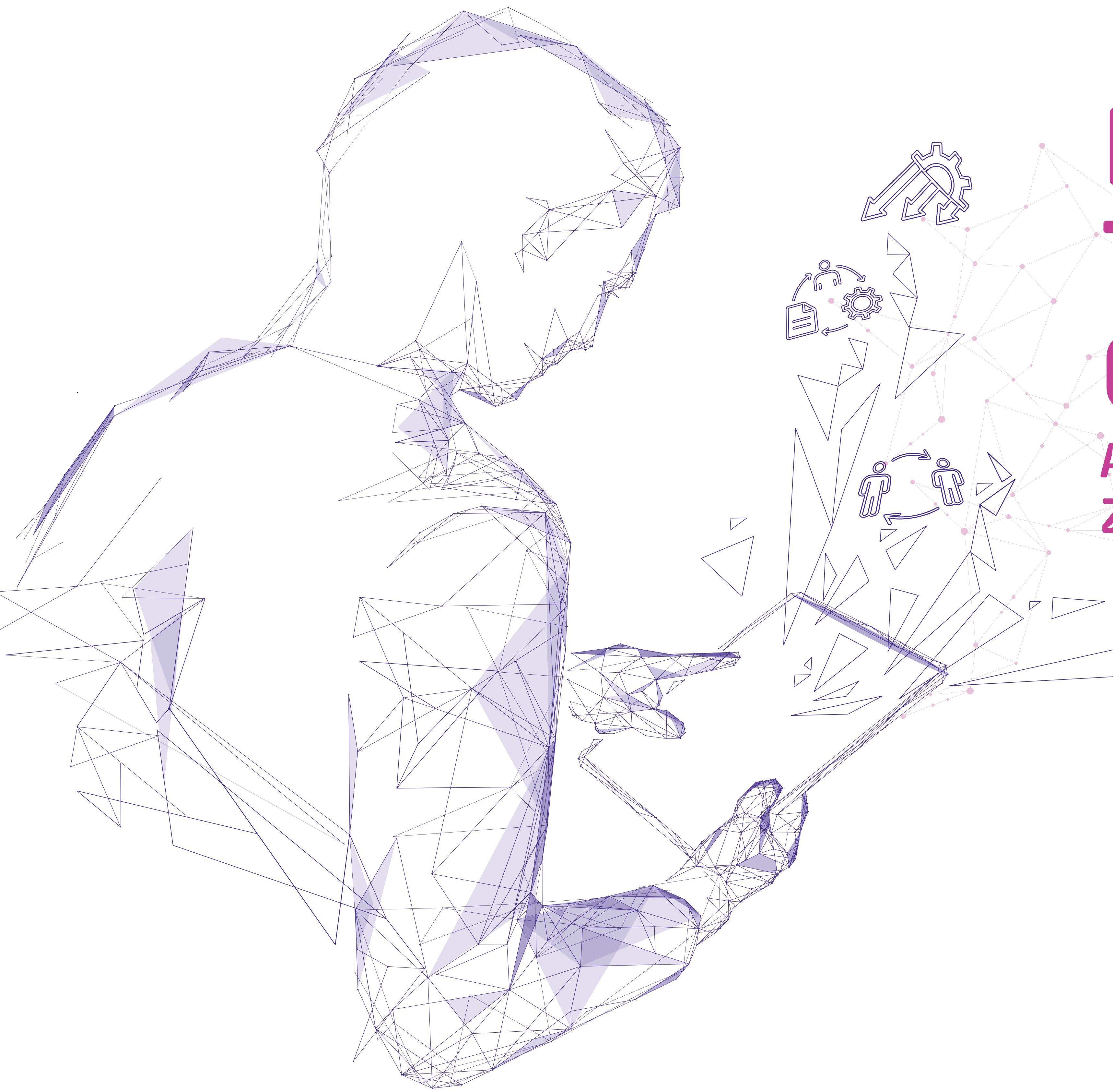
Workforce Singapore

# EMPOWERING THE WORKFORCE OF TOMORROW



## Annual Report 2022/2023

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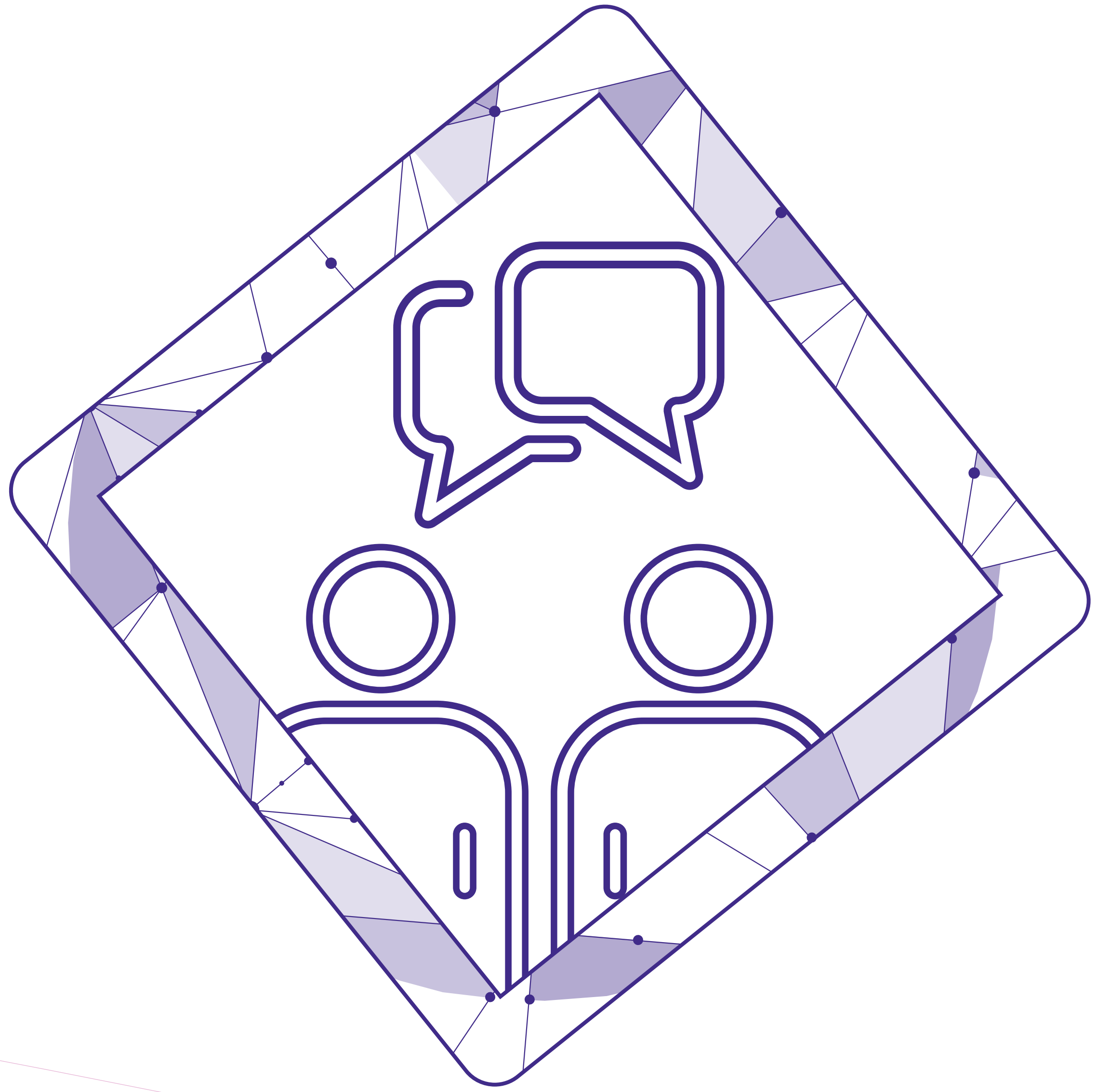


# FOREWORD BY CHAIRMAN AND CHIEF EXECUTIVE

# FOREWORD by CHAIRMAN and CHIEF EXECUTIVE

**Mr Chew Hock Yong**
Chairman

**Mr Tan Choon Shian**
Chief Executive

As the world grappled with inflationary pressures and geopolitical tensions in 2022, Workforce Singapore (WSG) built on economic recovery from the pandemic to uplift the employability of the workforce. We have continued to empower local workers to embrace new opportunities in the post-pandemic era, safeguarding jobs in an uncertain economy amid a tighter labour market.

