



UNCOVERING OPPORTUNITIES:

# BUILDING A RESILIENT WORKFORCE

ANNUAL REPORT 2021/2022





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# FOREWORD

BY CHAIRMAN AND  
CHIEF EXECUTIVE

## Foreword by Chairman and Chief Executive

### Uncovering Opportunities: Building a Resilient Workforce

In 2021, Singapore went through many highs and lows in the nation's fight against COVID-19. Workforce Singapore (WSG) pushed ahead with enhanced programmes, pivoted service deliveries, and ramped up outreach efforts to help businesses stay resilient and jobseekers adaptable so that they can seize new opportunities that arose from the COVID-19 crisis.

And there are new opportunities. COVID-19 has made digital adoption ever more integral in Singaporeans' lives and livelihood. WSG rode on the waves of transformation – leveraging technology in our daily operations to continue providing support for businesses to attract and retain manpower and encourage jobseekers to not give up in their job search.

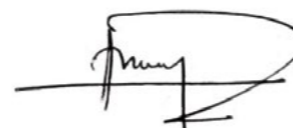
Careers Connect brought career matching services online for jobseekers and WSG career coaches to meet and discuss next steps in a safe, convenient environment. Complementing the 28 SGUnited Jobs and Skills Info Kiosk on-site deployments was the virtual info kiosk which together reached almost 215,500 visitors in 2021, which is a three-fold increase in outreach from 2020.

Other career services were upgraded along the way, such as Career Coach 4.0, a platform offering more streamlined and simplified user interface for career coaches to manage their cases more efficiently and effectively. WSG also enhanced features on the MyCareersFuture (MCF) job portal to enable employers access to a wider pool of talents and provide jobseekers with personalised job and course recommendations.

To provide job support to graduating students and mature workers, WSG placed more than 10,000 locals in the SGUnited Traineeship and SGUnited Mid-Career Pathways programmes. Initiatives like the Career Conversion Programme (CCP) also supported the hiring and training of more than 5,000 individuals. More than 90% of the employers that participated in the CCP were from SMEs.

Stepping into 2022, rising inflation and geopolitical tensions are challenges that businesses and Singaporean jobseekers have to face. Uneven economic recovery also means that jobseekers, especially those who are older or those who have been out of the workforce for a while would need more support in their career journeys. Businesses also have to relook their processes and identify new, innovative ways to manage their manpower needs.

Despite all these, WSG remains confident that by working together, Singapore and Singaporeans can ride through these challenges. WSG will continue to partner with employers and Singaporeans to grow, adapt and build resilience, to prepare for new opportunities, and create a better future for everyone.



**Mr Lim Ming Yan**  
Chairman



**Mr Tan Choon Shian**  
Chief Executive



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# ABOUT US

# Board Members



**Mr Lim Ming Yan**  
Chairman  
Workforce Singapore



**Mr Wahab Yusoff**  
Vice President – APJ  
Delinea Inc



**Ms Elaine Yew**  
Senior Partner, Global Co-Head  
of Leadership Advisory, Family  
Business and Family Office  
Egon Zehnder International



