year, dividend of $576,000 was paid in accordance with the Capital Management Framework for Statutory Boards outlined in Finance Circular Minute No. M26/2008.

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

Statement of cash flows
Year ended 31 March 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Deficit for the year before grants and contribution to consolidated fund		(621,244,155)	(403,363,956)
Adjustments for:			
Depreciation of property, plant and equipment	5	5,561,917	3,279,939
Amortisation of intangible assets	6	4,934,575	4,282,336
Interest income	19	(800,690)	(794,702)
Allowance for impairment loss on other receivables	20	5,961	–
Loss on property, plant and equipment and intangible assets written-off		5,221	–
Interest expense on lease liabilities	23	396,013	203,336
Changes in provision for reinstatement costs		(290,191)	(13,645)
		(611,431,349)	(396,406,692)
Changes in working capital:			
Deposits and prepayments		1,074,750	(1,400,301)
Other receivables		12,903,008	1,768,824
Other payables		31,137,156	15,504,251
Cash used in operations		(566,316,435)	(380,533,918)
Contribution to consolidated fund		(2,079,877)	(1,003,019)
Net cash used in operating activities		(568,396,312)	(381,536,937)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(19,026,730)	(12,599,520)
Interest received		1,273,696	633,007
Net cash used in investing activities		(17,753,034)	(11,966,513)
Cash flows from financing activities			
Payment of lease liabilities		(2,150,841)	(1,251,576)
Interest paid		(396,013)	(203,336)
Return of unutilised accumulated surplus on restricted funds to government		–	(1,138,151)
Dividend paid		–	(576,000)
Grants received from government		619,763,101	391,429,396
Net cash from financing activities		617,216,247	388,260,333
Net change in cash and cash equivalents		31,066,901	(5,243,117)
Cash and cash equivalents at beginning of year		71,094,369	76,337,486
Cash and cash equivalents at end of year	7	102,161,270	71,094,369

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

Notes to financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 16 August 2021.

1 Domicile and activities

Workforce Singapore Agency ("WSG") was established in the Republic of Singapore under the Workforce Singapore Agency Act, Cap. 305D. The address of the registered office and principal place of operations of the Agency is No. 1 Paya Lebar Link #08-08 PLQ 2 Paya Lebar Quarter Singapore 408533.

In January 2016, the Singapore Government announced the reorganisation of the functions of Singapore Workforce Development Agency ("WDA") for effective implementation of two key priorities: the national SkillsFuture initiative and the need to ensure competitiveness and quality job for Singaporeans over the long term. A new statutory board, SkillsFuture Singapore Agency ("SSG"), under the Ministry of Education ("MOE") has been formed to drive and coordinate the implementation of SkillsFuture initiative. Following the reorganisation of WDA, SSG has taken over some of the functions previously performed by WDA and absorbed the Council for Private Education ("CPE"), an existing statutory board under MOE.

WSG has renamed from WDA with effect from 4 October 2016 under Singapore Workforce Development Agency (Amendment) Act 2016, approved by Parliament on 16 August 2016 and assented by the President of the Republic of Singapore on 22 September 2016.

The principal activities of WSG are:

(a) to promote and facilitate employment and re-employment in Singapore through services and facilities that help citizens and residents of Singapore find and keep jobs;

(b) to collaborate with and support employers, relevant representatives of commerce or industry and public sector agencies in Singapore:

    (i) to identify and promote the enhancement of industry-specific skills;

    (ii) to enhance individuals' employability; and

    (iii) to increase workforce productivity and improve the international competitiveness of commerce and industry;

(c) to promote and facilitate productive employment and employee career development, including through review and reallocation of job duties and tasks among employees (commonly called job redesign);

(d) to promote and facilitate the adoption of best practices in the management of human capital in Singapore;

(e) to advise and make recommendations to the Government on policies, measures and laws connected with the Agency's functions under this Act or any other written law;

(f) to cooperate and collaborate with SSG in the discharge of its functions under the SkillsFuture Singapore Agency Act 2016;

(g) to encourage, promote and facilitate the development of the human resources industry in Singapore;

(h) to promote or undertake research in Singapore into matters relating to the Singapore workforce;

(i) to provide financial support by way of grants, loans or otherwise so as to give effect to the functions and objects of WSG;

(j) to undertake, direct and support the analysis and dissemination of labour market information and trends to the public;

(k) to represent the Government internationally in respect of matters relating to adult continuing education and training and public employment services; and

(l) to carry out such other functions as are imposed upon WSG by or under the Act or any other written law.

There has been no significant change in the nature of these activities during the financial year.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statutory Board Financial Reporting Standards ("SB-FRS"), including interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes as promulgated by the Accountant-General.

2.2 Basis of measurement

The financial statements have been presented on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the functional currency of WSG. All financial information presented in Singapore dollars have been rounded to the nearest dollar, unless otherwise stated.

