A photograph of two hands, palms facing each other, with fingers pointing upwards, forming a triangular shape. The hands are positioned symmetrically, with the fingers of each hand touching the fingers of the other hand. The background is a plain, light grey color.

Shaping an **Agile**  
workforce together.



ANNUAL REPORT 2017/2018

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# Foreword By Chairman & Chief Executive



2017 was an exciting year for Workforce Singapore (WSG). The Singapore economy continued to transform amidst technological disruption.

WSG focused efforts to create an agile workforce with a strong Singaporean core. Initiatives were ramped up to help workers take greater ownership of their careers and pick up new and relevant skills. Programmes were also enhanced to drive greater inclusivity in hiring, and to facilitate smoother job matches and transitions. These are all part of ongoing endeavours to help businesses and workers navigate the uncertain economic climate.

Mr Lim Ming Yan,  
Chairman

In particular, WSG sought to bridge the gap to facilitate smoother job matches and transitions. The Professional Conversion Programme, Work Trial and Career Support Programme were all enhanced to align more closely with jobseeker and employer needs. The Lean Enterprise Development scheme gained further traction with more companies taking on job redesign projects to become more manpower lean. WSG also introduced the rebranded Careers Connect to offer jobseekers an expanded suite of customised career matching services. WSG also expanded its outreach across multiple channels to encourage more Singaporeans to take up our programmes and services.

The future may bring with it more unknowns, but WSG remains steadfast in its transformative journey to build an agile and future-ready workforce. We would like to thank our industry partners and staff for the strong commitment and passion they have shown thus far. We look forward to continuing our purposeful work to meet the needs of our nation and to enable our workforce to Adapt and Grow.



Mr Tan Choon Shian,  
Chief Executive



**MR LIM MING YAN**

**CHAIRMAN**  
Chief Executive Officer,  
CapitaLand



**MR PATRICK TAY TECK GUAN**

**MEMBER**  
Assistant Secretary-General,  
National Trades Union Congress



**MR TAN CHOON SHIAN**

**MEMBER**  
Chief Executive,  
Workforce Singapore

**Board  
Members and  
Committees**



**MR NG CHER PONG**

**MEMBER**  
Chief Executive, SkillsFuture  
Singapore  
Deputy Secretary (SkillsFuture),  
Ministry of Education



**MR TERENCE HO**

**MEMBER**  
Divisional Director  
(Manpower Policy and Planning),  
Ministry of Manpower, Singapore



**MS ELAINE YEW**

**MEMBER**  
Member of Global Executive Committee  
and Managing Partner Singapore,  
Egon Zehnder International



**MR JAMES WONG**

**MEMBER**  
Deputy Secretary (Land and Corporate),  
Ministry of Transport



**MR MURALI PILLAI**

**MEMBER**  
Partner,  
Rajah & Tann Singapore LLP



**MR DOUGLAS FOO**

**MEMBER**

Chairman,  
Sakae Holdings Ltd



**MS JUDY HSU**

**MEMBER**

Chief Executive Officer,  
Standard Chartered Bank  
Singapore



**MS DEBORAH ONG**

**MEMBER**

Partner,  
PwC Singapore



**MR WAHAB YUSOFF**

**MEMBER**

Vice President,  
ForeScout Technologies, Inc  
*(With effect from 1 Sep 2017)*



**MR ANDREW CHONG**

**MEMBER**

Advisor to the Board of  
Infineon Technologies Asia Pacific  
*(With effect from 1 Sep 2017)*

## BOARD MEMBERS AND COMMITTEES

### CHAIRMAN

Mr Lim Ming Yan  
Chief Executive Officer,  
CapitaLand

### AUDIT AND RISK COMMITTEE (ARC)

#### CHAIRMAN

**Ms Deborah Ong**  
Partner,  
PwC Singapore

#### MEMBERS

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

#### Mr Terence Ho

Divisional Director  
(Manpower Policy and Planning),  
Ministry of Manpower

### FINANCE COMMITTEE (FC)

#### CHAIRMAN

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

#### MEMBERS

**Ms Judy Hsu**  
Chief Executive Officer,  
Standard Chartered Bank Singapore

#### Mr Patrick Tay Teck Guan

Assistant Secretary-General,  
National Trades Union Congress

#### Mr Andrew Chong

Advisor to the Board of  
Infineon Technologies Asia Pacific  
(With effect from 1 Sep 2017)