**Ms Jean See**  
Director, NTUC Freelancers and  
Self-Employed Unit (U FSE)  
National Trades Union Congress



**Mr Benjamin Mah**  
Head of Strategy and VC/PE Practice  
@ Oracle NetSuite Asia & Japan  
Oracle NetSuite



**Mr Murali Pillai SC**  
Partner  
Rajah & Tann Singapore LLP



**Mr Andrew Chong**  
Chairman  
Singapore Semiconductor  
Industry Association



**Mr Tan Kok Yam**  
Chief Executive  
SkillsFuture Singapore



**Ms Teo Lay Lim**  
CEO  
SPH Media Group



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



**Mr Lau Peet Meng**  
Board Member  
Workforce Singapore

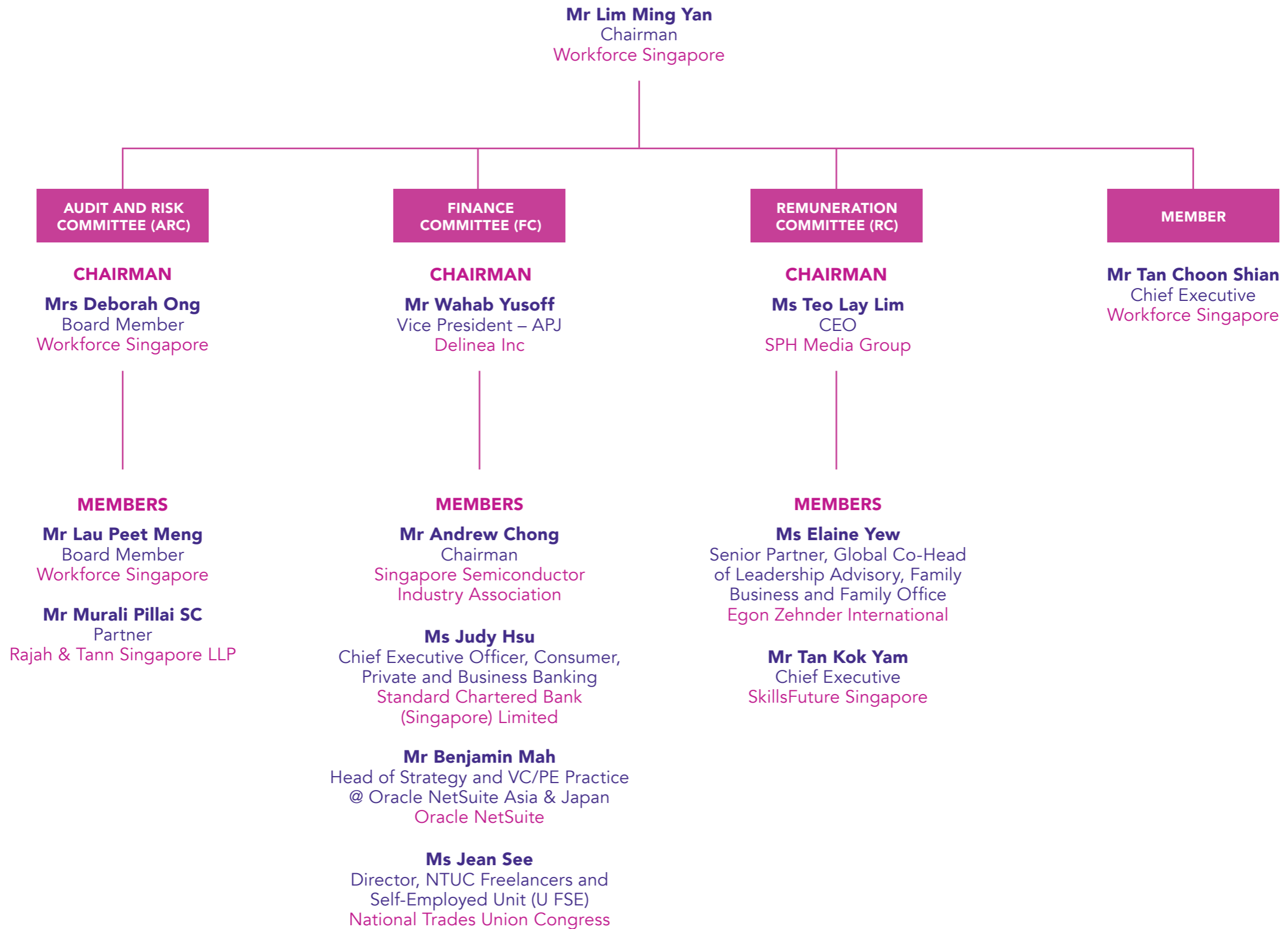


**Mrs Deborah Ong**  
Board Member  
Workforce Singapore



**Mr Tan Choon Shian**  
Chief Executive  
Workforce Singapore

# WSG BOARD MEMBERS CHART



## 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 Committee

#### a) Audit and Risk Committee (ARC)

The ARC 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 ARC 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 ARC 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 ARC. ARC will meet the external auditors at least once a year without the presence of WSG Management. The financial statements are endorsed by ARC and approved by WSG 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 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.

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 ARC.



### 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



**Mr Foo Kok Jwee**  
Deputy Chief Executive  
Chief Data Officer



**Mr Goh Eng Ghee**  
Chief Corporate Officer



**Ms Lynn Ng**  
Group Director  
Careers Connect Group (CCG)  
Career Practitioners Division



**Ms Julia Ng**  
Group Director  
Enterprise Development  
Group (EDG)



**Mr Brandon Lee**  
Group Director  
Transformation Support Group (TSG)  
Fraud & Enforcement Unit  
Ops-Tech Team



**Ms Janice Foo**  
Director  
Career Services  
Division, CCG



**Mr Richard Lim**  
Director  
Partners & Operations  
Division, CCG



**Ms Ong Bee Lee**  
Director  
Deputy Chief Data Officer  
Data Analytics Division, CCG



**Ms Joyce Tan**  
Director  
Digital Experience,  
Career Services, CCG



**Mr Aaron Lye**  
Director  
Corporate Marketing & Communications  
Division, Corporate and Development  
Group (CDG) (Term ended Jan 2022)



**Ms Regina Lim**  
Director  
Corporate Marketing &  
Communications Division, CDG  
(Term started Jan 2022)

# Senior Management



**Mr Ow Seng Fong**  
Director  
Corporate Services Division, CDG



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



**Ms Sharon Yap**  
Director  
Human Resource Division, CDG  
*(Term started Apr 2021)*



**Ms Mui Seah Lee**  
Acting Director  
New Operations Division, CDG



**Ms Doris Kuek**  
Director  
Strategic & Resource  
Planning Division, CDG



**Ms Gillian Woo**  
Director  
Creative & Professional  
Services Division, EDG



**Mr Jason Tay**  
Director  
Enterprise Programmes  
Division, EDG



**Ms Safrah d/o Mohamed Eusoff**  
Director  
Healthcare, Social & Business  
Services Division, EDG



**Mr Anderson Ee**  
Director  
Manufacturing Division, EDG



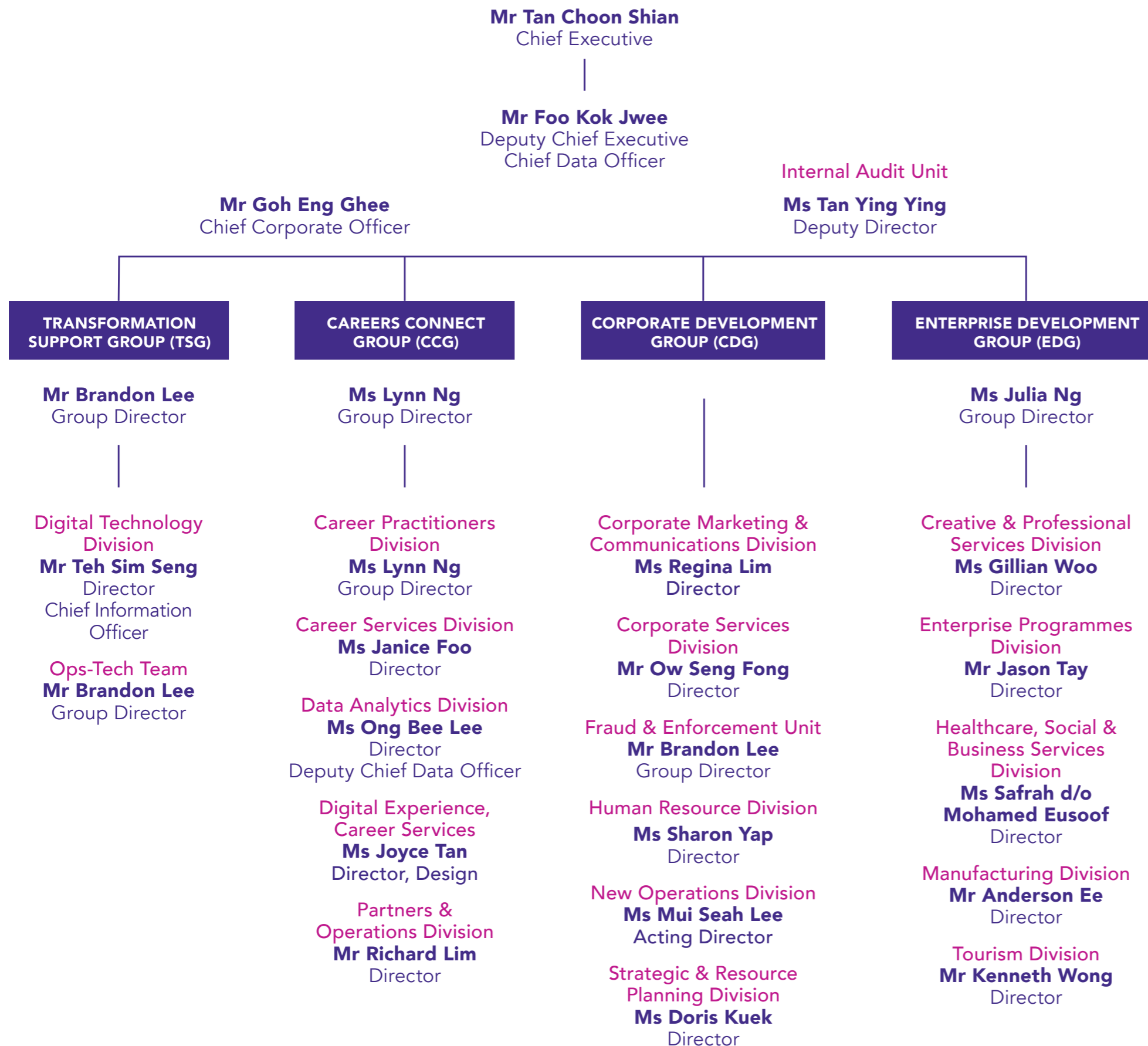
**Mr Kenneth Wong**  
Director  
Tourism Division, EDG