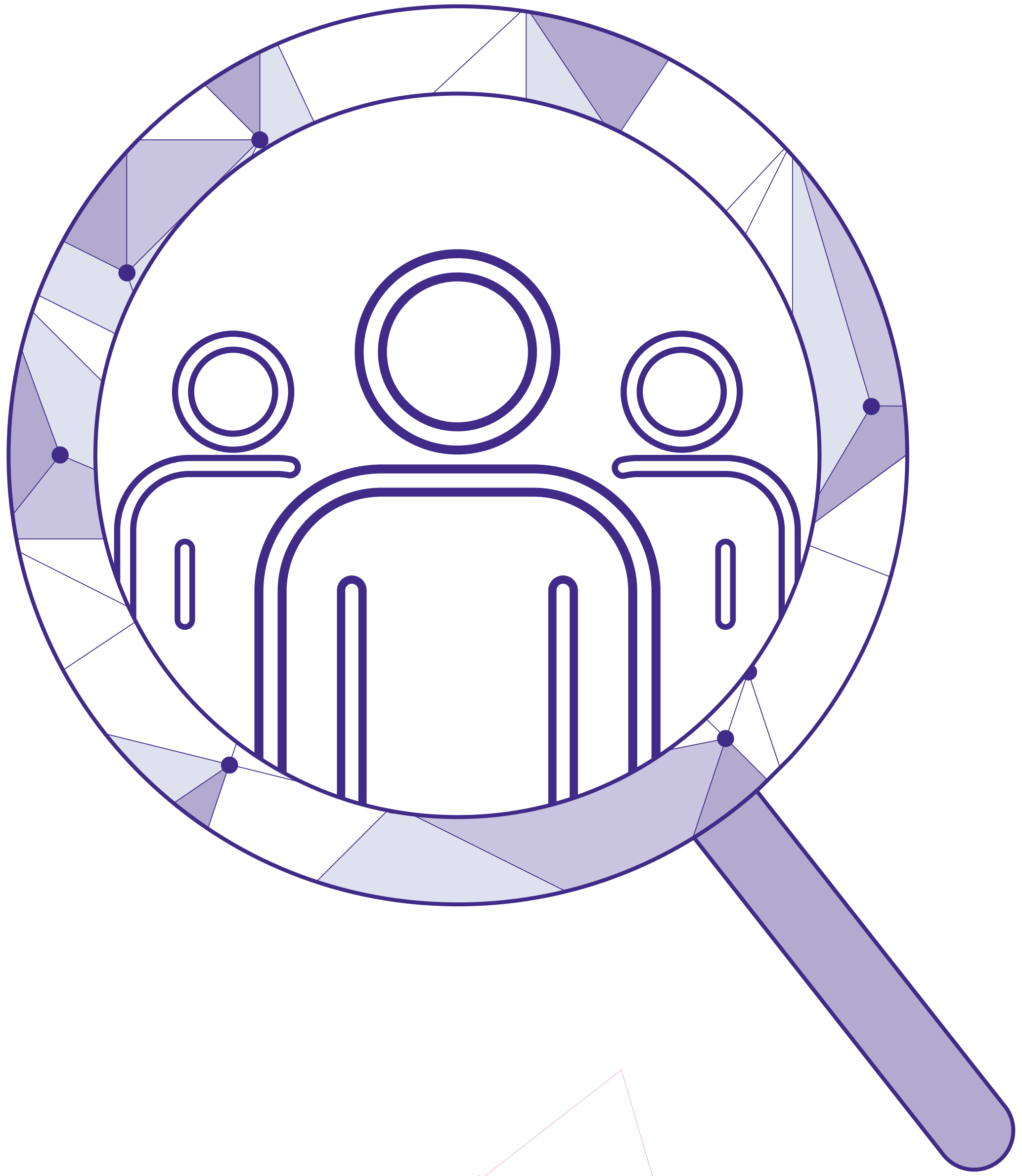
Careers Connect remains dedicated to providing cutting-edge career advisory and guidance, assisting local workers in navigating the challenges of job search. With the successful implementation of online career matching services, publicity efforts to promote Careers Connect's digital services brought over 71,000 visitors to its webpages. Workipedia by MyCareersFuture was also launched as a one-stop destination packed with essential knowledge and tools on career development for individuals at different stages of their career journeys. Garnering close to 5 million visitors, Workipedia allows individuals to take charge of their careers even as the job market in Singapore becomes increasingly competitive.

We remain dedicated to supporting local workers in their careers and rolled out the SGUnited Mid-Career Pathways Programme to assist mature individuals looking for a career switch. Since its inception, more than 1,000 individuals from over 900 host organisations have benefitted from the programme. Lower-wage workers continue to receive career progression and wage support through the Progressive Wage Model, which was broadened to include more sectors and jobs under its purview. Our Career Conversion Programmes also empowered over 4,700 mid-career individuals to pursue new professional pathways.

WSG actively assisted enterprises in their efforts to adapt to the new world by facilitating their journey of business transformation. Job redesign continues to be key for organisational productivity, as well as talent attraction and retention. We also launched the Support for Job Redesign under Productivity Solutions Grant to make redesigning jobs easier for businesses, with a panel of pre-approved consultants guiding them in reworking processes and responsibilities. Close to 150 enterprises and 1,000 employees are expected to benefit from this initiative.

The economic landscape in 2023 will continue to be shaped by geopolitical tensions, supply chain disruptions and environmental concerns. Collaboration between the Government, businesses and trade associations will be crucial in fostering sustained economic growth. Jobseekers must also cultivate adaptability and resilience to weather the uncertainties ahead.

WSG is confident that with our efforts in embracing innovation, adapting to changing market dynamics and continued skills development, we can assist jobseekers and enterprises in positioning themselves for success in the shifting economic landscape.



# ABOUT US

# BOARD MEMBERS

**Mr Lim Ming Yan**
Chairman
Workforce Singapore
*(Term ended Sep 2022)*

**Mr Chew Hock Yong**
Chairman
Workforce Singapore
*(Term started Oct 2022)*

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

**Ms Ong Chin Yin**
Chief People Officer
Grab Holdings Inc.

**Mr Low Soon Teck**
Managing Director
Kuok (Singapore) Limited

**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 Lau Peet Meng**
Board Member
Workforce Singapore

**Mr Raj Joshua Thomas**
Partner
Wee Swee Teow LLP

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

**Mr Sharael Taha**
Vice President, Strategy, Digital Transformation and PMO
Singapore Aero Engine Services Pte. Ltd. (SAESL)

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

**Ms Teo Lay Lim**
Chief Executive Officer
SPH Media Group

**Mrs Deborah Ong**
Board Member
Workforce Singapore

**Mr Tan Choon Shian**
Chief Executive
Workforce Singapore
*(Term ended Jun 2023)*

**Ms Dilys Boey**
Chief Executive
Workforce Singapore
*(Term started Jul 2023)*

# WSG BOARD MEMBERS CHART

**Mr Lim Ming Yan**
Chairman
Workforce Singapore
*(Term ended Sep 2022)*

**Mr Chew Hock Yong**
Chairman
Workforce Singapore
*(Term started Oct 2022)*

## AUDIT AND RISK COMMITTEE (ARC)

### CHAIRMAN

**Mrs Deborah Ong**
Board Member
Workforce Singapore

### MEMBERS

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

**Mr Low Soon Teck**
Managing Director
Kuok Singapore Limited Group

**Mr Raj Joshua Thomas**
Partner
Wee Swee Teow LLP

## FINANCE COMMITTEE (FC)

### CHAIRMAN

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

### MEMBERS

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

**Mr Sharael Taha**
Vice President, Strategy, Digital Transformation and PMO
Singapore Aero Engine Services Pte. Ltd. (SAESL)

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

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

## REMUNERATION COMMITTEE (RC)

### CHAIRMAN

**Ms Teo Lay Lim**
Chief Executive Officer
SPH Media Group

### MEMBERS

**Ms Ong Chin Yin**
Chief People Officer
Grab Holdings Inc.

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

## MEMBER

**Mr Tan Choon Shian**
Chief Executive
Workforce Singapore
*(Term ended Jun 2023)*

**Ms Dilys Boey**
Chief Executive
Workforce Singapore
*(Term started Jul 2023)*

# FUNCTIONS OF THE WSG BOARD

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

## THE WSG BOARD COMMITTEE

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

## THE WSG BOARD COMMITTEES

### a) Audit and Risk Committee

The Audit and Risk Committee (ARC) ensures that WSG has a rigorous and robust system of internal controls. This includes ensuring the adequacy of internal controls and reviewing audit plans, audit reports and audited WSG Annual Financial Statements. Besides overseeing accountability and audits, the ARC also provides oversight of the WSG Enterprise Risk Management (ERM) Framework through regular risk management reports from the Management.

### 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 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.

The risk items and mitigation measures of key risks are monitored regularly by the WSG Management and reported to the ARC and the WSG board.

## INTERNAL AND EXTERNAL AUDIT FUNCTIONS

The Internal Audit Unit (IAU) is an independent function that reports directly to the ARC and administratively to WSG's Chief Executive. The principal role of IAU is to conduct audits that evaluate the reliability, adequacy and effectiveness of internal controls within WSG. It provides stakeholders with reasonable assurance on the effectiveness of control and governance processes used in the management of risks and accomplishment of objectives. ARC will meet the internal auditors at least once a year without the presence of WSG Management.

The external auditor performs the annual statutory audit and its audit observations (if any) are detailed in the ARC Report which is tabled 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 wrongful practices within or related to WSG. The policy identifies the parties authorised to receive complaints, including details of the reporting channel independently managed by WSG IAU.