#### Mr Irving Tan

President,  
Cisco Systems Asia Pacific & Japan  
(Term ended 20 Dec 2017)

### REMUNERATION COMMITTEE (RC)

#### CHAIRMAN

**Mr Douglas Foo**  
Chairman,  
Sakae Holdings Ltd

#### MEMBERS

**Mr Ng Cher Pong**  
Chief Executive,  
SkillsFuture Singapore  
Deputy Secretary (SkillsFuture),  
Ministry of Education

#### Ms Elaine Yew

Member of Global Executive  
Committee  
and Managing Partner Singapore,  
Egon Zehnder International

#### Mr Wahab Yusoff

Vice President,  
ForeScout Technologies, Inc  
(With effect from 1 Sep 2017)

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### BOARD MEMBER

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

### Functions of the WSG Board

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

### The WSG Board Committee:

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

#### The WSG Board Committees

**a) Audit and Risk Committee**

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

**b) Finance Committee**

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

**c) Remuneration Committee**

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



## Internal Control Framework

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

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

## Internal and External Audit Functions

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

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

## Business and Ethical Conduct

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

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

## Whistle-Blowing

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

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

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

## Annual Report and Financial Reporting

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

## ORGANISATION CHART

FY 2017 (until May 2018)

**MR TAN CHOON SHIAN**

Chief Executive

**INTERNAL AUDIT UNIT  
MS TAN YING YING**

Deputy Director

**MR GOH ENG GHEE**

Deputy Chief Executive

**Careers Connect  
Group (CCG)  
MS LYNN NG**

Group Director

**Career Practitioners Division**

Vacant

**Career Services Division**

**MR RICHARD LIM**

Director

**Data Analytics Division**

**MS ONG BEE LEE**

Director

**Partners and  
Operations Division**

**MR CHRISTOPHER YU**

Director

**Corporate  
Development  
Group (CDG)**

**Corporate Marketing &  
Communications Division  
MR GOH CHOUR THONG**

Director

**Corporate Services Division  
MR OW SENG FONG**

Director

**Human Resource Division  
MS SERENE CHIANG**

Director

**Strategic & Resource  
Planning Division  
MS DORIS KUEK**

Director

**Enterprise  
Development Group  
(EDG)**

**MS JULIA NG**

Group Director

**Creative & Professional  
Services Division  
MR KENNETH WONG**

Director

**Enterprise Programmes Division  
MR TOH SWEE CHIEN**

Director

**Healthcare, Social &  
Business Services Division  
MR TOH SWEE CHIEN**

Director

**Manufacturing Division  
MR ANG CHAI SOON**

Director

**Tourism Division  
MS JANICE FOO**

Director

## (SSG SHARED SERVICES)

**MR TAN WEE BENG**

Deputy Chief Executive (Operations)

---

**BUSINESS SERVICES GROUP (BSG)  
& TRAINING MANPOWER  
INFRASTRUCTURE GROUP (TMIG) - SSG  
MR TAN TOW KOON**  
Group Director

**BUSINESS TECHNOLOGY  
GROUP (BTG) - SSG  
MS PANG POH CHENG**  
Senior Director

**Shared Services Management  
Division (SSMD)  
MS ONG AI MING**  
Director

**Operations Planning Division (OPD)  
MR KOH KIAN WEE**  
Director

**Integrated Business  
Services Division (IBSD)  
MS ANGELINA SOH**  
Director

**Capability Dev Division (CDD)  
MR RICHARD LEE**  
Director

**OPERATIONS & SUPPORT  
DIVISION (OSD)  
SECURITY & INFRASTRUCTURE  
DIVISION (SID)  
MR TEH SIM SENG**  
Director  
Chief Information Officer