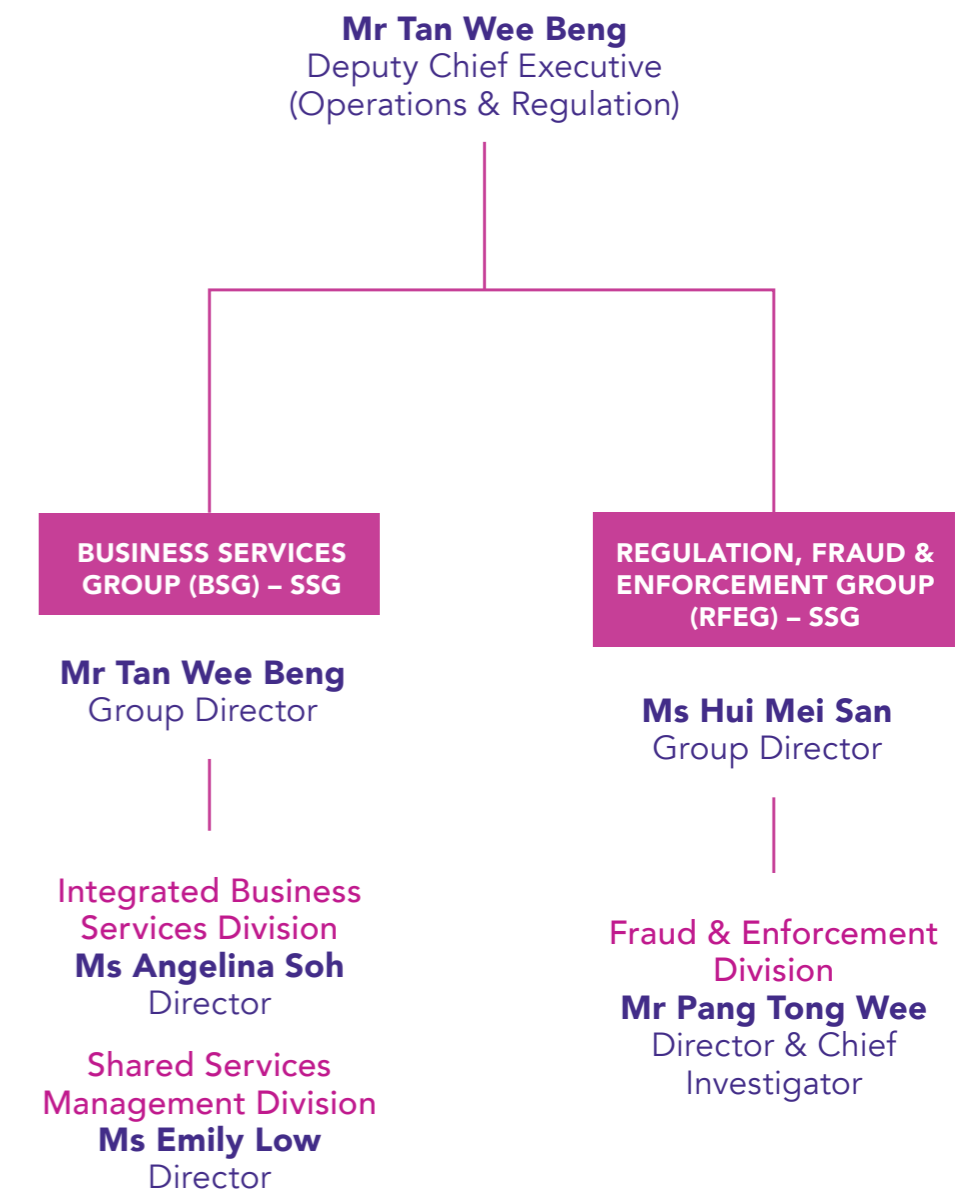
**Mr Teh Sim Seng**  
Director, Chief Information Officer  
Digital Technology Division, TSG

# WSG ORGANISATION CHART

FY2021 (As of 31 March 2022)



# SSG SHARED SERVICES ORGANISATION CHART





# KEY ACHIEVEMENTS

# Key Achievements in 2021



OVER

**73,000**

jobseekers assisted\*

Complementing the 28 SGUnited Jobs and Skills Info Kiosk on-site deployments was the virtual info kiosk which together reached almost