Whistle-blowers should report their concerns if they have reasonable grounds for suspecting that an incident of wrongful practice has occurred. WSG will not tolerate discrimination, retaliation, or harassment of any kind against a whistle-blower who submits a complaint or report in good faith. The whistle-blowing complaints are independently investigated, and the results will be reported 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 Officer
Workforce Singapore
*(Term ended Jun 2023)*

**Ms Dilys Boey**
Chief Executive Officer
Workforce Singapore
*(Term started Jul 2023)*

**Mr Foo Kok Jwee**
Deputy Chief Executive
Workforce Singapore
*(Term ended Oct 2022)*

**Mr Lau Boon Ping**
Deputy Chief Executive
Workforce Singapore
*(Term started May 2023)*

**Ms Pao Jia Yu**
Deputy Chief Executive (Planning)
SSG-WSG
*(Term started Mar 2023)*

**Mr Goh Eng Ghee**
Chief Corporate Officer
Workforce Singapore
*(Term ended Jul 2023)*

**Ms Lynn Ng**
Assistant Chief Executive
Careers Connect Group (CCG)
Career Practitioners Division

**Ms Julia Ng**
Assistant Chief Executive
Enterprise Development Group (EDG)

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

**Ms Grace See**
Director
Internal Audit Unit (IAU)
*(Term started Nov 2022)*

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

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

**Ms Joyce Tan**
Director (Design)
Planning and Design Division, CCG

**Mr Saksama Djingga**
Director (Planning)
Planning and Design Division, CCG
*(Term started Sep 2022)*

**Ms Regina Lim**
Director
Corporate Marketing &
Communications Division, CDG

# SENIOR MANAGEMENT

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

**Ms Ong Bee Lee**
Director/Chief Data Officer
Data Strategy & Analytics Division, CDG

**Ms Sharon Yap**
Director
Human Resource Division, CDG
*(Term ended Feb 2023)*

**Ms Serene Chiang**
Director
Human Resource Division, CDG
*(Term started Mar 2023)*

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

**Ms Doris Kuek**
Director
Strategic & Resource
Planning Division, CDG
*(Term ended Aug 2022)*

**Mr Mohammad Azree Bin Rahim**
Director (Policy & Programmes)
Strategy, Resource &
Policy Division, CDG
*(Term started Sep 2022)*

**Ms Chua Minyi**
Director (Strategy & Resource)
Strategy, Resource &
Policy Division, CDG
*(Term started Feb 2023)*

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

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

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

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

**Mr Kenneth Wong**
Director
Trade & Lifestyle Division, EDG

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

# WSG ORGANISATION CHART

**Mr Tan Choon Shian**
Chief Executive
*(Term ended Jun 2023)*

**Ms Dilys Boey**
Chief Executive
*(Term started Jul 2023)*

**Mr Foo Kok Jwee**
Deputy Chief Executive
*(Term ended Oct 2022)*

**Mr Lau Boon Ping**
Deputy Chief Executive
*(Term started May 2023)*

**Ms Pao Jia Yu**
Deputy Chief Executive (Planning),
SSG-WSG
*(Term started Mar 2023)*

**Mr Goh Eng Ghee**
Chief Corporate Officer
*(Term ended Jul 2023)*

**Internal Audit Unit**
**Ms Grace See**
Director

## TRANSFORMATION SUPPORT GROUP (TSG)

**Mr Brandon Lee**
Assistant Chief Executive

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

**Ops-Tech Team**
**Mr Brandon Lee**
Assistant Chief Executive

## CAREERS CONNECT GROUP (CCG)

**Ms Lynn Ng**
Assistant Chief Executive

**Career Practitioners Division**
**Ms Lynn Ng**
Assistant Chief Executive

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

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

**Planning and Design Division**
**Ms Joyce Tan**
Director, Design

**Mr Saksama Djingga**
Director, Planning

## CORPORATE AND DEVELOPMENT GROUP (CDG)

**Corporate Marketing & Communications Division**
**Ms Regina Lim**
Director

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

**Data Strategy & Analytics Division**
**Ms Ong Bee Lee**
Director/Chief Data Officer

**Fraud & Enforcement Unit**
**Mr Brandon Lee**
Assistant Chief Executive

**Human Resource Division**
**Ms Serene Chiang**
Director

**New Operations Division**
**Ms Mui Seah Lee**
Director

**Strategy, Resource & Policy Division**
**Mr Mohammad Azree Bin Rahim**
Director, Policy & Programmes

**Ms Chua Minyi**
Director, Strategy & Resource

## ENTERPRISE DEVELOPMENT GROUP (EDG)

**Ms Julia Ng**
Assistant Chief Executive

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

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

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

**Manufacturing & Connectivity Division**
**Mr Anderson Ee**
Director

**Tourism & Lifestyle Division**
**Mr Kenneth Wong**
Director

# SSG SHARED SERVICES ORGANISATION CHART

(As of 31 Mar 2023)

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

## BUSINESS SERVICES GROUP (BSG) – SSG

**Mr Tan Wee Beng**
Group Director

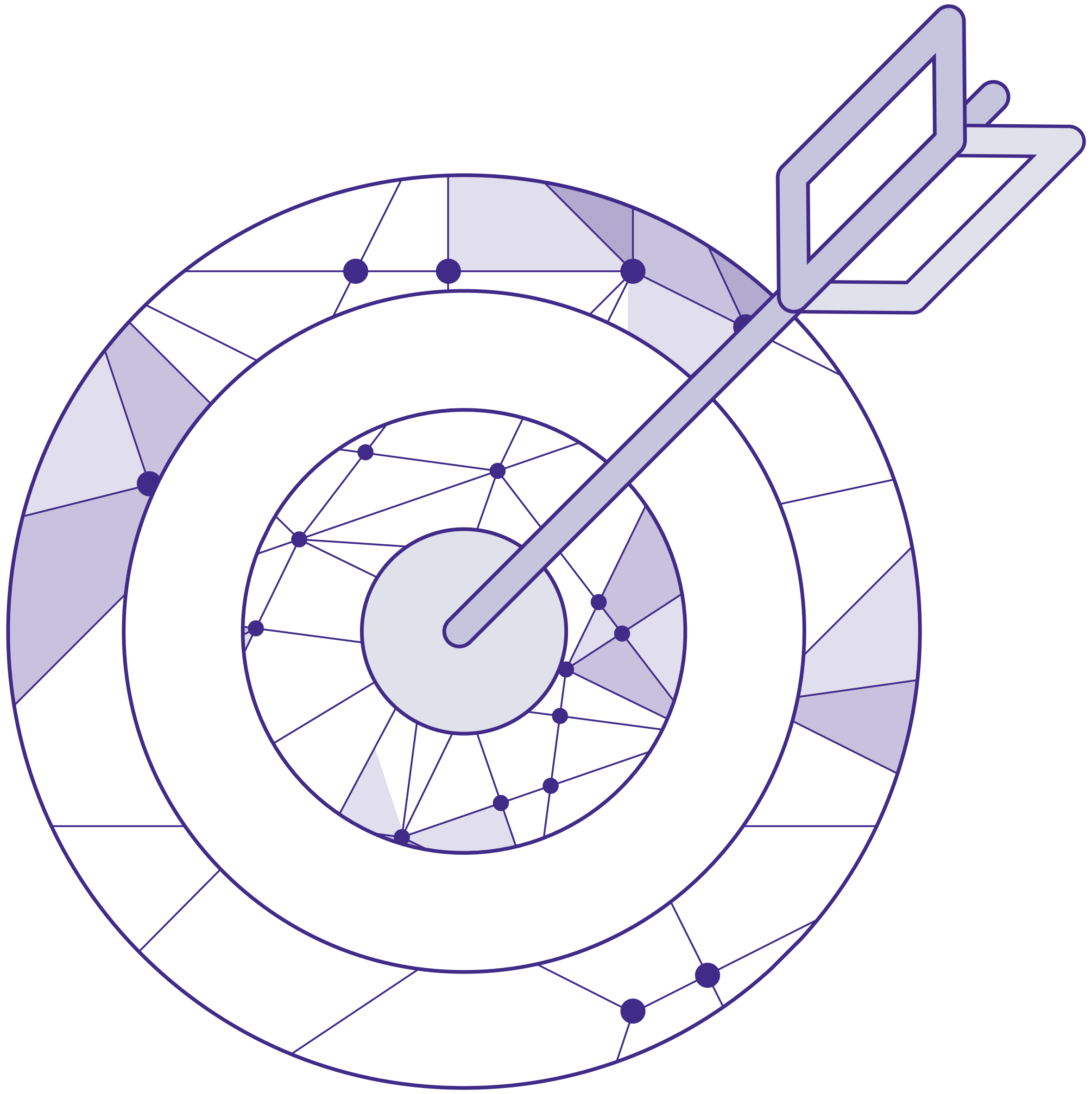
**Integrated Business Services Division**
**Ms Angelina Soh**
Director

**Shared Services Management Division**
**Ms Emily Low**
Director

## REGULATION, FRAUD & ENFORCEMENT GROUP (RFEG) – SSG

**Ms Hui Mei San**
Group Director

**Fraud & Enforcement Division**
**Mr Pang Tong Wee**
Director & Chief Investigator



# KEY ACHIEVEMENTS

# KEY ACHIEVEMENTS IN 2022

OVER
**62,000**
jobseekers assisted*

MORE THAN
**460**
events organised to bring career matching services closer to jobseekers in the heartlands

**58**
companies have benefitted through the Industry 4.0 Human Capital Initiative (IHCI) Enabler Programme

MORE THAN
**280**
companies used the IHCI self-help portal to gain resources on Industry 4.0 and support its implementation and job redesign

TRAINED MORE THAN
**300**
career development practitioners to provide career coaching to jobseekers

The SGUnited Jobs and Skills Info Kiosk engaged over
**294,000**
visitors through **31** on-site deployments and its online platform

PLACED CLOSE TO
**60,000**
locals into jobs, through WSG's and e2i's programmes and services.