**MR TAN CHOON SHIAN**  
| CHIEF EXECUTIVE



**MR GOH ENG GHEE**  
| DEPUTY CHIEF EXECUTIVE



**MS LYNN NG**  
| GROUP DIRECTOR  
Careers Connect Group

# Senior Management



**MS JULIA NG**  
| GROUP DIRECTOR  
Enterprise Development Group



**MR OW SENG FONG**  
| DIRECTOR  
Corporate Services Division



**MS ONG BEE LEE**  
| DIRECTOR  
Data Analytics Division



**MR GOH CHOUR THONG**  
| DIRECTOR  
Corporate Marketing &  
Communications Division



**MS JANICE FOO**  
| DIRECTOR  
Tourism Division



**MR RICHARD LIM**

**DIRECTOR**  
Career Services Division



**MS SERENE CHIANG**

**DIRECTOR**  
Human Resource Division



**MR CHRISTOPHER YU**

**DIRECTOR**  
Partners and Operations Division



**MS DORIS KUEK**

**DIRECTOR**  
Strategic & Resource  
Planning Division



**MR KENNETH WONG**

**DIRECTOR**  
Creative & Professional Services Division



**MR ANG CHAI SOON**

**DIRECTOR**  
Manufacturing Division



**MR TOH SWEE CHIEN**

**DIRECTOR**  
Enterprise Programmes Division  
Healthcare, Social & Business  
Services Division



# KeY

## ACHIEVEMENTS

| United by a common goal, WSG aims to promote the transformation to a lean, agile and flexible workforce.

## Key Achievements

### (i) Developing Skills And Career Resilience In The Workforce

#### Developed the Career Development Framework for Career Practitioners

To raise the quality of career coaching and advisory, WSG developed the Career Development Framework in consultation with MOE and NTUC's e2i. This is a credentialing framework that will place emphasis on certification through practice, so that career practitioners are equipped with the skills and knowledge to help jobseekers and employers in effective career management.

### (ii) Reducing Mismatches Between Workers And Jobs

*In response to the dynamics of the economy and changing profile of the workforce, WSG rolled out several changes to our programmes to help job seekers.*



**X2**

double the number of PCPs offered

**>3,700**

PMETs being placed into jobs via PCPs



Work stint duration for Enhanced Work Trial raised to **480 hours**

| WSG staff providing career guidance to one of the visitors at WSG's career fairs.

#### Enhanced Professional Conversion Programmes (PCPs)

To better address mismatches in the labour market, WSG doubled the number of PCPs in 2017, as compared to 2016. There are over 100 PCPs in more than 30 sectors. The PCP was also further enhanced to increase salary support for mid-level occupations. In sectors identified with growth potential, an Attach-and-Train (AnT) mode of the PCP was launched to provide added training opportunities. More than 3,700 PMETs were placed into jobs in 2017 through PCPs – which is three times more than the placements in 2016.



| Jobseekers now have more avenues to go into new industries and job roles through the enhanced PCP.





Programmes under the Adapt and Grow initiative help employers hire the manpower they need.

### Enhanced Work Trial

Aimed at strengthening the employability of locals through a short term work stint with a prospective employer, WSG's Work Trial was further enhanced to offer higher salary support for individuals unemployed for more than one year. WSG also raised the work trial duration from 80 hours to 480 hours to allow jobseekers and employers to have more adequate time to assess job fit.

### Enhanced Career Support Programme (CSP)

The Career Support Programme was also enhanced to offer an additional six months of salary support for Singapore Citizens over 40 years old and who had been unemployed for more than one year, in recognition that mature Professionals, Managers, Executives and Technicians (PMETs) continue to face greater challenges re-entering the workforce.