**215,500**

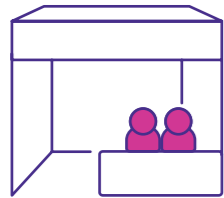
visitors, a three-fold increase in outreach from 2020



CLOSE TO

**170**

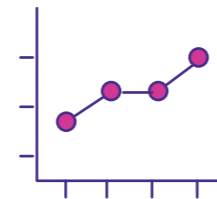
volunteer Career Advisors from 6 sectors have been trained and appointed to provide peer support, sector- and occupation-specific insights, and career advice to workers



MORE THAN

**1,200**

events organised to bring career matching services closer to jobseekers in the heartlands



PLACED MORE THAN

**68,000**

locals into jobs, through WSG's and e2i's programmes and services. This is more than 30% higher than what was achieved in 2020



PLACED MORE THAN

**10,000**

locals into traineeships and company attachments under the SGUnited Traineeships and Mid-Career Pathway Programmes



**60**

companies have benefitted through the Industry 4.0 Human Capital Initiative (IHCI) Enabler Programme

Breakdown of 2021's placements into jobs, traineeships and attachments:

- 49% mature workers aged 40 and above
- 47% Long-term Unemployed
- 48% females and 52% males
- 59% PMET and 41% Rank-and-File



CLOSE TO

**400**

companies used the IHCI self-help portal to gain resources on Industry 4.0 and support its implementation and job redesign



SUPPORTED MORE THAN

**5,000**

locals through the Career Conversion Programmes, of which, over 50% were working in SMEs



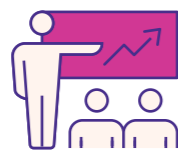
ASSISTED OVER

**12,000**

locals through the SGUnited Jobs and Skills Centres set up in all 24 HDB towns

TRAINED MORE THAN

**850**



career development practitioners to provide career coaching to jobseekers

SUPPORTED MORE THAN

**6,800**



unique companies in industry transformation programmes, of which, 95% were SMEs



MORE THAN

**43,000**

jobseekers found new jobs through Career Matching Services, an approximately 74% increase from 2020

\* Refers to the number of people who received light-touch employment advisory and/or registered for employment assistance at WSG's CMS physical touch points and NTUC's e2i centres.

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# FINANCIAL STATEMENTS



## Workforce Singapore Agency

Registration Number: T08GB0060H

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

Year ended 31 March 2022

## 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 2003 (the "Act"), the Public Sector (Governance) Act 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 2022, 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.

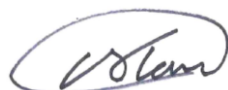
The Board of Workforce Singapore Agency has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Workforce Singapore Agency



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**Lim Ming Yan**  
Chairman



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**Tan Choon Shian**  
Chief Executive

22 August 2022





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

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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 2022, 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 2003 (the "Act"), the Public Sector (Governance) Act 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 2022, 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 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**

22 August 2022

**Statement of financial position  
As at 31 March 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deposits and prepayments	4	1,530,147	1,531,002
Property, plant and equipment	5	11,511,786	16,606,287
Intangible assets	6	20,133,489	18,504,677
		<u>33,175,422</u>	<u>36,641,966</u>
<b>Current assets</b>			
Deposits and prepayments	4	338,557	1,649,609
Cash and cash equivalents	7	176,795,789	102,161,270
Other receivables	8	10,104,942	63,606,351
		<u>187,239,288</u>	<u>167,417,230</u>
 Total assets		 <u>220,414,710</u>	 <u>204,059,196</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital account	9	7,872,073	7,872,073
Share capital	10	1,000	1,000
Accumulated surplus			
- General Fund		75,707,630	51,910,137
- Restricted Funds	11	(5,703)	(5,703)
<b>Total equity</b>		<u>83,575,000</u>	<u>59,777,507</u>
<b>Non-current liabilities</b>			
Provision for reinstatement costs	12	2,233,879	2,329,410
Deferred capital grants	13	13,120,843	15,381,691
Lease liabilities	16	1,892,495	6,210,699
		<u>17,247,217</u>	<u>23,921,800</u>
<b>Current liabilities</b>			
Deferred capital grants	13	12,606,418	9,950,004
Other payables	14	83,551,659	93,658,213
Provision for contribution to consolidated fund	15	4,874,186	4,576,029
Lease liabilities	16	5,158,417	5,103,622
Government grants received in advance	17	13,401,813	7,072,021
		<u>119,592,493</u>	<u>120,359,889</u>
<b>Total liabilities</b>		<u>136,839,710</u>	<u>144,281,689</u>
 <b>Total equity and liabilities</b>		 <u>220,414,710</u>	 <u>204,059,196</u>
<b>Net assets of trust funds</b>			
Skills Development Fund	26	-	-
Lifelong Learning Endowment Fund	27	3,179,612	5,200,978