Breakdown of 2022's placements into jobs:

- **50%** mature workers aged 40 and above
- **23%** Long-term Unemployed
- **48%** females and **52%** males
- **52%** PMET and **41%** Rank-and-File

OVER
**4,700**
individuals were placed through the Career Conversion Programmes, of which, over **50%** were working in SMEs

SUPPORTED MORE THAN
**6,100**
unique companies in workforce transformation and reskilling programmes, of which, **90%** were SMEs

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

# KEY ACHIEVEMENTS IN 2022

**MORE THAN**
**360**
volunteer Career Advisors from 9 sectors have been trained and appointed to provide peer support, sector- and occupation-specific insights, and career advice to workers

**OVER**
**3,800**
individuals have participated or were engaged through career clinics, industry webinars and advisory sessions

**CLOSE TO**
**1,900 ENTERPRISES AND**
**2,700 TRAINEES**
benefitted from the SGUnited Traineeships and Mid-Career Pathways — Company Attachments Programmes

**OVER**
**900 ENTERPRISES AND**
**1,000 MATURE TRAINEES**
benefitted from the SGUnited Mid-Career Pathways programme since inception in April 2022

**ASSISTED OVER**
**7,900**
jobseekers through the SGUnited Jobs and Skills Centres set up in all 24 HDB towns

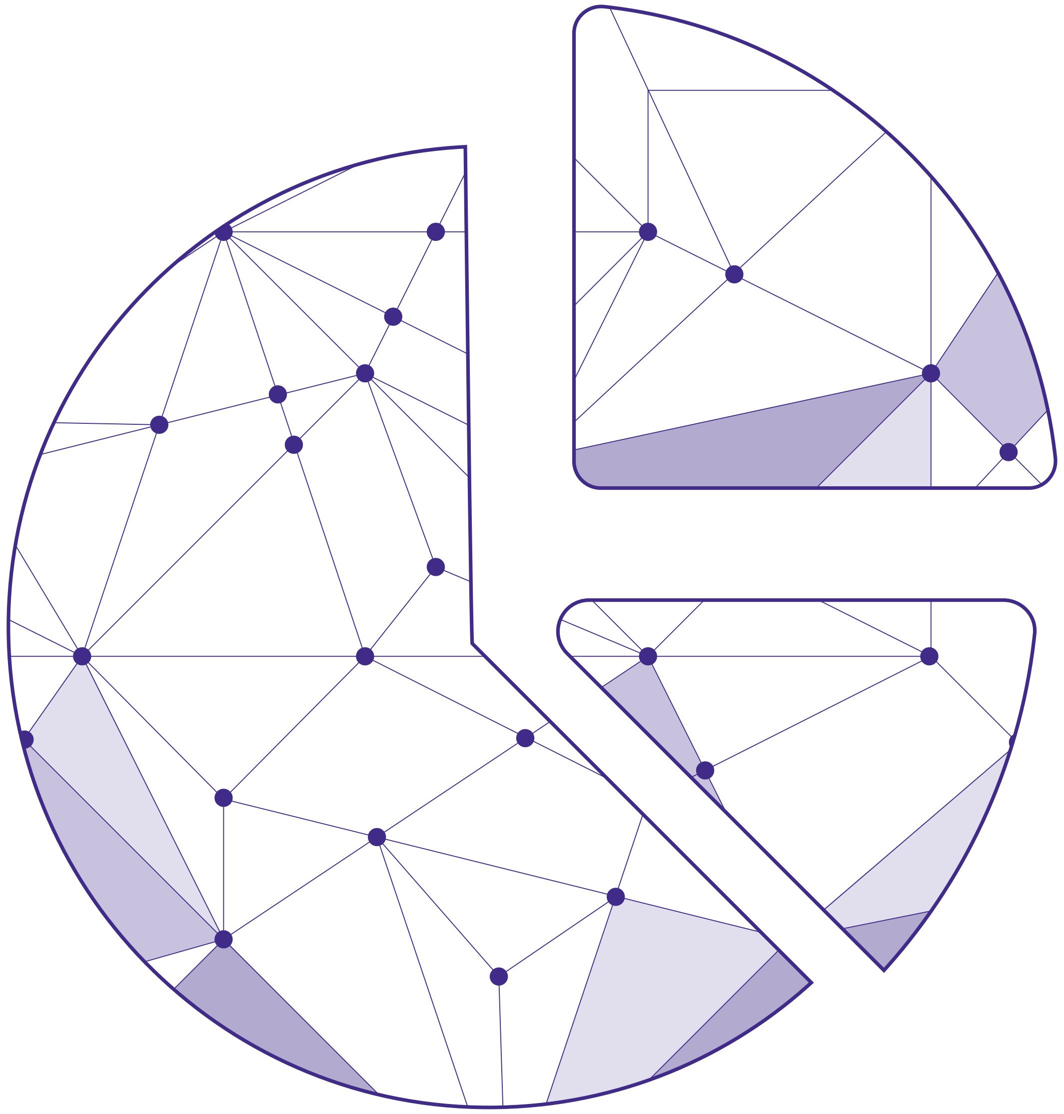
**MORE THAN**
**38,000**
jobseekers found new jobs through Career Matching Services

Refreshed Workipedia by MyCareersFuture that empowers citizens to take charge of their career.
**GARNERED CLOSE TO**
**5 Million**
visitors with a return rate of over **40%**

**SUPPORTED CLOSE TO**
**12,300**
companies through enterprise programmes which have benefitted, or expected to benefit more than **55,000** workers

Under the Senior Worker Early Adopter Grant,
**MORE THAN**
**3,900 ENTERPRISES AND**
**24,000 SENIOR WORKERS**
are expected to benefit from the increase in internal retirement and re-employment ages

**CLOSE TO**
**150 ENTERPRISES AND**
**1,000 WORKERS**
to benefit from Job Redesign Initiatives



# FINANCIAL STATEMENTS

# WORKFORCE SINGAPORE AGENCY

(Incorporated in Singapore. Registration Number: T08GB0060H)

# FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

# WORKFORCE SINGAPORE AGENCY

(Incorporated in Singapore)

# FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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# STATEMENT BY THE BOARD OF WORKFORCE SINGAPORE AGENCY

In our opinion:

(a) the accompanying financial statements of Workforce Singapore Agency ("the Agency") as set out on pages 24 to 65 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 the Agency as at 31 March 2023 and the results, changes in equity and cash flows of the Agency for the year ended on that date.

(b) proper accounting and other records have been kept, including records of all assets of the Agency 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 the Agency 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 the Agency.

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

**Chew Hock Yong**
Chairman

**Dilys Boey**
Chief Executive
*(Term started July 2023)*

**Tan Choon Shian**
Chief Executive
*(Term ended June 2023)*

29 August 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKFORCE SINGAPORE AGENCY

## Report on the Audit of the Financial Statements

### Our Opinion

In our opinion, the accompanying financial statements of Workforce Singapore Agency 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 the Agency as at 31 March 2023 and the results, changes in equity and cash flows of the Agency for the year ended on that date.

*What we have audited*

The financial statements of the Agency comprise:

- the statement of comprehensive income for the year ended 31 March 2023;
- the statement of financial position as at 31 March 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

*Independence*

We are independent of the Agency 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKFORCE SINGAPORE AGENCY (continued)

## Report on the Audit of the Financial Statements (continued)

### Other Information

Management is responsible for the other information. 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Agency or for the Agency to cease operations.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKFORCE SINGAPORE AGENCY (continued)

## Report on the Audit of the Financial Statements (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Agency'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 the Agency'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 the Agency 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKFORCE SINGAPORE AGENCY (continued)

## Report on Other Legal and Regulatory Requirements

### Our opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Agency 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 the Agency; and

(b) proper accounting and other records have been kept, including records of all assets of the Agency 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 the Agency 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 the Agency. 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKFORCE SINGAPORE AGENCY (continued)

## Report on Other Legal and Regulatory Requirements (continued)

### 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 the Agency.

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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 29 August 2023

# STATEMENT OF COMPREHENSIVE INCOME

**For the financial year ended 31 March 2023**

| | Note | 2023 General funds $ | 2023 Restricted funds $ | 2023 Total $ | 2022 General funds $ | 2022 Restricted funds $ | 2022 Total $ |
|---|---|---|---|---|---|---|---|
| **Income** | | | | | | | |
| Operating income | 3 | **341,418** | **-** | **341,418** | 502,174 | - | 502,174 |
| Interest and other income | 4 | **2,378,076** | **-** | **2,378,076** | 537,943 | 16,893 | 554,836 |
| **Total income** | | **2,719,494** | **-** | **2,719,494** | 1,040,117 | 16,893 | 1,057,010 |
| **Expenditure** | | | | | | | |
| Depreciation of property, plant and equipment | 9 | **(4,898,100)** | **(725,561)** | **(5,623,661)** | (4,882,571) | (1,103,745) | (5,986,316) |
| Amortisation of intangible assets | 11 | **(2,979,724)** | **(15,221,648)** | **(18,201,372)** | (1,402,372) | (7,628,778) | (9,031,150) |
| Staff costs | 5 | **(28,247,644)** | **(33,025,416)** | **(61,273,060)** | (45,503,687) | (21,734,962) | (67,238,649) |
| Grant disbursements | | **(35,343,197)** | **(216,256,874)** | **(251,600,071)** | (27,995,475) | (346,216,357) | (374,211,832) |
| Lease expenses | 10 | **(613,969)** | **-** | **(613,969)** | (455,679) | - | (455,679) |
| Interest expense on lease liabilities | 15 | **(87,504)** | **(22,938)** | **(110,442)** | (270,000) | (41,084) | (311,084) |
| Professional services | | **(20,408,314)** | **(1,466,662)** | **(21,874,976)** | (17,050,131) | (39,705) | (17,089,836) |
| Maintenance expenses | | **(12,742,698)** | **(7,439,428)** | **(20,182,126)** | (16,109,477) | (11,019,980) | (27,129,457) |
| Supplies and materials | | **(354,866)** | **(63,085)** | **(417,951)** | (453,561) | (73,925) | (527,486) |
| Public relations | | **(22,324,603)** | **(4,599,334)** | **(26,923,937)** | (27,298,684) | (801,455) | (28,100,139) |
| Travel expenses | | **(244,931)** | **(7,779)** | **(252,710)** | (72,490) | (631) | (73,121) |
| GST expenses | | **(5,232,643)** | **(1,288,031)** | **(6,520,674)** | (4,056,174) | (1,258,917) | (5,315,091) |
| Temporary staff costs | | **(4,103,403)** | **(52,486)** | **(4,155,889)** | (1,305,297) | (17,280) | (1,322,577) |
| Course-related trainers' fees | | **(124,870)** | **-** | **(124,870)** | (171,885) | - | (171,885) |
| Others | | **(60,753)** | **(312,169)** | **(372,922)** | (712,567) | (218,216) | (930,783) |
| **Total expenditure** | | **(137,767,219)** | **(280,481,411)** | **(418,248,630)** | (147,740,050) | (390,155,035) | (537,895,085) |
| **Deficit before Government grants and Contribution to Consolidated Fund** | | **(135,047,725)** | **(280,481,411)** | **(415,529,136)** | (146,699,933) | (390,138,142) | (536,838,075) |