2.4 Use of estimates and judgements

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

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

Management is of the opinion that there are no critical judgements made in applying WSG's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A number of WSG's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, WSG uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

2.5 Changes in accounting policies

New standards and amendments

WSG has applied the following SB-FRS, amendments to and interpretations of SB-FRS for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SB-FRS Standards*
- *Definition of a Business* (Amendments to SB-FRS 103)
- *Definition of Material* (Amendments to SB-FRS 1 and SB-FRS 8)
- *Interest Rate Benchmark Reform* (Amendments to SB-FRS 109, SB-FRS 39 and SB-FRS 107)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addressed changes in accounting policies.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the WSG's functional currency at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in income or expenditure.

3.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; when WSG has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in income or expenditure.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to WSG, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in income or expenditure as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in income or expenditure on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

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

Furniture and fittings	8 years
Office equipment	5 years
Computer equipment	3 to 5 years
Mechanical and electrical equipment	10 years
Office premises	Based on the lease terms

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Intangible assets

Intangible assets that are acquired by WSG and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in income or expenditure as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in income or expenditure on a straight–line basis over the estimated useful lives of intangible assets from the date that they are available for use.

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

Computer software	3 to 5 years

Assets under development included in intangible assets comprise software implementation that are not depreciated as these assets are not available for use.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in income or expenditure in the year the asset is derecognised.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when WSG becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless WSG changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

WSG makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the respective financial assets and the operation of those policies in practice ;
- how the performance of the respective financial assets is evaluated and reported to WSG's management;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume and timing of disposals of financial assets in prior periods, the reasons for such disposals and its expectations about future activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with WSG's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, WSG considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, WSG considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit WSG's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income or expenditure. Any gain or loss on derecognition is recognised in income or expenditure.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

WSG classifies non-derivative financial liabilities into the other financial liabilities category.

Other financial liabilities are initially measured at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in income or expenditure.

(iii) Derecognition

Financial assets

WSG derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - WSG neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when WSG enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

WSG derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. WSG also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in income or expenditure.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, WSG currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash maintained centrally with the Accountant-General's Department ("AGD") as a consolidated pool, cash balances and short-term deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by WSG in the management of its short-term commitments.

(vi) Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.5 Impairment

(i) Non-derivative financial assets

WSG recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of WSG are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

WSG applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

WSG applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, WSG assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, WSG considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on WSG's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

WSG assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

WSG considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to WSG in full, without recourse by WSG to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

WSG considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to WSG in full, without recourse by WSG to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which WSG is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that WSG expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, WSG assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- advance by WSG on terms that WSG would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when WSG determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with WSG's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of WSG's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

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

Impairment losses are recognised in income or expenditure. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Provisions

A provision is recognised if, as a result of a past event, WSG has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Reinstatement costs

In accordance with the applicable terms and conditions in the lease agreements governing WSG's use of assets under operating leases a provision for reinstatement costs in respect of the leased premises, and the related expense, was recognised at the date of inception of the lease.

The provision is reviewed annually based on external quotations and any changes are reflected in the present value of the provision at the end of the reporting period.

3.7 Employee benefits

Defined contribution plans

A defined contribution plan is an post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in income or expenditure in the periods during which related services are rendered by employees. Contributions on the employees' salaries are made to the Central Provident Fund ("CPF") as required by law. The CPF contributions are recognised as expenses in the period when the employees rendered their services.

Short-term employee 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 or profit-sharing plans if WSG has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the unconsumed leave as a result of services rendered by employees up to the reporting date.

3.8 Government grants

WSG receives various types of grants to meet its operating and development expenditure. Government grants are not recognised until there is reasonable assurance that WSG will comply with the conditions attaching to them and the grants will be received.

Capital grants

Government grants whose primary condition is that WSG should purchase, construct or otherwise acquire non-current assets are recognised as deferred capital grants in the statement of financial position and transferred to income or expenditure on a systematic and rational basis over the useful lives of the related assets.

Operating grants

Operating government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to WSG with no future related costs are recognised in income or expenditure in the period in which they become receivable.

3.9 Trust funds

Trust funds are set up to account for funds held in trust where WSG is not the owner and beneficiary of the funds received from the Government and other organisations. The receipts and expenditure in respect of trust funds are taken directly to the funds accounts and the net assets relating to the funds are shown as a separate line item in the statement of financial position. Trust funds include Skills Development Fund ("SDF") and Lifelong Learning Endowment Fund ("LLEF"). Trust funds are accounted for on an accruals basis, except for the LLEF which is accounted for on a cash basis.

The assets and liabilities of these trust funds are presented as a separate line item in the statement of financial position as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*. Income and expenditure relating to trust funds are accounted for directly in the funds to which they relate. Details of income, expenditure, assets and liabilities relating to these trust funds are disclosed separately in the notes to the financial statements.

3.10 Restricted funds

These are funds earmarked for specific purposes and for which separate disclosure is necessary as these funds are material. There are legal and other restrictions on the ability of WSG to distribute or otherwise apply its funds. The treatment is in accordance with Guidance Note 1 issued by the Accountant General Department ("AGD"). Restricted funds are accounted for on an accruals basis.