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

**Statement of comprehensive income**  
**Year ended 31 March 2022**

	Note	2022			2021		
		General funds	Restricted funds	Total	General funds	Restricted funds	Total
		\$	\$	\$	\$	\$	\$
<b>Income</b>							
Operating income	18	502,174	–	502,174	200,857	–	200,857
Interest and other income	19	537,943	16,893	554,836	692,722	108,968	801,690
<b>Total income</b>		<b>1,040,117</b>	<b>16,893</b>	<b>1,057,010</b>	<b>893,579</b>	<b>108,968</b>	<b>1,002,547</b>
<b>Expenditure</b>							
Depreciation of property, plant and equipment	5	(4,882,571)	(1,103,745)	(5,986,316)	(4,380,545)	(1,181,372)	(5,561,917)
Amortisation of intangible assets	6	(1,402,372)	(7,628,778)	(9,031,150)	(1,005,618)	(3,928,957)	(4,934,575)
Staff costs	21	(45,503,687)	(21,734,962)	(67,238,649)	(44,817,004)	(9,893,563)	(54,710,567)
Grant disbursements		(27,995,475)	(346,216,357)	(374,211,832)	(21,882,772)	(438,893,125)	(460,775,897)
Lease expenses		(455,679)	–	(455,679)	(38,636)	(388)	(39,024)
Interest expense on lease liabilities		(270,000)	(41,084)	(311,084)	(346,321)	(49,692)	(396,013)
Professional services		(17,050,131)	(39,705)	(17,089,836)	(19,380,633)	(814,007)	(20,194,640)
Maintenance expenses		(16,109,477)	(11,019,980)	(27,129,457)	(18,351,016)	(13,608,593)	(31,959,609)
Supplies and materials		(453,561)	(73,925)	(527,486)	(1,396,288)	(84,863)	(1,481,151)
Public relations		(27,298,684)	(801,455)	(28,100,139)	(25,390,040)	(4,829,487)	(30,219,527)
Travel expenses		(72,490)	(631)	(73,121)	(50,088)	(4,555)	(54,643)
GST expenses		(4,056,174)	(1,258,917)	(5,315,091)	(4,268,563)	(1,648,913)	(5,917,476)
Temporary staff costs		(1,305,297)	(17,280)	(1,322,577)	(1,125,419)	(1,257,557)	(2,382,976)
Course-related trainers' fees		(171,885)	–	(171,885)	(185,345)	–	(185,345)
Others		(712,567)	(218,216)	(930,783)	(3,209,078)	(224,264)	(3,433,342)
<b>Total expenditure</b>		<b>(147,740,050)</b>	<b>(390,155,035)</b>	<b>(537,895,085)</b>	<b>(145,827,366)</b>	<b>(476,419,336)</b>	<b>(622,246,702)</b>
<b>Deficit for the year before grants and contribution to consolidated fund</b>	20	<b>(146,699,933)</b>	<b>(390,138,142)</b>	<b>(536,838,075)</b>	<b>(144,933,787)</b>	<b>(476,310,368)</b>	<b>(621,244,155)</b>

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

**Statement of comprehensive income (continued)**  
**Year ended 31 March 2022**

	Note	2022			2021		
		General funds	Restricted funds	Total	General funds	Restricted funds	Total
		\$	\$	\$	\$	\$	\$
<b>Grants</b>							
Grants from government	17	172,636,277	382,285,392	554,921,669	170,176,958	472,137,603	642,314,561
Deferred capital grants amortised	13	2,735,335	7,852,750	10,588,085	1,674,650	4,172,765	5,847,415
		<u>175,371,612</u>	<u>390,138,142</u>	<u>565,509,754</u>	<u>171,851,608</u>	<u>476,310,368</u>	<u>648,161,976</u>
<b>Surplus for the year before contribution to consolidated fund</b>	15	28,671,679	–	28,671,679	26,917,821	–	26,917,821
Contribution to consolidated fund	15	(4,874,186)	–	(4,874,186)	(4,576,029)	–	(4,576,029)
<b>Net surplus for the year, representing total comprehensive income for the year</b>		<u>23,797,493</u>	<u>–</u>	<u>23,797,493</u>	<u>22,341,792</u>	<u>–</u>	<u>22,341,792</u>

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

**Statement of changes in equity**  
**Year ended 31 March 2022**

	Capital account \$	Share capital \$	Accumulated surplus		Total \$
			General fund \$	Restricted fund \$	
At 1 April 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
Net surplus for the year, representing total comprehensive income for the year	–	–	23,797,493	–	23,797,493
Balance at 31 March 2022	7,872,073	1,000	75,707,630	(5,703)	83,575,000

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



**Statement of cash flows**  
**Year ended 31 March 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Deficit for the year before grants and contribution to consolidated fund		(536,838,075)	(621,244,155)
Adjustments for:			
Depreciation of property, plant and equipment	5	5,986,316	5,561,917
Amortisation of intangible assets	6	9,031,150	4,934,575
Interest income	19	(353,029)	(800,690)
Allowance for impairment loss on other receivables	20	62,950	5,961
Loss on property, plant and equipment and intangible assets written-off		–	5,221
Interest expense on lease liabilities	23	311,084	396,013
Changes in provision for reinstatement costs		(95,531)	(290,191)
		<u>(521,895,135)</u>	<u>(611,431,349)</u>
Changes in working capital:			
Deposits and prepayments		1,311,907	1,074,750
Other receivables		58,231,677	12,903,008
Other payables		<u>(10,106,554)</u>	<u>31,137,156</u>
Cash used in operations		<u>(472,458,105)</u>	<u>(566,316,435)</u>
Contribution to consolidated fund		<u>(4,576,029)</u>	<u>(2,079,877)</u>
<b>Net cash used in operating activities</b>		<u>(477,034,134)</u>	<u>(568,396,312)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(10,983,651)	(19,026,730)
Interest received		309,965	1,273,696
<b>Net cash used in investing activities</b>		<u>(10,673,686)</u>	<u>(17,753,034)</u>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities	16	(4,831,535)	(2,150,841)
Interest paid	16	(311,084)	(396,013)
Grants received from government	17	567,484,958	619,763,101
<b>Net cash from financing activities</b>		<u>562,342,339</u>	<u>617,216,247</u>
<b>Net change in cash and cash equivalents</b>		74,634,519	31,066,901
Cash and cash equivalents at beginning of year		<u>102,161,270</u>	<u>71,094,369</u>
<b>Cash and cash equivalents at end of year</b>	7	<u><u>176,795,789</u></u>	<u><u>102,161,270</u></u>

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 22 August 2022.

### 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 Paya Lebar Quarter 2, 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 amendments to SB-FRS for the first time for the annual period beginning on 1 April 2021.

- *COVID-19-Related Rent Concessions* (Amendments to SB-FRS 116)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to SB-FRS 109, SB-FRS 39, SB-FRS 107, SB-FRS 104 and SB-FRS 116)

The application of these amendments to standards did 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 the statement of comprehensive income.

### 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 the statement of comprehensive income.

#### *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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income as incurred.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in the statement of comprehensive income 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
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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 the statement of comprehensive income 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 the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

**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 the statement of comprehensive income.



**(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 the statement of comprehensive income.

**(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 the statement of comprehensive income. 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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income 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 Grant disbursement**

Grant disbursements are recognised as an expense in the statement of comprehensive income when there is an obligation to disburse.

### **3.13 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.

### **3.14 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 the statement of comprehensive income 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.