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

# STATEMENT OF COMPREHENSIVE INCOME

## For the financial year ended 31 March 2023

| | Note | 2023 General funds $ | 2023 Restricted funds $ | 2023 Total $ | 2022 General funds $ | 2022 Restricted funds $ | 2022 Total $ |
|---|---|---|---|---|---|---|---|
| **Government grants** | | | | | | | |
| Grants from government | 16 | **177,503,438** | **265,070,201** | **442,573,639** | 172,636,277 | 382,285,392 | 554,921,669 |
| Deferred capital grants amortised | 12 | **4,220,814** | **15,416,913** | **19,637,727** | 2,735,335 | 7,852,750 | 10,588,085 |
| | | **181,724,252** | **280,487,114** | **462,211,366** | 175,371,612 | 390,138,142 | 565,509,754 |
| **Surplus before Contribution to Consolidated Fund** | | **46,676,527** | **5,703** | **46,682,230** | 28,671,679 | - | 28,671,679 |
| Contribution to Consolidated Fund | 14 | **(7,935,009)** | **-** | **(7,935,009)** | (4,874,186) | - | (4,874,186) |
| **Net surplus for the year, representing total comprehensive income for the year** | | **38,741,518** | **5,703** | **38,747,221** | 23,797,493 | - | 23,797,493 |

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

# STATEMENT OF FINANCIAL POSITION

## As at 31 March 2023

| | Notes | 2023 | 2022 |
|---|---|---|---|
| | | **$** | $ |
| **ASSETS** | | | |
| **Current assets** | | | |
| Deposits and prepayments | 6 | **2,108,690** | 338,557 |
| Cash and cash equivalents | 7 | **93,106,182** | 176,795,789 |
| Other receivables | 8 | **61,733,587** | 10,104,942 |
| | | **156,948,459** | 187,239,288 |
| **Non-current assets** | | | |
| Deposits and prepayments | 6 | **975,716** | 1,530,147 |
| Property, plant and equipment | 9 | **7,053,180** | 11,511,786 |
| Intangible assets | 11 | **13,341,076** | 20,133,489 |
| | | **21,369,972** | 33,175,422 |
| **Total assets** | | **178,318,431** | 220,414,710 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Deferred capital grants | 12 | **4,910,152** | 12,606,418 |
| Other payables | 13 | **25,952,236** | 83,551,659 |
| Provision for contribution to Consolidated Fund | 14 | **7,935,009** | 4,874,186 |
| Lease liabilities | 15 | **2,067,551** | 5,158,417 |
| Government grants received in advance | 16 | **2,474,272** | 13,401,813 |
| Provision for reinstatement costs | 17 | **2,614,726** | - |
| | | **45,953,946** | 119,592,493 |
| **Non-current liabilities** | | | |
| Deferred capital grants | 12 | **12,786,221** | 13,120,843 |
| Lease liabilities | 15 | **536,609** | 1,892,495 |
| Provision for reinstatement costs | 17 | **188,434** | 2,233,879 |
| | | **13,511,264** | 17,247,217 |
| **Total liabilities** | | **59,465,210** | 136,839,710 |
| **NET ASSETS** | | **118,853,221** | 83,575,000 |
| **EQUITY** | | | |
| Capital account | 18 | **7,872,073** | 7,872,073 |
| Share capital | 19 | **1,000** | 1,000 |
| Accumulated surplus | | | |
| - General Fund | | **110,980,148** | 75,707,630 |
| - Restricted Fund | 21 | **-** | (5,703) |
| **Total equity** | | **118,853,221** | 83,575,000 |
| **Net assets of trust funds** | | | |
| Skills Development Fund | 25 | **-** | - |
| Lifelong Learning Endowment Fund | 26 | **563,436** | 3,179,612 |

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

# STATEMENT OF CHANGES IN EQUITY

## For the financial year ended 31 March 2023

| | Notes | Capital account | Share capital | Accumulated surplus/(deficit) General fund | Accumulated surplus/(deficit) Restricted fund | Total equity |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **2023** | | | | | | |
| **Beginning of financial year** | | **7,872,073** | **1,000** | **75,707,630** | **(5,703)** | **83,575,000** |
| Net surplus for the year, representing total comprehensive income for the year | | **-** | **-** | **38,741,518** | **5,703** | **38,747,221** |
| Dividend for the year | 20 | **-** | **-** | **(3,469,000)** | **-** | **(3,469,000)** |
| **End of financial year** | | **7,872,073** | **1,000** | **110,980,148** | **-** | **118,853,221** |
| **2022** | | | | | | |
| **Beginning of financial year** | | 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 |
| **End of financial year** | | 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
## For the financial year ended 31 March 2023

| | Notes | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **Cash Flows from operating activities** | | | |
| Deficit before Government grants and Contribution to Consolidated Fund | | **(415,529,136)** | (536,838,075) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 9 | **5,623,661** | 5,986,316 |
| Amortisation of intangible assets | 11 | **18,201,372** | 9,031,150 |
| Interest income | 4 | **(2,378,076)** | (353,029) |
| Allowance for impairment loss on other receivables | 23 | **(56,000)** | 62,950 |
| Gain on termination of lease liabilities | | **(2,936)** | - |
| Interest expense on lease liabilities | 10 | **110,442** | 311,084 |
| Changes in provision for reinstatement costs | 17 | **-** | (95,531) |
| | | **(394,030,673)** | (521,895,135) |
| Change in working capital: | | | |
| Deposits and prepayments | | **(1,215,702)** | 1,311,907 |
| Other receivables | | **(49,818,212)** | 58,231,677 |
| Other payables | | **(57,550,523)** | (10,106,554) |
| Cash used in operations | | **(502,615,110)** | (472,458,105) |
| Contribution to Consolidated Fund paid | | **(4,874,186)** | (4,576,029) |
| **Net cash used in operating activities** | | **(507,489,296)** | (477,034,134) |
| **Cash Flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(197,880)** | (323,689) |
| Purchase of intangible assets | 11 | **(11,408,959)** | (10,659,962) |
| Interest received | | **623,643** | 309,965 |
| **Net cash used in investing activities** | | **(10,983,196)** | (10,673,686) |
| **Cash flows from financing activities** | | | |
| Payment of lease liabilities | | **(4,890,610)** | (4,831,535) |
| Interest paid | 15 | **(110,442)** | (311,084) |
| Dividend paid | 20 | **(3,469,000)** | - |
| Grants received from government – net | 16 | **443,252,937** | 567,484,958 |
| **Net cash from financing activities** | | **434,782,885** | 562,342,339 |
| **Net (decrease)/increase in cash and cash equivalents** | | **(83,689,607)** | 74,634,519 |
| Cash and cash equivalents at beginning of financial year | | **176,795,789** | 102,161,270 |
| **Cash and cash equivalents at end of financial year** | 7 | **93,106,182** | 176,795,789 |

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

# NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

## 1. General information

Workforce Singapore Agency ("the Agency") 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.

The Agency 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 the Agency 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;

# NOTES TO THE FINANCIAL STATEMENTS

## 1. General information (continued)

The principal activities of the Agency are (continued):

(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 the Agency;

(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 the Agency 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. Significant accounting policies

### 2.1 Basis of preparation

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 under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Agency's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

**Interpretations and amendments to published standards effective in 2023**

On 1 April 2022, the Agency adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application for the financial year. Changes to the Agency's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Agency's accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

### 2.2 Currency transactions

The financial statements are presented in Singapore Dollars ("SGD" or "$"), which is the functional currency of the Agency.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in the statement of comprehensive income. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### 2.3 Income

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

*(a) Application fees*

Income from application fees are recognised when the application for the Agency Career Development Framework credential have been processed.

*(b) Course fees*

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

*(c) Interest income*

Interest income is recognised using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.4 Employee compensation

(a) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution 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.

(b) *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 if the Agency 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.

(c) *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.

### 2.5 Contribution to Consolidated Fund

In lieu of income tax, the Agency 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 the Agency for the financial period. Contribution is provided for on an accruals basis.

### 2.6 Government grants

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.6 Government grants (continued)

*(a) Capital grants*

Government grants whose primary condition is that the Agency 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.

*(b) 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 the Agency with no future related costs are recognised in the statement of comprehensive income in the period in which they become receivable.

### 2.7 Trust funds

Skills Development Fund ("SDF")

The net asset of the fund is presented at the bottom of the Statement of Financial Position as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*. Income and expenditure relating to the fund are accounted for directly in the fund to which they relate using accruals basis of accounting. Details of the purpose, income, expenditure, assets and liabilities relating to the trust fund are disclosed separately in Note 25.

Lifelong Learning Endowment Fund ("LLEF")

The net asset of the fund is presented at the bottom of the Statement of Financial Position as prescribed by SB-FRS Guidance Note 3 *Accounting and Disclosures for Trust Funds*. Income and expenditure relating to the fund are accounted for directly in the fund to which they relate using cash basis of accounting. Details of the purpose, income, expenditure, assets and liabilities relating to the trust fund are disclosed separately in Note 26.