3.11 Income

Income from services rendered in the ordinary course of WSG's operations is recognised when WSG satisfies a performance obligation ("PO") to the customer. Invoices issued are payable within 30 days.

Workers' assessment fees

Income from workers' assessment fees are recognised at a point in time when the assessment tests are undertaken.

Application fees

Income from application fees are recognised when the application for WSG Career Development Framework ("CDF") credential have been approved.

Course fees

Income from course fees are recognised upon attendance of the courses by the participants.

3.12 Interest income and interest expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.13 Leases

At inception of a contract, WSG assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, WSG uses the definition of a lease in SB-FRS 116.

As a lessee

At commencement or on modification of a contract that contains a lease component, WSG allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property WSG has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

WSG recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to WSG by the end of the lease term or the cost of the right-of-use asset reflects that WSG will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, WSG's incremental borrowing rate. Generally, WSG uses its incremental borrowing rate as the discount rate.

WSG determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that WSG is reasonably certain to exercise, lease payments in an optional renewal period if WSG is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless WSG is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in WSG's estimate of the amount expected to be payable under a residual value guarantee, if WSG changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income or expenditure if the carrying amount of the right-of-use asset has been reduced to zero.

WSG presents right-of-use assets in 'property, plant and equipment' in the statement of financial position.

Short-term leases and leases of low-value assets

WSG has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including computer equipment. WSG recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.14 Contribution to consolidated fund

In lieu of income tax, WSG is required to make contributions to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap 319A, 2004 Revised Edition) and in accordance with the Finance Circular Minute No. M5/2005 with effect from 2004/2005. The contribution is based on a percentage, as decided by Ministry of Finance, of the net surplus of WSG for the financial period. Contribution is provided for on an accruals basis.

3.15 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, WSG has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SB-FRSs, interpretations and amendments to SB-FRSs are not expected to have a significant impact on WSG's financial statements.

- SB-FRS 117 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SB-FRS 1)
- *Covid-19-Related Rent Concessions* (Amendment to SB-FRS 116)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SB-FRS 110 and SB-FRS 28)
- *Reference to the Conceptual Framework* (Amendments to SB-FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SB-FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SB-FRS 37)
- *Annual Improvements to SB-FRSs 2018 – 2020*

4 Deposits and prepayments

	2021 $	2020 $
Deposits	2,246,961	2,396,708
Prepayments	933,650	1,858,653
	3,180,611	4,255,361
Represented by:		
Non-current portion	1,531,002	2,231,467
Current portion	1,649,609	2,023,894
	3,180,611	4,255,361

5 Property, plant and equipment

	Furniture and fittings $	Office equipment $	Computer equipment $	Mechanical and electrical equipment $	Office premises $	Work-in-progress $	Total $
Cost							
At 1 April 2019	2,340,619	705,724	212,983	205,942	–	–	3,465,268
Recognition of right-of-use asset on initial application of SB-FRS 116	–	–	–	–	2,322,884	–	2,322,884
Adjusted balance at 1 April 2019	2,340,619	705,724	212,983	205,942	2,322,884	–	5,788,152
Additions	9,137	29,415	–	–	12,304,677	232,416	12,575,645
Written off	(46,709)	(145,018)	(26,570)	–	–	–	(218,297)
At 31 March 2020 and 1 April 2020	2,303,047	590,121	186,413	205,942	14,627,561	232,416	18,145,500
Additions	3,989,540	149,628	1,980,478	–	2,231,331	–	8,350,977
Reclassification	(264,469)	–	–	–	496,885	(232,416)	–
Written off	(271,425)	–	–	(99,880)	(1,024,173)	–	(1,395,478)
At 31 March 2021	5,756,693	739,749	2,166,891	106,062	16,331,604	–	25,100,999
Accumulated depreciation							
At 1 April 2019	817,484	325,280	89,213	29,433	–	–	1,261,410
Depreciation for the year	505,974	208,889	65,692	74,059	2,425,325	–	3,279,939
Written off	(46,709)	(145,018)	(26,570)	–	–	–	(218,297)
At 31 March 2020 and 1 April 2020	1,276,749	389,151	128,335	103,492	2,425,325	–	4,323,052
Depreciation for the year	481,365	112,342	276,865	37,045	4,654,300	–	5,561,917
Reclassification	(496,885)	–	–	–	496,885	–	–
Written off	(266,204)	–	–	(99,880)	(1,024,173)	–	(1,390,257)
At 31 March 2021	995,025	501,493	405,200	40,657	6,552,337	–	8,494,712
Carrying amounts							
At 1 April 2019	1,523,135	380,444	123,770	176,509	–	–	2,203,858
At 31 March 2020	1,026,298	200,970	58,078	102,450	12,202,236	232,416	13,822,448
At 31 March 2021	4,761,668	238,256	1,761,691	65,405	9,779,267	–	16,606,287

As at 31 March 2021, property, plant and equipment includes right-of-use assets of $9,779,267 (2020: $12,202,236) related to leased office premises.