### **3.15 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.

### 3.16 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 2021 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.

- *Classification of Liabilities as Current or Non-current* (Amendments to SB-FRS 1)
- *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*
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SB-FRS 116)
- *Disclosure to Accounting Policies* (Amendments to SB-FRS 1 and SB-FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SB-FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SB-FRS 12)

## 4 Deposits and prepayments

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Deposits	1,574,370	2,246,961
Prepayments	294,334	933,650
	<u>1,868,704</u>	<u>3,180,611</u>
Represented by:		
Non-current portion	1,530,147	1,531,002
Current portion	338,557	1,649,609
	<u>1,868,704</u>	<u>3,180,611</u>



## 5 Property, plant and equipment

	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Mechanical and electrical equipment \$	Office premises \$	Work-in-progress \$	Total \$
<b>Cost</b>							
At 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 and 1 April 2021	5,756,693	739,749	2,166,891	106,062	16,331,604	–	25,100,999
Additions	88,466	12,057	71,316	–	568,126	151,850	891,815
Written off	–	–	–	–	(583,874)	–	(583,874)
At 31 March 2022	5,845,159	751,806	2,238,207	106,062	16,315,856	151,850	25,408,940
<b>Accumulated depreciation</b>							
At 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 and 1 April 2021	995,025	501,493	405,200	40,657	6,552,337	–	8,494,712
Depreciation for the year	727,548	102,434	716,346	10,606	4,429,382	–	5,986,316
Written off	–	–	–	–	(583,874)	–	(583,874)
At 31 March 2022	1,722,573	603,927	1,121,546	51,263	10,397,845	–	13,897,154
<b>Carrying amounts</b>							
At 1 April 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
At 31 March 2022	4,122,586	147,879	1,116,661	54,799	5,918,011	151,850	11,511,786

As at 31 March 2022, property, plant and equipment includes right-of-use assets of \$5,918,011 (2021: \$9,779,267) related to leased office premises.

## 6 Intangible assets

	Computer software \$	Assets under development \$	Total \$
<b>Cost</b>			
At 1 April 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
Additions	10,659,962	–	10,659,962
Reclassification	6,003,876	(6,003,876)	–
Written off	(11,637,528)	–	(11,637,528)
At 31 March 2022	35,352,366	–	35,352,366
<b>Accumulated amortisation</b>			
At 1 April 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
Amortisation for the year	9,031,150	–	9,031,150
Written off	(11,637,528)	–	(11,637,528)
At 31 March 2022	15,218,877	–	15,218,877
<b>Carrying amounts</b>			
At 1 April 2020	8,626,515	1,905,653	10,532,168
At 31 March 2021	12,500,801	6,003,876	18,504,677
At 31 March 2022	20,133,489	–	20,133,489

## 7 Cash and cash equivalents

	2022 \$	2021 \$
Centralised Liquidity Management (“CLM”) deposits held with AGD <sup>(i)</sup>	176,795,789	102,161,270

<sup>(i)</sup> 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 0.30% (2021: 0.79%) per annum.

## 8 Other receivables

	Note	2022 \$	2021 \$
Other receivables		1,956,662	650,271
Less: Allowance for impairment loss		(69,007)	(6,057)
Net other receivables		<u>1,887,655</u>	<u>644,214</u>
Amount due from MOM - RF	17	3,896,500	29,759,083
Amount due from SSG		964,878	2,674,930
Amount due from NPF	17	84,154	472,000
Amount due from SDF	26	–	10,171,981
Amount due from MOM - ATB	17	768,200	3,402,840
Amount due from LLEF	27	2,503,555	16,481,303
		<u>10,104,942</u>	<u>63,606,351</u>

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

	2022 Number of shares	2021 Number of shares	2022 \$	2021 \$
<b>Issued and fully paid with no par value</b>				
At beginning and end of year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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

	MOM - RF		MOM - ATB		Operations funded by SDF		Operations funded by LLEF		NPF		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Income</b>												
Other income	(10)	(18)	33	139	-	-	(1)	7	(5)	(19)	17	109
<b>Expenditure</b>												
Depreciation of property, plant and equipment	(881)	(938)	-	-	-	-	(223)	(244)	-	-	(1,104)	(1,182)
Amortisation of intangible assets	(6,401)	(3,275)	(988)	-	-	-	(240)	(654)	-	-	(7,629)	(3,929)
Staff costs	(13,939)	(9,894)	(7,492)	-	-	-	-	-	(304)	-	(21,735)	(9,894)
Grant disbursements	(12,500)	(40,741)	(333,716)	(398,035)	-	-	-	-	-	(116)	(346,216)	(438,892)
Interest expense on lease liabilities	(41)	(49)	-	-	-	-	-	-	-	-	(41)	(49)
Professional services	(8)	(793)	(31)	(21)	-	-	-	-	(1)	-	(40)	(814)
Maintenance expenses	(3,473)	(12,676)	(7,547)	(932)	-	-	-	-	-	-	(11,020)	(13,608)
Suppliers and materials	(47)	(52)	(27)	(33)	-	-	-	-	-	-	(74)	(85)
Public relations	(736)	(25)	(65)	(4,805)	-	-	-	-	-	-	(801)	(4,830)
Travel expenses	(1)	(5)	-	-	-	-	-	-	-	-	(1)	(5)
GST expenses	(299)	(986)	(960)	(665)	-	1	-	2	-	-	(1,259)	(1,648)
Temporary staff costs	-	-	(17)	(1,258)	-	-	-	-	-	-	(17)	(1,258)
Others	(31)	2	(187)	(227)	-	-	-	-	-	-	(218)	(225)
Total expenditure	(38,357)	(69,432)	(351,030)	(405,976)	-	1	(463)	(896)	(305)	(116)	(390,155)	(476,419)
Deficit for the year before grants and contribution to consolidated fund	(38,367)	(69,450)	(350,997)	(405,837)	-	1	(464)	(889)	(310)	(135)	(390,138)	(476,310)
Grants from government	31,965	66,175	350,009	405,837	-	(1)	1	(9)	310	135	382,285	472,137
Deferred capital grants amortised	6,402	3,275	988	-	-	-	463	898	-	-	7,853	4,173
	38,367	69,450	350,997	405,837	-	(1)	464	889	310	135	390,138	476,310
Net deficit for the year	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated surplus/(deficit) at the beginning of the year	25	25	-	-	(31)	(31)	-	-	-	-	(6)	(6)
Accumulated surplus/(deficit) at the end of the year	25	25	-	-	(31)	(31)	-	-	-	-	(6)	(6)