### 2.8 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 the Agency to distribute or otherwise apply its funds. The treatment is in accordance with SB-FRS Guidance Note 1 *Accounting and Disclosure for Funds, Grants, Accumulated Surplus and Reserves*. Restricted funds are accounted for on an accruals basis.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.9 Grant disbursement

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

### 2.10 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(b) Components of cost

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories. Cost also includes borrowing costs.

(c) 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.10 Property, plant and equipment (continued)

(c) Depreciation (continued)

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.

(d) Subsequent expenditure

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

(e) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income within "Others".

### 2.11 Intangible assets

Computer software are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.11 Intangible assets (continued)

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 |

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

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at the end of each reporting period. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

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.

### 2.12 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method except for those costs that are directly attributable to the construction or development of assets under construction.

### 2.13 Impairment of non-financial assets

The carrying amounts of the Agency'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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.13 Impairment of non-financial assets (continued)

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. Such reversal is recognised in the statement of comprehensive income.

### 2.14 Financial instruments

Financial assets

(i) Classification and measurement

The Agency classifies its financial assets in the following measurement category:

- Amortised cost;

The classification is based on the Agency's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

(ii) At initial recognition

At initial recognition, the Agency measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.14 Financial instruments (continued)

Financial assets (continued)

(iii) At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and other receivables.

There is one subsequent measurement categories based on the Agency's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(iv) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Agency commits to purchase or sell the asset.

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.14 Financial instruments (continued)

Financial liabilities

(i) Recognition and derecognition

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of comprehensive income.

(ii) Initial and subsequent measurement

All financial liabilities are recognised initially at fair value, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

### 2.15 Impairment of financial assets

The Agency assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23 details how the Agency determines whether there has been a significant increase in credit risk.

For trade receivables, lease receivables and contract assets, the Agency applies the simplified approach permitted by the SB-FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Agency 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.

### 2.17 Cash and cash equivalent

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 the Agency in the management of its short-term commitments.

### 2.18 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.

### 2.19 Other payables

Other payables represents liabilities for goods and services provided to the Agency prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

### 2.20 Provisions

A provision is recognised if, as a result of a past event, the Agency 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.

In accordance with the applicable terms and conditions in the lease agreements governing the Agency'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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.21 Leases

When the Agency is the lessee:

At inception of a contract, the Agency assesses if the 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, the Agency uses the definition of a lease in SB-FRS 116. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Agency recognises a right-of-use asset and lease liability at the commencement date. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Agency shall use its incremental borrowing rate.

  Lease payments include the following:
  - Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees;
  - The exercise price of a purchase option if the Agency is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Agency exercising that option.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Significant accounting policies (continued)

### 2.21 Leases (continued)

When the Agency is the lessee: (continued)

- Lease liabilities (continued)

  For a contract that contain both lease and non-lease components, the Agency allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:
  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Agency's assessment of whether it will exercise an extension option; or
  - There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to 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.

- Short term and low value leases

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

# NOTES TO THE FINANCIAL STATEMENTS

## 3. Operating income

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Application fees | **9,750** | 14,950 |
| Course fees | **331,668** | 487,224 |
| | **341,418** | 502,174 |

## 4. Interest and other income

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Interest income from: | | |
| - Short-term bank deposits | **3,492** | 232 |
| - Centralised Liquidity Management ("CLM") deposits held with AGD | **2,374,584** | 352,797 |
| Others | **-** | 201,807 |
| | **2,378,076** | 554,836 |

## 5. Staff costs

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Wages and salaries | **51,799,836** | 55,981,770 |
| Employer's contributions to defined contribution plans | **7,297,736** | 8,321,090 |
| Staff training and benefits | **2,117,838** | 2,870,030 |
| Skills development levy | **57,650** | 65,759 |
| | **61,273,060** | 67,238,649 |

## 6. Deposits and prepayments

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Deposits | **1,569,924** | 1,574,370 |
| Prepayments | **1,514,482** | 294,334 |
| | **3,084,406** | 1,868,704 |
| Represented by: | | |
| Current portion | **2,108,690** | 338,557 |
| Non-current portion | **975,716** | 1,530,147 |
| | **3,084,406** | 1,868,704 |

# NOTES TO THE FINANCIAL STATEMENTS

## 7. Cash and cash equivalents

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| CLM deposits held with AGD [i] | **93,106,182** | 176,795,789 |

(i) With effect from financial year 2009/2010, Statutory Boards are to participate in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the statutory board upon request and earns interest at the average rate of 1.56% (2022: 0.30%) per annum.

## 8. Other receivables

| | **Note** | **2023** | 2022 |
|---|---|---|---|
| | | **$** | $ |
| Other receivables | | **2,941,440** | 1,956,662 |
| Less: Allowance for impairment loss (Note 23) | | **(12,555)** | (69,007) |
| Net other receivables | | **2,928,885** | 1,887,655 |
| Amount due from MOM - RF | 16 | **-** | 3,896,500 |
| Amount due from SSG | | **1,063,322** | 964,878 |
| Amount due from NPF | 16 | **-** | 84,154 |
| Amount due from SDF | 25 | **44,714,468** | - |
| Amount due from MOM - ATB | 16 | **-** | 768,200 |
| Amount due from LLEF | 26 | **13,026,912** | 2,503,555 |
| | | **61,733,587** | 10,104,942 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Property, plant and equipment

| 2023 | Furniture and fittings $ | Office equipment $ | Computer equipment $ | Mechanical and electrical equipment $ | Office premises $ | Work-in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|
| Cost | | | | | | | |
| Beginning of financial year | 5,845,159 | 751,806 | 2,238,207 | 106,062 | 16,315,856 | 151,850 | 25,408,940 |
| Additions | 4,760 | 6,379 | 186,741 | - | 119,871 | - | 317,751 |
| Modification of lease liabilities | - | - | - | - | 899,594 | - | 899,594 |
| Disposals/Write off | - | (65,687) | (48,059) | - | (300,306) | - | (414,052) |
| End of financial year | 5,849,919 | 692,498 | 2,376,889 | 106,062 | 17,035,015 | 151,850 | 26,212,233 |
| Accumulated depreciation | | | | | | | |
| Beginning of financial year | 1,722,573 | 603,927 | 1,121,546 | 51,263 | 10,397,845 | - | 13,897,154 |
| Depreciation for the year | 731,552 | 59,659 | 634,538 | 10,606 | 4,187,306 | - | 5,623,661 |
| Disposals/Write off | - | (65,687) | (48,059) | - | (248,016) | - | (361,762) |
| End of financial year | 2,454,125 | 597,899 | 1,708,025 | 61,869 | 14,337,135 | - | 19,159,053 |
| **Net book value** | | | | | | | |
| **End of financial year** | 3,395,794 | 94,599 | 668,864 | 44,193 | 2,697,880 | 151,850 | 7,053,180 |

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Property, plant and equipment (continued)

| 2022 | Furniture and fittings $ | Office equipment $ | Computer equipment $ | Mechanical and electrical equipment $ | Office premises $ | Work-in-progress $ | Total $ |
|---|---|---|---|---|---|---|---|
| Cost | | | | | | | |
| Beginning of financial year | 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 |
| Disposals/Write off | - | - | - | - | (583,874) | - | (583,874) |
| End of financial year | 5,845,159 | 751,806 | 2,238,207 | 106,062 | 16,315,856 | 151,850 | 25,408,940 |
| Accumulated depreciation | | | | | | | |
| Beginning of financial year | 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 |
| Disposals/Write off | - | - | - | - | (583,874) | - | (583,874) |
| End of financial year | 1,722,573 | 603,927 | 1,121,546 | 51,263 | 10,397,845 | - | 13,897,154 |
| **Net book value** | | | | | | | |
| **End of financial year** | 4,122,586 | 147,879 | 1,116,661 | 54,799 | 5,918,011 | 151,850 | 11,511,786 |

# NOTES TO THE FINANCIAL STATEMENTS

## 10. Leases – The Agency as a lessee

### Nature of the Agency's leasing activities

The Agency 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.

(a) Carrying amounts

Right-of-use assets classified within Property, plant and equipment

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (Note 9).

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Office premises | **2,697,880** | 5,918,011 |

(b) Depreciation charge during the year

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Office premises | **4,187,306** | 4,429,382 |

(c) Interest expense

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Interest expense on lease liabilities | **110,442** | 311,084 |

(d) Lease expense not capitalised in lease liabilities

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Low value leases | **601,794** | 434,816 |
| Short-term leases | **12,175** | 20,863 |
| | **613,969** | 455,679 |

(e) Total cash outflow for all leases in 2023 was $5,615,021 (2022: $5,142,619).

(f) Addition of ROU assets during the financial year was $119,871 (2022: $568,126).