6 Intangible assets

	Computer software $	Assets under development $	Total $
Cost			
At 1 April 2019	11,161,353	–	11,161,353
Additions	10,432,036	1,905,653	12,337,689
Written off	(76,194)	–	(76,194)
At 31 March 2020	21,517,195	1,905,653	23,422,848
Additions	8,808,861	4,098,223	12,907,084
At 31 March 2021	30,326,056	6,003,876	36,329,932
Accumulated amortisation			
At 1 April 2019	8,684,538	–	8,684,538
Amortisation for the year	4,282,336	–	4,282,336
Written off	(76,194)	–	(76,194)
At 31 March 2020	12,890,680	–	12,890,680
Amortisation for the year	4,934,575	–	4,934,575
At 31 March 2021	17,825,255	–	17,825,255
Carrying amounts			
At 1 April 2019	2,476,815	–	2,476,815
At 31 March 2020	8,626,515	1,905,653	10,532,168
At 31 March 2021	12,500,801	6,003,876	18,504,677

7 Cash and cash equivalents

	2021 $	2020 $
Centralised Liquidity Management ("CLM") deposits held with AGD [(i)]	102,161,270	71,094,369

[(i)] With effect from financial year 2009/2010, Statutory Boards are to participate in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the statutory board upon request and earns interest at the average rate of 0.79% (2020: 1.93%) per annum.

8 Other receivables

	Note	2021 $	2020 $
Other receivables		650,271	1,055,851
Less: Allowance for impairment loss		(6,057)	(96)
Net other receivables		644,214	1,055,755
Amount due from MOM - RF	17	29,759,083	29,216,979
Amount due from SSG		2,674,930	536,768
Amount due from NPF	17	472,000	176,122
Amount due from SDF	26	10,171,981	68,100
Amount due from MOM - ATB	17	3,402,840	12,129,739
Amount due from LLEF	27	16,481,303	170,940
		63,606,351	43,354,403

The amount due from SSG is unsecured, interest-free and repayable within a credit period of 30 days.

Credit and market risks, and impairment losses

WSG's exposure to credit and market risks, and impairment losses for other receivables are disclosed in note 22.

9 Capital account

Capital account represents the Government's capital contribution for the establishment of Singapore Workforce Development Agency on 1 September 2003.

10 Share capital

	2021 Number of shares	2020 Number of shares	2021 $	2020 $
Issued and fully paid with no par value				
At beginning and end of year	1,000	1,000	1,000	1,000

Injection of capital is part of the Capital Management Framework for Statutory Boards under Finance Circular Minute M26/2008. The shares have been fully paid and are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The holder of these shares, which has no par value, is entitled to receive dividends.

Capital management

WSG manages its capital to ensure that it will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of WSG consists of accumulated surplus, capital account and share capital. The overall strategy of WSG remains unchanged from the previous financial year.

11 Statement of comprehensive income – Restricted funds

	CES		MOM - RF		MOM - ATB		Operations funded by SDF		Operations funded by LLEF		NPF		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income														
Other income	–	–	(18)	34	139	122	–	23	7	144	(19)	24	109	347
Expenditure														
Depreciation of property, plant and equipment	–	–	(938)	(911)	–	–	–	–	(244)	(338)	–	–	(1,182)	(1,249)
Amortisation of intangible assets	–	–	(3,275)	(2,299)	–	–	–	–	(654)	(1,679)	–	–	(3,929)	(3,978)
Staff costs	–	–	(9,894)	(8,401)	–	–	–	–	–	–	–	–	(9,894)	(8,401)
Grant disbursements	–	–	(40,741)	(4,892)	(398,035)	(214,890)	–	–	–	–	(116)	(1,256)	(438,892)	(221,038)
Lease expenses	–	–	–	(11)	–	–	–	–	–	–	–	–	–	(11)
Interest expense on lease liabilities	–	–	(49)	(77)	–	–	–	–	–	–	–	–	(49)	(77)
Professional services	–	–	(793)	(468)	(21)	(14)	–	107	–	113	–	–	(814)	(262)
Maintenance expenses	–	–	(12,676)	(7,233)	(932)	(859)	–	–	–	167	–	–	(13,608)	(7,925)
Suppliers and materials	–	–	(52)	(50)	(33)	–	–	–	–	–	–	–	(85)	(50)
Public relations	–	–	(25)	631	(4,805)	(7)	–	–	–	–	–	–	(4,830)	624
Travel expenses	–	–	(5)	(12)	–	–	–	–	–	–	–	–	(5)	(12)
GST expenses	–	–	(986)	(649)	(665)	(180)	1	(85)	2	(230)	–	1	(1,648)	(1,143)
Temporary staff costs	–	–	–	(190)	(1,258)	(32)	–	–	–	–	–	–	(1,258)	(222)
Others	–	–	2	(21)	(227)	(254)	–	–	–	–	–	–	(225)	(275)
Total expenditure	–	–	(69,432)	(24,583)	(405,976)	(216,236)	1	22	(896)	(1,967)	(116)	(1,255)	(476,419)	(244,019)
Deficit for the year before grants and contribution to consolidated fund	–	–	(69,450)	(24,549)	(405,837)	(216,114)	1	45	(889)	(1,823)	(135)	(1,231)	(476,310)	(243,672)
Grants from government	–	–	66,175	22,234	405,837	216,114	(1)	(45)	(9)	(194)	135	1,231	472,137	239,340
Deferred capital grants amortised	–	–	3,275	2,315	–	–	–	–	898	2,017	–	–	4,173	4,332
	–	–	69,450	24,549	405,837	216,114	(1)	(45)	889	1,823	135	1,231	476,310	243,672
Net deficit for the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Accumulated surplus/(deficit) at the beginning of the year	–	1,138	25	25	–	–	(31)	(31)	–	–	–	–	(6)	1,132
Return of unutilised accumulated surplus	–	(1,138)	–	–	–	–	–	–	–	–	–	–	–	(1,138)
Accumulated surplus/(deficit) at the end of the year	–	–	25	25	–	–	(31)	(31)	–	–	–	–	(6)	(6)