### Appointed New Career Matching Providers

To more comprehensively address the unique demands of unemployed Singaporeans, two Career Matching Providers (CMPs), Ingeus and MAXIMUS, were appointed in a two-year pilot to expand WSG's suite of Career Matching Services to strengthen its capacity to serve local PMETs jobseekers.

### Stepped up the work of the Taskforce for Responsible Retrenchment and Employment Facilitation

The Ministry of Manpower (MOM) had announced that retrenchment notifications would be made mandatory with effect from 1 Jan 2017. The majority of companies are now required to notify MOM of retrenchments within five working days of informing affected employees. These notifications would ensure complete and timely retrenchment information, enabling WSG and the Taskforce for Responsible Retrenchment and Employment Facilitation to better reach out to affected workers and remind employers to practice responsible HR practices.

### Rebranded Career Centres to “Careers Connect”

As part of WSG’s commitment to transform and improve its career matching services, WSG’s three Career Centres were rebranded to Careers Connect in July 2017. These remodelled centres offer an expanded suite of career matching services, including self-help career resources, workshops and career counselling programmes tailored to the individual jobseekers’ needs. The new Careers Connect also supports industry hiring needs by serving as an intermediary between suitable jobseekers and employers and conducting employer-targeted workshops to improve hiring processes.



WSG’s Chief Executive, Mr Tan Choon Shian, Manpower Minister Mrs Josephine Teo and Mayor for Northeast District Mr Desmond Choo launching the rebranded Careers Connect at Our Tampines Hub.



Jobseekers visiting one of the career fairs organised by WSG to meet and network with potential employers.

### Launched career management and counselling programmes

WSG’s Careers Connect also launched a suite of customised career management and counselling programmes to meet the demands of changing jobseeker needs. These include Career Catalyst, a structured one-to-one coaching programme that helps jobseekers attain clarity and identify transferrable skills, and Career Recharger, a one-to-one career counselling programme that helps jobseekers overcome emotional issues stemming from job loss.

### (iii) Ramping Up Outreach Campaigns Of Adapt And Grow (A&G) Programmes

*To communicate our programmes, WSG embarked on engaging our audiences on several fronts to enhance awareness of WSG Adapt and Grow.*



#### Adapt and Grow (A&G) outreach campaigns

##### Outreach Campaigns



**30** events and roadshow



**26,000** Jobseekers reached via physical fairs

##### Virtual Career Fairs



**5** Virtual Career Fairs



**16,000** Jobseekers reached via virtual career fairs

| WSG staff explaining the PCP for Professional Executives at the Adapt and Grow Roadshow @ Chevron House.

#### Scaled up Adapt and Grow events / roadshows

A year-long series of outreach events were launched to raise public awareness of programmes under WSG's Adapt and Grow (A&G) initiative. Outreach campaigns across digital and outdoor media platforms, coupled with partnerships with strategic partners which accounted for more than 30 grassroots events and roadshows, reached over 26,000 individuals.

#### Expanded career services outreach to jobseekers via omni channels and diverse partnerships

WSG stepped up efforts in the digital sphere using multiple platforms and channels. This includes extending career services to jobseekers through Virtual Career Fairs (VCF). These VCFs enabled jobseekers to access labour market information, career preparatory resources and services, and apply for jobs online directly at their convenience. Five VCFs were held in 2017, reaching close to 16,000 jobseekers.

#### Broadened partnerships with other Government agencies to enhance outreach

WSG also partnered the People's Association (PA) and MOM for PA Kopi Talks, titled: Adapt and Grow: Good Jobs, Better Careers For All. This series of dialogues, held between April and June 2017, helped equip grassroots leaders and volunteers with the knowledge and skills to promote career assistance programmes under WSG's Adapt and Grow initiative.

**Trained SkillsFuture Advice officers to raise awareness of career advisory at the community level**

To better engage individuals at the community level, WSG developed a 5-day training programme to equip SkillsFuture Advice Officers with the necessary knowledge to promote various SkillsFuture and Adapt and Grow Programmes to those seeking career and training advice.