## 12 Provision for reinstatement costs

	2022 \$	2021 \$
At beginning of the year	2,329,410	477,447
Provision made during the year	–	1,980,495
Reversal of overprovision for reinstatement costs	(95,531)	(88,427)
Reinstatement costs utilised	–	(40,105)
At end of the year	<u>2,233,879</u>	<u>2,329,410</u>

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	2022 \$	2021 \$
At beginning of the year		25,331,695	12,152,381
Amounts transferred from government grants received in advance	17	<u>10,983,651</u>	<u>19,026,729</u>
		36,315,346	31,179,110
Amortisation of deferred capital grants		(10,588,085)	(5,847,415)
At end of the year		<u>25,727,261</u>	<u>25,331,695</u>
Represented by:			
Non-current portion		13,120,843	15,381,691
Current portion		<u>12,606,418</u>	<u>9,950,004</u>
		<u>25,727,261</u>	<u>25,331,695</u>

## 14 Other payables

	Note	2022 \$	2021 \$
Other payables			
- Related parties		5,681,450	688,509
- Third parties		48,752,295	17,730,793
Accrued operating expenses		13,610,416	13,321,267
Advance receipts		137	1,255
Amount due to SSG		3,004,860	20,734,893
Amount due to SDF	26	12,502,501	38,502,368
Amount due to LLEF	27	–	2,679,128
		<u>83,551,659</u>	<u>93,658,213</u>

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

## 15 Contribution to consolidated fund

	2022 \$	2021 \$
Surplus for the year before contribution to consolidated fund	28,671,679	26,917,821
Contribution to consolidated fund at 17% (2021: 17%) as presented in the statement of financial position and statement of comprehensive income	4,874,186	4,576,029

## 16 Lease liabilities

	2022 \$	2021 \$
Non-current	1,892,495	6,210,699
Current	5,158,417	5,103,622
	7,050,912	11,314,321

The incremental borrowing rates of WSG's lease liabilities range from 2.4% to 3.2% (2021: 3.2%) per annum during the year.

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

	<b>Lease liabilities</b>	
	2022 \$	2021 \$
<b>Balance as at 1 April</b>	11,314,321	13,375,985
<b>Changes from financing cash flows</b>		
Payment of lease liabilities	(4,831,535)	(2,150,841)
Interest paid	(311,084)	(396,013)
<b>Total changes from financing cash flows</b>	(5,142,619)	(2,546,854)
<b>Other changes</b>		
New leases	568,126	89,177
Interest expense on lease liabilities	311,084	396,013
<b>Total other changes</b>	879,210	485,190
<b>Balance as at 31 March</b>	7,050,912	11,314,321

## 17 Government grants received in advance

	Note	MOM - RF <sup>(i)</sup> \$	MOM - ATB <sup>(ii)</sup> \$	NPF <sup>(iii)</sup> \$	Operations funded by SDF <sup>(iv)</sup> \$	Operations funded by LLEF <sup>(iv)</sup> \$	Operating grants \$	Total \$
At 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 statement of comprehensive income		(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 and 1 April 2021		3,989,184	–	361,556	218,145	2,503,136	–	7,072,021
Grants (returned)/received during the financial year		31,138,886	362,631,937	(135,512)	(218,145)	(2,503,136)	176,570,928	567,484,958
		35,128,070	362,631,937	226,044	–	–	176,570,928	574,556,979
Grants receivable in the next financial year	8	3,896,500	768,200	84,154	–	1,300	–	4,750,154
Transfer to statement of comprehensive income		(31,965,040)	(350,008,854)	(310,198)	–	(1,300)	(172,636,277)	(554,921,669)
Transfer to deferred capital grants	13	(4,195,000)	(2,854,000)	–	–	–	(3,934,651)	(10,983,651)
At 31 March 2022		2,864,530	10,537,283	–	–	–	–	13,401,813

(i) **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.

(ii) **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.

(iii) **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.

(iv) **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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Application fees	14,950	8,840
Course fees	487,224	192,017
	<u>502,174</u>	<u>200,857</u>



## 19 Interest and other income

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Interest income from:		
- Short-term bank deposits	232	3
- CLM deposits held with AGD	352,797	800,687
Others	201,807	1,000
	<u>554,836</u>	<u>801,690</u>

## 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:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Allowance for impairment loss on other receivables	62,950	5,961
Loss on property, plant and equipment and intangible assets written off	–	5,221
Net foreign exchange loss	214	5,844
	<u>67,164</u>	<u>17,026</u>

## 21 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	55,981,770	44,445,187
Contributions to defined contribution plans	8,321,090	6,821,653
Staff training and benefits	2,870,030	3,386,140
Skills development levy	65,759	57,587
	<u>67,238,649</u>	<u>54,710,567</u>

## 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:

	<b>Gross 2022 \$</b>	<b>Loss allowance 2022 \$</b>	<b>Gross 2021 \$</b>	<b>Loss allowance 2021 \$</b>
Not past due	9,931,808	–	63,575,603	–
Past due 1 – 90 days	104,620	493	24,691	–
Past due more than 90 days	68,514	68,514	6,057	6,057
	<u>10,104,942</u>	<u>69,007</u>	<u>63,606,351</u>	<u>6,057</u>

The credit period on rendering of services is 30 days (2021: 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:

	<b>2022 \$</b>	<b>2021 \$</b>
Balance at beginning of the year	6,057	96
Charged to statement of comprehensive income	62,950	5,961
Balance at end of the year	<u>69,007</u>	<u>6,057</u>

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:

	Carrying amount \$	Cash flows		
		Contractual cash flows \$	Within 1 year \$	Between 2 to 5 years \$
<b>31 March 2022</b>				
<b>Non-derivative financial liabilities</b>				
Other payables*	83,551,522	(83,551,522)	(83,551,522)	–
Lease liabilities	7,050,912	(7,215,119)	(5,158,417)	(2,056,702)
	<u>90,602,434</u>	<u>(90,766,641)</u>	<u>(88,709,939)</u>	<u>(2,056,702)</u>
<b>31 March 2021</b>				
<b>Non-derivative financial liabilities</b>				
Other payables*	93,656,958	(93,656,958)	(93,656,958)	–
Lease liabilities	11,314,321	(11,842,975)	(5,103,622)	(6,739,353)
	<u>104,971,279</u>	<u>(105,499,933)</u>	<u>(98,760,580)</u>	<u>(6,739,353)</u>

\* Excludes advance receipts

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.