12 Provision for reinstatement costs

	2021 $	2020 $
At beginning of the year	477,447	481,955
Provision made during the year	1,980,495	9,137
Reversal of overprovision for reinstatement costs	(88,427)	(13,645)
Reinstatement costs utilised	(40,105)	–
At end of the year	2,329,410	477,447
Represented by:		
Non-current portion	2,329,410	236,210
Current portion	–	241,237
	2,329,410	477,447

Provision for reinstatement costs is the estimated costs to restore any or all parts of WSG's leased premises to their state and condition as at the commencement of the lease terms. The provision is expected to be utilised upon return of WSG's leased premises.

13 Deferred capital grants

	Note	2021 $	2020 $
At beginning of the year		12,152,381	4,576,120
Amounts transferred from government grants received in advance	17	19,026,729	12,599,520
		31,179,110	17,175,640
Amortisation of deferred capital grants		(5,847,415)	(5,023,259)
At end of the year		25,331,695	12,152,381
Represented by:			
Non-current portion		15,381,691	3,734,783
Current portion		9,950,004	8,417,598
		25,331,695	12,152,381

14 Other payables

	Note	2021 $	2020 $
Other payables			
- Related parties		688,509	6,620,324
- Third parties		17,730,793	3,205,744
Accrued operating expenses		13,321,267	12,206,591
Advance receipts		1,255	723
Amount due to SSG		20,734,893	19,192,180
Amount due to SDF	26	38,502,368	21,295,495
Amount due to LLEF	27	2,679,128	–
		93,658,213	62,521,057

The amount due to SSG is unsecured, interest-free and repayable within a credit period of 30 days.

15 Contribution to consolidated fund

	2021 $	2020 $
Surplus for the year before contribution to consolidated fund	26,917,821	12,234,548
Contribution to consolidated fund at 17% (2020: 17%) as presented in the statement of financial position and statement of comprehensive income	4,576,029	2,079,877

16 Lease liabilities

	2021 $	2020 $
Non-current	6,210,699	10,354,958
Current	5,103,622	3,021,027
	11,314,321	13,375,985

The incremental borrowing rate of WSG's lease liabilities is 3.2% (2020: 3.2%) per annum during the year.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2021 $	2020 $
Adjusted balance as at 1 April	13,375,985	2,322,884
Changes from financing cash flows		
Payment of lease liabilities	(2,150,841)	(1,251,576)
Interest paid	(396,013)	(203,336)
Total changes from financing cash flows	(2,546,854)	(1,454,912)
Other changes		
New leases	89,177	12,304,677
Interest expense on lease liabilities	396,013	203,336
Total other changes	485,190	12,508,013
Balance as at 31 March	11,314,321	13,375,985

17 Government grants received in advance

	Note	CES [(i)] $	MOM - RF [(ii)] $	MOM - ATB [(iii)] $	NPF[(iv)] $	Operations funded by SDF [(v)] $	Operations funded by LLEF [(v)] $	Operating grants $	Total $
At 1 April 2019		2,462,888	–	95,814	–	104,061	2,348,323	–	5,011,086
Grants (returned)/received during the financial year		(2,462,888)	16,336,272	203,889,332	1,080,000	1,000	1,000	172,584,680	391,429,396
		–	16,336,272	203,985,146	1,080,000	105,061	2,349,323	172,584,680	396,440,482
Grants receivable in the next financial year	8	–	29,216,979	12,129,739	176,122	68,100	159,630	–	41,750,570
Transfer to income or expenditure		–	(22,233,532)	(216,114,885)	(1,231,559)	44,325	195,742	(171,235,336)	(410,575,245)
Transfer to deferred capital grants	13	–	(11,039,608)	–	–	–	(210,568)	(1,349,344)	(12,599,520)
At 31 March 2020 and 1 April 2020		–	12,280,111	–	24,563	217,486	2,494,127	–	15,016,287
Grants received during the financial year		–	39,281,917	402,433,954	–	–	–	178,047,230	619,763,101
		–	51,562,028	402,433,954	24,563	217,486	2,494,127	178,047,230	634,779,388
Grants receivable in the next financial year	8	–	29,759,083	3,402,840	472,000	–	–	–	33,633,923
Transfer to income or expenditure		–	(66,175,470)	(405,836,794)	(135,007)	659	9,009	(170,176,958)	(642,314,561)
Transfer to deferred capital grants	13	–	(11,156,457)	–	–	–	–	(7,870,272)	(19,026,729)
At 31 March 2021		–	3,989,184	–	361,556	218,145	2,503,136	–	7,072,021