**(iv) Supporting Industry Transformation For Better Careers**

*In addition to helping jobseekers adapt to the new economy and grow their careers, WSG continued to help enterprises transform to be more manpower-lean and grow their businesses.*



**4,500**  
companies reached through LED learning journeys and engagement sessions



**400**  
more companies joined the WorkPro initiative

Current Manpower Minister Mrs Josephine Teo and former Manpower Minister Mr Lim Swee Say visiting the tech showcase at the LED Symposium 2017.

**Scaled up Lean Enterprise Development outreach and outcomes**

Through the commitment of Lean Enterprise Development (LED) Taskforce partners and multipliers, close to 4,500 companies participated in learning journeys and engagement sessions. These events encourage companies to undergo the business transformation they need to become more manpower lean. WSG had worked with more than 400 companies via the WorkPro initiatives, to roll out WorkPro job redesigned projects that were aligned with LED outcomes.

**Strengthened the Human Capital Partnership**

Human capital development would not only be essential for our economy to remain competitive and for Singaporeans to continue to have better salaries and better careers, but also crucial for businesses to attract and retain talent. WSG supported the Human Capital Partnership (HCP), a tripartite initiative to help grow and strengthen a community of employers with progressive human capital development practices. As of March 2018, 135 companies comprising 411 entities have been conferred as HCPartners.

**Enhanced the competencies of HR professionals through the Institute for Human Resource Professionals (IHRP) Certification Framework**

The IHRP is a tripartite professional body established by MOM, NTUC and Singapore National Employer Federation (SNEF), and funded by WSG which offers the IHRP Certification Framework to enhance the competencies of HR professionals. As of March 2018, 470 HR professionals were certified by IHRP.

### Piloted the Capability Transfer Programme

WSG also collaborated closely with our HC Partners to set the pace for progressive HC practices and enhance the complementarity of local and foreign manpower in our Singapore workforce. Hence, to help speed up the transfer of capabilities to our local workforce, WSG, together with MOM, piloted the Capability Transfer Programme (CTP), design to facilitate the transfer of skills from foreign specialists to our local workers to bridge any gap in capabilities, regardless of which sectors they are in.

### (v) Sustaining A High-Performing And Engaged WSG

WSG reaffirmed its commitment as a people-centric agency and focus on building a dynamic and engaged organisation. In 2017, platforms such as the WSG Townhall, WSG Engage, Chief Executive and HOD Communication sessions provided good avenues for senior management to engage with the different departments. These gave management the opportunity to cascade organisational objectives and priorities, and for staff to seek necessary clarifications.



| CE/WSG Mr Tan Choon Shian addressing WSG staff at one of the WSG Engage sessions.



# Highlights OF THE YEAR

2017 was another sensational year as we embarked on a year-long series of marketing and outreach events with the aim of raising public awareness.

### Expansion of Workforce Singapore's Career Matching Services with the Appointment of Overseas Career Matching Providers

6 Apr 2017

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WSG appointed two private placement providers as Career Matching Providers (CMP) under a two-year pilot. The move is part of efforts to minimise 'missed matches' among Professionals, Managers, Executives and Technicians (PMET) jobseekers.

The appointment strengthens WSG's and e2i's overall capacity to serve local jobseekers who are unemployed and actively looking for jobs.

### Adapt & Grow Manufacturing Day & Technology Showcase

27 Apr 2017

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The event was jointly organised by WSG and NTUC's Employment and Employability Institute (e2i) and demonstrated how Industry 4.0 technologies like robotics, automation and digitalisation can transform the manufacturing sector.



Former Manpower Minister Lim Swee Say trying out a new product at the technology showcase.

## Adapt & Grow Manufacturing Day & Technology Showcase

27 Apr 2017

75 veterans from the manufacturing industry came onboard the SkillsFuture Career Advisor Programme to share their knowledge and experience with PMETs and mid-career switchers. Eight new Professional Conversion Programmes (PCPs) covering Precision Engineering, Regional Operations and Technical roles were also rolled out.