	<b>Amortised cost \$</b>	<b>Other financial liabilities \$</b>	<b>Total carrying amount \$</b>	<b>Fair value \$</b>
<b>31 March 2022</b>				
<b>Financial assets not measured at fair value</b>				
Deposits	1,574,370	–	1,574,370	1,574,370
Other receivables	10,104,942	–	10,104,942	10,104,942
Cash and cash equivalents	176,795,789	–	176,795,789	176,795,789
	<u>188,475,101</u>	<u>–</u>	<u>188,475,101</u>	<u>188,475,101</u>
<b>Financial liability not measured at fair value</b>				
Other payables*	–	(83,551,522)	(83,551,522)	(83,551,522)
<b>31 March 2021</b>				
<b>Financial assets not measured at fair value</b>				
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
	<u>168,014,582</u>	<u>–</u>	<u>168,014,582</u>	<u>168,014,582</u>
<b>Financial liability not measured at fair value</b>				
Other payables*	–	(93,656,958)	(93,656,958)	(93,656,958)

\* 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.

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	
	2022	2021
	\$	\$
Balance at 1 April	9,779,267	12,202,236
Depreciation charge for the year	(4,429,382)	(4,654,300)
Additions to right-of-use assets	568,126	2,231,331
<b>Balance at 31 March</b>	<b>5,918,011</b>	<b>9,779,267</b>

### **Amounts recognised in statement of comprehensive income**

	2022	2021
	\$	\$
<b>Leases under SB-FRS 116</b>		
Interest on lease liabilities	311,084	396,013
Expenses relating to short-term leases	455,679	39,024

### **Amounts recognised in statement of cash flows**

	2022	2021
	\$	\$
<b>Total cash outflow for leases</b>	<b>5,142,619</b>	<b>2,546,854</b>

## 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:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Board of Directors fees	120,452	119,140
Wages and salaries	7,013,923	6,241,061
Employer's contribution to Central Provident Fund	334,785	338,640
	<u>7,469,160</u>	<u>6,698,841</u>

*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:

	<b>Parent Ministry</b>	<b>Other Ministries</b>	<b>Statutory boards (i)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>			
Operating income	–	(45,200)	(98,000)
Grant disbursements	7,872,905	–	6,507,930
Professional services	264,095	12,801	15,413,574
Maintenance expenses	–	469,028	18,651,011
Other expenditure	–	72,544	769,564
		<u>72,544</u>	<u>769,564</u>
<b>2021</b>			
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
		<u>18,801</u>	<u>3,823,728</u>

- (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 \$19,526,538 (2021: \$31,455,359) (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:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Commitments for the acquisition of:		
Intangible assets	14,211,235	14,153,065
Property, plant and equipment	32,933	317,994
	<u>14,244,168</u>	<u>14,471,059</u>

## 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 manages a portion of SDF as approved by the Board 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	2022 \$	2021 \$
<b>Income</b>			
Interest income		33,773	11,733
Others		392,433	53,668
		<u>426,206</u>	<u>65,401</u>
<b>Expenditure</b>			
Grants disbursed		(71,918,072)	(21,825,060)
Others		–	(300,000)
		<u>(71,918,072)</u>	<u>(22,125,060)</u>
<b>Grants received</b>		<u>71,491,866</u>	<u>22,059,659</u>
Surplus for the year		<u>–</u>	<u>–</u>
<b>Represented by:</b>			
<b>Current assets</b>			
Cash and cash equivalents		29,292,333	6,375
Other receivables		30,850	6,411
Amount due from WSG	14	12,502,501	38,502,368
Amount due from LLEF	27	–	386,831
Grants disbursed in advance		158,507	971,340
		<u>41,984,191</u>	<u>39,873,325</u>
<b>Current liabilities</b>			
Other payables		(25,431,350)	(6,427,754)
Amount due to WSG	8	–	(10,171,981)
Grants received in advance		(16,552,841)	(23,273,590)
		<u>(41,984,191)</u>	<u>(39,873,325)</u>
Net assets		<u>–</u>	<u>–</u>

## 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 is appointed as one of the programme managers of the Fund 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	2022 \$	2021 \$
<b>Income</b>			
Refund of unused grant from programme manager		1,316,627	898,550
Interest income		64,891	369,255
		<u>1,381,518</u>	<u>1,267,805</u>
<b>Expenditure</b>			
Grants disbursed		(55,644,857)	(96,046,635)
Marketing and promotion expenses		(8,846,881)	(256,920)
		<u>(64,491,738)</u>	<u>(96,303,555)</u>
<b>Grants received</b>		<u>61,088,854</u>	<u>100,118,404</u>
(Deficit)/Surplus for the year		(2,021,366)	5,082,654
Accumulated surplus at the beginning of the year		5,200,978	118,324
Accumulated surplus at the end of the year		<u>3,179,612</u>	<u>5,200,978</u>
<b>Represented by:</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,200,749	19,386,380
Grants disbursed in advance		–	2,494,127
Amount due from WSG	14	–	2,679,128
		<u>8,200,749</u>	<u>24,559,635</u>
<b>Current liabilities</b>			
Other payables		(2,517,582)	(2,490,523)
Amount due to SDF	26	–	(386,831)
Amount due to WSG	8	(2,503,555)	(16,481,303)
		<u>(5,021,137)</u>	<u>(19,358,657)</u>
Net assets		<u>3,179,612</u>	<u>5,200,978</u>