(i) **Centre for Employability Skills**

In November 1998, the Bukit Merah Skills Development Centre ("BMSDC") was established as part of the off-budget measure to offer full-time training facilities for workers and to expand training resources for companies in Singapore. In 2007, the centre was repositioned into a Centre for Employability Skills ("CES") which coordinates and delivers courses, appraises and assesses workers' and trainees' skills and provides facilities for organisations to operate training and administer Employability Skills System and Workforce Skills Qualification. The balance amount from the former BMSDC was transferred by the Institute of Technical Education to WSG. The centre manager was Nanyang Polytechnic ("NYP") in the financial years ended 31 March 2005 and 2006. In 2007, WSG took over the assessment function from NYP while appointing Employment and Employability Institute ("E2I") as managing agent of the premises for a period of 2 years from 1 April 2007 to 31 March 2009. WSG has since relinquished the Temporary Occupation Licence for the premises with effect from 1 April 2009 and E2I has taken over the lease of the premises while the assessment function still remains with WSG.

(ii) **Reinvestment Funds**

Reinvestment Funds ("RF") are provided by Ministry of Finance ("MOF") through Ministry of Manpower ("MOM") to supplement WSG's operating grant and/or project funds. There are various types of Reinvestment Funds allocated on an annual or multiple years' basis.

(iii) **Above-The-Block**

In support of the Jobs and Skills (JS) strategies and desired macro outcomes as part of the JS 2030 Roadmap, MOF has provided Above-The-Block ("ATB") grant through MOM to supplement WSG's existing funds for programmes and initiatives. The main beneficiaries of the JS Programmes budget are the employers, individuals and the general community. It supports expenditure on:

a. Employment facilitation and career services;
b. Enterprise/productivity-oriented programmes;
c. Programmes targeted at special workforce segments; and
d. Consultancy, survey and research.

(iv) **National Productivity Fund**

National Productivity Fund ("NPF") is a Government fund administered by the Productivity Fund Administration Board ("PFAB") to fund initiatives related to productivity enhancement and continuing education. There are various types of NPF allocated on multiple years' basis.

(v) **Operations funded by Skills Development Fund ("SDF") and Lifelong Learning Endowment Fund ("LLEF")**

Starting from the financial year ended 31 March 2011, in areas permissible, WSG taps on the SDF and LLEF to meet the increasing demands and needs of WSG's workforce development efforts. These expenditures pertain to manpower and operating overheads related to the delivery of specific CET programmes.

18 Operating income

	2021 $	2020 $
Application fees	8,840	7,540
Course fees	192,017	203,763
	200,857	211,303

19 Interest and other income

	2021 $	2020 $
Interest income from:		
- Short-term bank deposits	3	3
- CLM deposits held with AGD	800,687	794,699
Others	1,000	2,210
	801,690	796,912

20 Deficit for the year before grants and contribution to consolidated fund

The following items have been included in arriving at deficit for the year before grants and contribution to consolidated fund:

	2021 $	2020 $
Allowance for impairment loss on other receivables	5,961	–
Loss on property, plant and equipment and intangible assets written off	5,221	600
Net foreign exchange loss	5,844	11,837

21 Staff costs

	2021 $	2020 $
Wages and salaries	44,445,187	40,312,782
Contributions to defined contribution plans	6,821,653	5,750,891
Staff training and benefits	3,386,140	2,409,415
Skills development levy	57,587	48,476
	54,710,567	48,521,564

22 Financial instruments

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

This note presents information about WSG's exposure to each of the above risks, WSG's objectives, policies and processes for measuring and managing risk, and WSG's management of capital.

Risk management framework

WSG has documented financial risk management policies. These policies set out WSG's overall business strategies and its risk management philosophy. WSG's overall financial risk management objective seeks to minimise potential adverse effects on its financial performance. It is WSG's policy not to hold derivative financial instruments for speculative purposes although such instruments may be used for hedging exposure.

The Board provides written principles for overall financial risk management, which covers specifically on market risk (including interest rate risk), credit risk and liquidity risk. Such written policies are reviewed periodically by the Board and periodic reviews are undertaken to ensure that WSG's policy are relevant and complied with.

WSG monitors its risk exposure regularly. There has been no change to WSG's exposure to these financial risks or the manner in which it manages and measures the risk.

WSG has established a governance, risk and compliance framework which sets out, amongst other things, the governance oversight, risk measurement and monitoring processes, to enhance its overall risk management. As part of the risk management process, the management of WSG also conducts ongoing review of its financial assets held in the investment portfolio.

Credit risk

Credit risk is the risk of financial loss to WSG if a customer or counterparty to a financial instrument fails to meet its contractual obligations, as and when they fall due.