# NOTES TO THE FINANCIAL STATEMENTS

## 11. Intangible assets

| **2023** | **Computer software $** | **Assets under development $** | **Total $** |
|---|---|---|---|
| Cost | | | |
| Beginning of financial year | **35,352,366** | **-** | **35,352,366** |
| Additions | **11,408,959** | **-** | **11,408,959** |
| Disposals/Write off | **(180,711)** | **-** | **(180,711)** |
| End of financial year | **46,580,614** | **-** | **46,580,614** |
| Accumulated amortisation | | | |
| Beginning of financial year | **15,218,877** | **-** | **15,218,877** |
| Amortisation for the year | **18,201,372** | **-** | **18,201,372** |
| Disposals/Write off | **(180,711)** | **-** | **(180,711)** |
| End of financial year | **33,239,538** | **-** | **33,239,538** |
| ***Net book value*** | | | |
| End of financial year | **13,341,076** | **-** | **13,341,076** |

| **2022** | **Computer software $** | **Assets under development $** | **Total $** |
|---|---|---|---|
| Cost | | | |
| Beginning of financial year | 30,326,056 | 6,003,876 | 36,329,932 |
| Additions | 10,659,962 | - | 10,659,962 |
| Reclassification | 6,003,876 | (6,003,876) | - |
| Disposals/Write off | (11,637,528) | - | (11,637,528) |
| End of financial year | 35,352,366 | - | 35,352,366 |
| Accumulated amortisation | | | |
| Beginning of financial year | 17,825,255 | - | 17,825,255 |
| Amortisation for the year | 9,031,150 | - | 9,031,150 |
| Disposals/Write off | (11,637,528) | - | (11,637,528) |
| End of financial year | 15,218,877 | - | 15,218,877 |
| ***Net book value*** | | | |
| End of financial year | 20,133,489 | - | 20,133,489 |

# NOTES TO THE FINANCIAL STATEMENTS

## 12. Deferred capital grants

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| At beginning of the year | | **25,727,261** | 25,331,695 |
| Amounts transferred from government grants received in advance | 16 | **11,606,839** | 10,983,651 |
| | | **37,334,100** | 36,315,346 |
| Amortisation of deferred capital grants | | **(19,637,727)** | (10,588,085) |
| At the end of the year | | **17,696,373** | 25,727,261 |
| Represented by: | | | |
| Current portion | | **4,910,152** | 12,606,418 |
| Non-current portion | | **12,786,221** | 13,120,843 |
| | | **17,696,373** | 25,727,261 |

## 13. Other payables

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Other payables | | | |
| - Related parties | | **5,691,634** | 5,681,450 |
| - Third parties | | **8,336,391** | 48,752,295 |
| Accrued operating expenses | | **10,031,753** | 13,610,416 |
| Advance receipts | | **-** | 137 |
| Amount due to SSG | | **1,892,458** | 3,004,860 |
| Amount due to SDF | 25 | **-** | 12,502,501 |
| | | **25,952,236** | 83,551,659 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 14. Contribution to Consolidated Fund

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Surplus before contribution to Consolidated Fund | **46,676,527** | 28,671,679 |
| Contribution to Consolidated Fund at 17% (2022: 17%) as presented in the statement of financial position and statement of comprehensive income | **7,935,009** | 4,874,186 |

## 15. Lease liabilities

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Current | **2,067,551** | 5,158,417 |
| Non-current | **536,609** | 1,892,495 |
| | **2,604,160** | 7,050,912 |

The incremental borrowing rates of the Agency's lease liabilities range from 2.4% to 3.2% (2022: 2.4% to 3.2%) per annum during the year.

### Reconciliation of liabilities arising from financing activities

| | Lease liabilities | |
|---|---|---|
| | 2023 | 2022 |
| | $ | $ |
| **Balance as at 1 April** | **7,050,912** | 11,314,321 |
| Principal and interest payments | **(5,001,052)** | (5,142,619) |
| Non-cash changes | | |
| - Additions during the year | **119,871** | 568,126 |
| - Modification of lease liabilities | **379,213** | - |
| - Termination of lease liabilities | **(55,226)** | - |
| - Interest expense | **110,442** | 311,084 |
| | **554,300** | 879,210 |
| **Balance as at 31 March** | **2,604,160** | 7,050,912 |

# NOTES TO THE FINANCIAL STATEMENTS

## 16. Government grants received in advance

| | Note | MOM - RF (i) $ | MOM - ATB (ii) $ | NPF (iii) $ | Operations funded by SDF (iv) $ | Operations funded by LLEF (iv) $ | Operating grants $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | |
| Beginning of financial year | | **2,864,530** | **10,537,283** | **-** | **-** | **-** | **-** | **13,401,813** |
| Grants received from government – net | | **50,974,464** | **214,029,718** | **321,202** | **-** | **-** | **177,927,553** | **443,252,937** |
| | | **53,838,994** | **224,567,001** | **321,202** | **-** | **-** | **177,927,553** | **456,654,750** |
| Transfer to statement of comprehensive income | | **(41,282,284)** | **(223,535,288)** | **(252,629)** | **-** | **-** | **(177,503,438)** | **(442,573,639)** |
| Transfer to deferred capital grants | 12 | **(11,182,724)** | **-** | **-** | **-** | **-** | **(424,115)** | **(11,606,839)** |
| End of financial year | | **1,373,986** | **1,031,713** | **68,573** | **-** | **-** | **-** | **2,474,272** |
| **2022** | | | | | | | | |
| Beginning of financial year | | 3,989,184 | - | 361,556 | 218,145 | 2,503,136 | - | 7,072,021 |
| Grants received/(returned) from government – net | | 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 | 12 | (4,195,000) | (2,854,000) | - | - | - | (3,934,651) | (10,983,651) |
| End of financial year | | 2,864,530 | 10,537,283 | - | - | - | - | 13,401,813 |

# NOTES TO THE FINANCIAL STATEMENTS

## 16. Government grants received in advance (continued)

(i) Reinvestment Funds

Reinvestment Funds ("RF") are provided by Ministry of Finance ("MOF") through Ministry of Manpower ("MOM") to supplement the Agency'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 the Agency'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, the Agency taps on SDF and LLEF to meet the increasing demands and needs of the Agency's workforce development efforts. Since 2019, Agency has moved away from using SDF and LLEF to fund its manpower and operating overheads, hence there is a decline in operations funded by SDF and LLEF.

# NOTES TO THE FINANCIAL STATEMENTS

## 17. Provision for reinstatement costs

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| At beginning of the year | **2,233,879** | 2,329,410 |
| Provision made during the year | **569,281** | - |
| Reversal of overprovision for reinstatement costs | **-** | (95,531) |
| At end of the year | **2,803,160** | 2,233,879 |

Provision for reinstatement costs is the estimated costs to restore any or all parts of the Agency'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 the Agency's leased premises.

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Current | **2,614,726** | - |
| Non-current | **188,434** | 2,233,879 |
| | **2,803,160** | 2,233,879 |

## 18. Capital account

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

## 19. Share capital

| | **2023** | 2022 | **2023** | 2022 |
|---|---|---|---|---|
| | **Number of shares** | Number of shares | **$** | $ |
| **Issued and fully paid with no par value** | | | | |
| At beginning and end of year | **1,000** | 1,000 | **1,000** | 1,000 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 19. Share capital (continued)

### *Capital management*

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

## 20. Dividends

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Ordinary dividends | | |
| Final dividend paid in respect of the previous financial year of $3,469 (2022: nil) per share | **3,469,000** | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 21. Statement of comprehensive income – Restricted funds

| | MOM - RF | | MOM - ATB | | Operations funded by SDF | | Operations funded by LLEF | | NPF | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| **Income** | | | | | | | | | | | | |
| Other income | - | (10) | - | 33 | - | - | - | (1) | - | (5) | - | 17 |
| **Expenditure** | | | | | | | | | | | | |
| Depreciation of property, plant and equipment | (575) | (881) | - | - | 43 | - | (194) | (223) | - | - | (726) | (1,104) |
| Amortisation of intangible assets | (13,048) | (6,401) | (2,120) | (988) | - | - | (53) | (240) | - | - | (15,221) | (7,629) |
| Staff costs | (22,934) | (13,939) | (9,840) | (7,492) | - | - | - | - | (252) | (304) | (33,026) | (21,735) |
| Grant disbursements | (9,304) | (12,500) | (206,953) | (333,716) | - | - | - | - | - | - | (216,257) | (346,216) |
| Lease expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest expense on lease liabilities | (23) | (41) | - | - | - | - | - | - | - | - | (23) | (41) |
| Professional services | (1,314) | (8) | (152) | (31) | - | - | - | - | (1) | (1) | (1,467) | (40) |
| Maintenance expenses | (5,735) | (3,473) | (1,705) | (7,547) | - | - | - | - | - | - | (7,440) | (11,020) |
| Suppliers and materials | (48) | (47) | (15) | (27) | - | - | - | - | - | - | (63) | (74) |
| Public relations | (447) | (736) | (4,152) | (65) | - | - | - | - | - | - | (4,599) | (801) |
| Travel expenses | (8) | (1) | - | - | - | - | - | - | - | - | (8) | (1) |
| GST expenses | (864) | (299) | (424) | (960) | - | - | - | - | - | - | (1,288) | (1,259) |
| Temporary staff costs | (47) | - | (5) | (17) | - | - | - | - | - | - | (52) | (17) |
| Others | (10) | (31) | (289) | (187) | (12) | - | - | - | - | - | (311) | (218) |
| Total expenditure | (54,357) | (38,357) | (225,655) | (351,030) | 31 | - | (247) | (463) | (253) | (305) | (280,481) | (390,155) |
| Deficit for the year before Government grants and contribution to Consolidated Fund | (54,357) | (38,367) | (225,655) | (350,997) | 31 | - | (247) | (464) | (253) | (310) | (280,481) | (390,138) |
| **Government grants** | | | | | | | | | | | | |
| Grants from government | 41,282 | 31,965 | 223,535 | 350,009 | - | - | - | 1 | 253 | 310 | 265,070 | 382,285 |
| Deferred capital grants amortised | 13,050 | 6,402 | 2,120 | 988 | - | - | 247 | 463 | - | - | 15,417 | 7,853 |
| | 54,332 | 38,367 | 225,655 | 350,997 | - | - | 247 | 464 | 253 | 310 | 280,487 | 390,138 |
| Net (deficit)/surplus for the year | (25) | - | - | - | 31 | - | - | - | - | - | 6 | - |
| 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 | - | - | - | (31) | - | - | - | - | - | (6) |

# NOTES TO THE FINANCIAL STATEMENTS

## 22. Commitments

*Capital commitments*

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

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Commitments for the acquisition of: | | |
| Intangible assets | **18,112,738** | 14,211,235 |
| Property, plant and equipment | **32,933** | 32,933 |
| | **18,145,671** | 14,244,168 |

## 23. Financial risk management

Financial risk factors

The Agency's activities expose it to market risk (including interest rate risk), credit risk and liquidity risk. The Agency's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Agency's financial performance. It is the Agency'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 the Agency's policy are relevant and complied with.