At the reporting date, WSG's credit risk is limited as the major classes of financial assets are cash and deposits with AGD and other receivables. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position.

Expected credit loss assessment

Other receivables

The ageing of other receivables at the reporting date was as follows:

	Gross 2021 $	Loss allowance 2021 $	Gross 2020 $	Loss allowance 2020 $
Not past due	63,575,603	–	43,351,863	–
Past due 1 – 90 days	24,691	–	2,540	–
Past due more than 90 days	6,057	6,057	96	96
	63,606,351	6,057	43,354,499	96

The credit period on rendering of services is 30 days (2020: 30 days). No interest is charged on the other receivables and no collateral is held by WSG over the other receivables.

The movement in the allowance for impairment loss was as follows:

	2021 $	2020 $
Balance at beginning of the year	96	96
Charged to income or expenditure	5,961	–
Balance at end of the year	6,057	96

In determining the recoverability of a receivable, WSG considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. Credit risk is limited due to management's on-going evaluation of the creditworthiness of WSG's customers and that majority of WSG's other receivables are within their expected cash collection cycle.

WSG does not require collateral in respect of other receivables. WSG does not have receivables for which no loss allowance is recognised because of collateral.

Based on WSG's monitoring of customer credit risk, WSG believes that, apart from the above, no loss allowance is necessary in respect of other receivables.

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. WSG considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that WSG will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

WSG manages liquidity risk by maintaining sufficient funding from the Government to finance its operations and to mitigate the effects of fluctuations in cash flows.

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

		Cash flows		
	Carrying amount $	**Contractual cash flows $**	**Within 1 year $**	**Between 2 to 5 years $**
31 March 2021				
Non-derivative financial liabilities				
Other payables	93,658,213	(93,658,213)	(93,658,213)	–
Lease liabilities	11,314,321	(11,842,975)	(5,103,622)	(6,739,353)
	104,972,534	(105,501,188)	(98,761,835)	(6,739,353)
31 March 2020				
Non-derivative financial liabilities				
Other payables	62,521,057	(62,521,057)	(62,521,057)	–
Lease liabilities	13,375,985	(14,143,808)	(3,420,484)	(10,723,324)
	75,897,042	(76,664,865)	(65,941,541)	(10,723,324)

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

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of WSG's financial instruments will fluctuate because of changes in market interest rates.

WSG has cash balances placed with reputable banks and financial institutions and deposits held with AGD and has limited exposure to interest rate risk as variable rate interest-bearing assets are mainly of a short-term nature (Note 7).

Determination of fair values

Other financial assets and liabilities

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

Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Amortised cost $	**Other financial liabilities $**	**Total carrying amount $**	**Fair value $**
31 March 2021				
Financial assets not measured at fair value				
Deposits	2,246,961	–	2,246,961	2,246,961
Other receivables	63,606,351	–	63,606,351	63,606,351
Cash and cash equivalents	102,161,270	–	102,161,270	102,161,270
	168,014,582	–	168,014,582	168,014,582
Financial liability not measured at fair value				
Other payables*	–	(93,656,958)	(93,656,958)	(93,656,958)
31 March 2020				
Financial assets not measured at fair value				
Deposits	2,396,708	–	2,396,708	2,396,708
Other receivables	43,354,403	–	43,354,403	43,354,403
Cash and cash equivalents	71,094,369	–	71,094,369	71,094,369
	116,845,480	–	116,845,480	116,845,480
Financial liability not measured at fair value				
Other payables*	–	(62,521,057)	(62,521,057)	(62,521,057)

* Excludes advance receipts

23 Leases

Leases as lessee (SB-FRS 116)

WSG has entered into lease agreements for leases of office premises. The leases typically run for a period of 2 to 3 years, with an option to renew the lease after that date. Lease payments are renegotiated every 2 to 3 years to reflect market rentals. For certain leases, WSG is restricted from entering into any sub-lease arrangements.

Information about leases for which WSG is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 5).

	Office premises	
	2021	**2020**
	$	**$**
Balance at 1 April	12,202,236	2,322,884
Depreciation charge for the year	(4,654,300)	(2,425,325)
Additions to right-of-use assets	2,231,331	12,304,677
Balance at 31 March	9,779,267	12,202,236

Amounts recognised in income or expenditure

	2021	**2020**
	$	**$**
Leases under SB-FRS 116		
Interest on lease liabilities	396,013	203,336
Expenses relating to short-term leases	39,024	11,499

Amounts recognised in statement of cash flows

	2021	**2020**
	$	**$**
Total cash outflow for leases	2,546,854	1,466,411

24 Related parties

For the purpose of these financial statements, parties are considered to be related to WSG if WSG has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where WSG and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

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

The remuneration of key management personnel during the financial year were as follows:

	2021	**2020**
	$	**$**
Board of Directors fees	119,140	119,080
Wages and salaries	6,241,061	5,663,582
Employer's contribution to Central Provident Fund	338,640	283,491
	6,698,841	6,066,153

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, there were the following related party transactions carried out on terms agreed between the parties:

	Parent Ministry	**Other Ministries**	**Statutory boards (i)**
	$	**$**	**$**
2021			
Operating income	–	(8,962)	(27,126)
Grant disbursements	6,584,500	2,537,167	7,560,271
Professional services	38,217	35,901	18,453,794
Maintenance expenses	–	485,653	23,968,525
Other expenditure	1,950	18,801	3,823,728
2020			
Operating income	(2,400)	(4,540)	(36,237)
Grant disbursements	10,355,200	585,393	8,600,492
Professional services	–	38,085	28,134,503
Maintenance expenses	–	41,670	25,446,649
Other expenditure	21,308	8,391	8,963,565

(i) WSG and SSG have the shared goal of helping individuals grow their skills in the course of seeking fulfilling careers, and enabling Singapore's enterprises to develop their workforce to remain globally competitive. SSG provides various services to WSG as the main resource owner, including business process outsourcing, technological and facility services to deliver the shared goal. WSG will reimburse SSG for services rendered during the year amounting to $31,455,359 (2020: $53,705,094) (as included above).

25 Commitments

Capital commitments

Capital expenditure contracted for at the end of each reporting period but not recognised in the financial statements are as follows:

	2021 $	2020 $
Commitments for the acquisition of:		
Intangible assets	14,153,065	15,525,429
Property, plant and equipment	317,994	3,967,174
	14,471,059	19,492,603

26 Net assets of Skills Development Fund

The Skills Development Fund ("SDF") was established in the Republic of Singapore on 1 October 1979 as a Government fund under the Skills Development Levy Act, Cap. 306. SDF was administered by Singapore Workforce Development Agency ("WDA") from 1 September 2003 to 2 October 2016. Following the reorganisation in Note 1, the administration of SDF was transferred to SSG on 3 October 2016.

WSG and SSG has established a mutually agreed allocation framework on the usage of SDF to finance WSG and SSG's operations respectively. As WSG and SSG's activities and operations have expanded rapidly to react to greater economic downturns and uncertainties impacting the Singapore workforce, WSG administers a portion of SDF on behalf of SSG to fund expenditures on manpower, other operating expenditures and development costs for selected Continuing Education and Training ("CET") functions using SDF.

SDF is established for the following purposes:

(i) the promotion, development and upgrading of skills and expertise of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce;

(ii) the retraining of retrenched persons; and

(iii) the provision of financial assistance by grants, loans or otherwise for the above-mentioned purposes.

The financial information of SDF is as follows:

	Note	2021 $	2020 $
Income			
Interest income		11,733	232,015
Others		53,668	2,238
		65,401	234,253
Expenditure			
Grants disbursed		(21,825,060)	(26,340,447)
Others		(300,000)	–
		(22,125,060)	(26,340,447)
Grants received		22,059,659	26,106,194
Surplus for the year		–	–
Represented by:			
Current assets			
Cash and cash equivalents		6,375	389,366
Other receivables		6,411	177,404
Amount due from WSG	14	38,502,368	21,295,495
Amount due from LLEF	27	386,831	–
Grants disbursed in advance		971,340	927,778
		39,873,325	22,790,043
Current liabilities			
Other payables		(6,427,754)	(358,160)
Amount due to WSG	8	(10,171,981)	–
Grants received in advance		(23,273,590)	(22,431,883)
		(39,873,325)	(22,790,043)
Net assets		–	–

27 Net assets of Lifelong Learning Endowment Fund

The Lifelong Learning Endowment Fund ("LLEF") is set up by the Singapore Government under the Lifelong Learning Endowment Fund Act, Cap.162A for the acquisition of skills and expertise by persons and the development and upgrading of skills and expertise of persons to enhance their employability; and the promotion of the acquisition, development and upgrading of skills and expertise to enhance the employability of persons.

WSG has been appointed by the Ministry of Education ("MOE") as the administrator of the LLEF to receive and deploy the grant for programmes that are congruent with the objectives of the LLEF.

The financial information of LLEF is as follows:

	Note	2021 $	2020 $
Income			
Refund of unused grant from programme manager		898,550	368,826
Interest income		369,255	330,382
		1,267,805	699,208
Expenditure			
Grants disbursed		(96,046,635)	(108,782,462)
Marketing and promotion expenses		(256,920)	(182,042)
		(96,303,555)	(108,964,504)
Grants received		100,118,404	106,184,664
Surplus/(Deficit) for the year		5,082,654	(2,080,632)
Accumulated surplus at the beginning of the year		118,324	2,198,956
Accumulated surplus at the end of the year		5,200,978	118,324
Represented by:			
Current assets			
Cash and cash equivalents		19,386,380	283,660
Grants disbursed in advance		2,494,127	2,348,323
Other assets		–	2,000
Amount due from WSG	14	2,679,128	–
		24,559,635	2,633,983
Current liabilities			
Other payables		(2,490,523)	(2,344,719)
Amount due to SDF	26	(386,831)	–
Amount due to WSG	8	(16,481,303)	(170,940)
		(19,358,657)	(2,515,659)
Net assets		5,200,978	118,324