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

The Agency 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 the Agency also conducts ongoing review of its financial assets held.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Financial risk management (continued)

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Agency'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.

*Interest rate risk*

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

The Agency 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).

(b) Credit risk

Credit risk is the risk of financial loss to the Agency 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, the Agency'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.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Financial risk management (continued)

(b) Credit risk (continued)

(i) Other receivables

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

| | Not past due $ | Past due 1 – 90 days $ | Past due more than 90 days $ | Total |
|---|---|---|---|---|
| **2023** | | | | |
| Gross | **2,007,938** | **5,079** | **12,555** | **2,025,572** |
| Loss allowance | **-** | **-** | **(12,555)** | **(12,555)** |
| | **2,007,938** | **5,079** | **-** | **2,013,017** |
| **2022** | | | | |
| Gross | 2,523,650 | 104,620 | 68,514 | 2,696,784 |
| Loss allowance | - | (493) | (68,514) | (69,007) |
| | 2,523,650 | 104,127 | - | 2,627,777 |

The credit period on rendering of services is 30 days (2022: 30 days). No interest is charged on the other receivables and no collateral is held by the Agency over the other receivables.

Amounts excluded from gross other receivables include interest income receivable, fund receivables from SDF and LLEF amounting to $59,720,570 (2022: interest income receivable, fund receivables from RF, NPF, ATB and LLEF amounting to $7,477,166).

The movement in the credit loss allowance are as follows:

| | **2023 $** | 2022 $ |
|---|---|---|
| Balance at beginning of the year | **69,007** | 6,057 |
| Charged to the statement of comprehensive income | **(56,000)** | 62,950 |
| Amount written off | **(452)** | - |
| Balance at end of the year | **12,555** | 69,007 |

In determining the recoverability of a receivable, the Agency 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 the Agency's customers and that majority of the Agency's other receivables are within their expected cash collection cycle.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Financial risk management (continued)

(b) Credit risk (continued)

(i) Other receivables (continued)

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

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

(ii) 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. The Agency 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.

(c) Liquidity risk

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

The Agency 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:

# NOTES TO THE FINANCIAL STATEMENTS

## 23. Financial risk management (continued)

(c) Liquidity risk (continued)

| | Less than 1 year $ | Between 1 and 2 years $ | Between 2 to 5 years $ |
|---|---|---|---|
| **2023** | | | |
| Other payables | **25,952,236** | **-** | **-** |
| Lease liabilities | **2,103,565** | **363,233** | **187,410** |
| **2022** | | | |
| Other payables | 83,551,522 | - | - |
| Lease liabilities | 5,158,417 | 2,056,702 | - |

(d) Fair value measurement

Financial assets and liabilities

The fair values of current financial assets and financial liabilities (including other receivables, deposits, cash and cash equivalents, and other payables) carried at amortised cost approximate their carrying amounts. The fair value of non-current financial assets (including deposits) approximate their carrying amounts as the impact of discounting is not material.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments are as follows:

| | 2023 $ | 2022 $ |
|---|---|---|
| Financial assets | **156,409,693** | 188,475,101 |
| Financial liabilities | **28,556,396** | 90,602,434 |

# NOTES TO THE FINANCIAL STATEMENTS

## 24. Related parties

For the purpose of these financial statements, parties are considered to be related to the Agency if the Agency 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 the Agency 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 the Agency are those persons having the authority and responsibility for planning, directing and controlling the activities of the Agency. The Board, Chief Executive, Deputy Chief Executive, Assistant Chief Executives and Directors are considered key management personnel of the Agency.

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

| | **2023** | 2022 |
|---|---|---|
| | **$** | $ |
| Board of Directors fees | **122,779** | 120,452 |
| Wages and salaries | **7,392,325** | 7,013,923 |
| Employer's contribution to Central Provident Fund | **360,948** | 334,785 |
| | **7,876,052** | 7,469,160 |

### Other related party transactions

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

| | **Parent Ministry** | **Other Ministries** | **Statutory boards** (i) |
|---|---|---|---|
| | **$** | **$** | **$** |
| **2023** | | | |
| Operating income | **-** | **63,880** | **32,000** |
| Grant disbursements | **6,638,700** | **9,954,004** | **11,218,555** |
| Professional services | **520,523** | **229,694** | **14,310,933** |
| Maintenance expenses | **13,501** | **491,732** | **16,098,377** |
| Other expenditure | **107** | **70,432** | **361,527** |

# NOTES TO THE FINANCIAL STATEMENTS

## 24. Related parties (continued)

### Other related party transactions (continued)

| | Parent Ministry<br>$ | Other Ministries<br>$ | Statutory boards (i)<br>$ |
|---|---|---|---|
| **2022** | | | |
| 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 |

(i) The Agency 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 the Agency as the main resource owner, including business process outsourcing, technological and facility services to deliver the shared goal. The Agency will reimburse SSG for services rendered during the year amounting to $15,066,185 (2022: $19,526,538) (as included above).

## 25. 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.

The Agency and SSG has established a mutually agreed allocation framework on the share of grants disbursed from SDF to be managed by the Agency and SSG respectively. As the Agency and SSG's activities and operations have expanded rapidly to react to greater economic downturns and uncertainties impacting the Singapore workforce, the Agency 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 in accordance with the memorandum of understanding between the Agency and SSG. The moneys in SDF may be withdrawn by the Agency to be deployed for programmes congruent with the objectives of SDF. Upon dissolution of SDF, the treatment of the remaining balance would be guided by the Government.

# NOTES TO THE FINANCIAL STATEMENTS

## 25. Net assets of Skills Development Fund (continued)

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 | 2023 | 2022 |
|---|---|---|---|
| | | **$** | $ |
| **Income** | | | |
| Interest income | | **302,180** | 33,773 |
| Others | | **267,357** | 392,433 |
| | | **569,537** | 426,206 |
| **Expenditure** | | | |
| Grants disbursed | | **(643,993)** | (71,918,072) |
| Others | | **-** | - |
| | | **(643,993)** | (71,918,072) |
| **Grants received** | | **74,456** | 71,491,866 |
| Surplus for the year | | **-** | - |
| **Represented by:** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | **46,711,402** | 29,292,333 |
| Other receivables | | **302,180** | 30,850 |
| Amount due from the Agency | 13 | **-** | 12,502,501 |
| Amount due from LLEF | 26 | **5,204,764** | - |
| Grants disbursed in advance | | **-** | 158,507 |
| Accrued revenue | | **41,442** | - |
| | | **52,259,788** | 41,984,191 |
| **Current liabilities** | | | |
| Amount due to the Agency | 8 | **(44,714,468)** | - |
| Other payables | | **(37,163)** | (25,431,350) |
| Grants received in advance | | **(7,508,157)** | (16,552,841) |
| | | **(52,259,788)** | (41,984,191) |
| Net assets | | **-** | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 26. 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.

The Agency was appointed as one of the programme managers of LLEF to manage its share of grants disbursed from LLEF in accordance with the memorandum of understanding between the Agency and the Ministry of Education. The moneys in LLEF may be withdrawn by the Agency to be deployed for programmes congruent with the objectives of LLEF. Upon dissolution of LLEF, the treatment of the remaining balance would be guided by the Government.

The financial information of LLEF is as follows:

| | **Note** | **2023** | 2022 |
|---|---|---|---|
| | | **$** | $ |
| **Income** | | | |
| Refund of unused grant from programme manager | | **802,542** | 1,316,627 |
| Interest income | | **53,077** | 64,891 |
| | | **855,619** | 1,381,518 |
| **Expenditure** | | | |
| Grants disbursed | | **(55,777,265)** | (55,644,857) |
| Marketing and promotion expenses | | **(1,233,391)** | (8,846,881) |
| | | **(57,010,656)** | (64,491,738) |
| **Grants received** | | **53,538,861** | 61,088,854 |
| Deficit for the year | | **(2,616,176)** | (2,021,366) |
| Accumulated surplus at the beginning of the year | | **3,179,612** | 5,200,978 |
| Accumulated surplus at the end of the year | | **563,436** | 3,179,612 |
| **Represented by:** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | **21,292,554** | 8,200,749 |
| Other assets | | **1,300** | - |
| | | **21,293,854** | 8,200,749 |
| **Current liabilities** | | | |
| Other payables | | **(2,498,742)** | (2,517,582) |
| Amount due to SDF | 25 | **(5,204,764)** | - |
| Amount due to the Agency | 8 | **(13,026,912)** | (2,503,555) |
| | | **(20,730,418)** | (5,021,137) |
| Net assets | | **563,436** | 3,179,612 |

# NOTES TO THE FINANCIAL STATEMENTS

## 27. New standards and interpretations not adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Agency. These standards are not expected to have a material impact on the Agency in the current or future reporting periods and on foreseeable future transactions.

## 28. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Workforce Singapore Agency on 29 August 2023.