Former Manpower Minister Mr Lim Swee Say addressing the audience at the Adapt and Grow Manufacturing Day & Technology Showcase.



### Food Manufacturing Learning Journey – Application of High Pressure Processing Technology

31 May 2017

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The learning journey, organised by WSG, SPRING Singapore, Singapore Polytechnic and The Soup Spoon, showcased the High Pressure Processing (HPP) system, an advanced food processing technology. The demonstration of the HPP system’s use and benefits exemplified the cluster’s collaboration efforts to exchange and share knowledge and best practices to enhance operations and develop a higher quality workforce.

### “Careers Connect” launched

19 Jul 2017

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Three WSG career centres at Paya Lebar, Tampines and Woodlands were remodeled and rebranded to “Careers Connect”, and now offer more comprehensive services tailored to meet individual jobseeker needs.



| Jobseekers visit the Careers Connect to self-help and seek guidance from WSG’s Career Coaches.

**Hotel Day:**  
Multi-agency effort to help the hotel industry address mismatches and missed matches

21 Jul 2017

WSG and NTUC's e2i co-organised a career fair which showcased a wide range of career opportunities available in the hotel industry for jobseekers with different educational and skills profiles. The SkillsFuture Career Advisors Programme for the hotel industry, a collaboration between WSG and the Singapore Hotel Association (SHA), was also launched to provide a platform for hotel veterans to share their experience with new entrants to the industry.



| Manpower Minister Mrs Josephine Teo with the newly appointed SkillsFuture Career Advisors for the hotel industry.

**Learning Journey to showcase Ready-to-go RFID Technology – Ngee Soon Jewellery**

26 Jul 2017

The Singapore Jewellers Association (SJA), WSG and SPRING Singapore organised a learning journey to encourage jewellery retailers to adopt new technology. 12 jewellery retailers visited Ngee Soon Jewellery, a gold and jewellery retailer, to understand how Radio Frequency Identification (RFID) technology saves man-hours, redesigns jobs, and improves customer service, security and accountability.

### Careers Connect launches R<sup>3</sup>

26 Jul 2017

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Careers Connect’s R<sup>3</sup> (Recruit, Reskill, Retain) draws on job opportunities offered by employers participating in A&G programmes to match jobseekers with employers in their area. It was launched as a pilot community-level collaboration with North East Community Development Council (NECDC) and Our Tampines Hub (OTH), in conjunction with the official opening of Careers Connect at OTH.



Manpower Minister Mrs Josphine Teo speaking with one of the jobseekers at the R<sup>3</sup> launch.

### Food Services and Retail Day: Higher productivity, as well as safer and smarter jobs through manpower initiatives

4 Aug 2017

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The two-day event at the Lifelong Learning Institute comprised a career fair, a technology showcase of solutions for both sectors, and a seminar on “SMEs of the Future: Food Services and Retail”. It sought to encourage employers from both sectors to relook their operations, adopt new technology, and embrace job redesign and innovation for the future.



Representative from Q'Son demonstrating the use of the Table Top Auto Cooker, which helps automate the process of preparing fillings and sauces, such as kaya sauce.

**Security Day:**

**WSG'S Security Productivity Initiative (SPI) to help the industry create higher value-added quality jobs**

26 Aug 2017

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The event, a collaboration between the Ministry of Home Affairs (MHA), SSG and NTUC's e2i, promoted the adoption of emerging security technology and demonstrated how such technology can help companies raise productivity and become more manpower lean, in turn creating higher value-added jobs. The Security Productivity Initiative (SPI) was launched to help companies with job redesign and adoption of scalable security technology solutions.



Participants at the Security Day event trying out the various technologies that help make work easier, smarter and safer for employees in the security industry.

**Launch of the Capability Transfer Programme**

10 Oct 2017

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The Capability Transfer Programme (CTP) complements existing government capability development programmes, by supporting organisations in transferring global capabilities into Singapore. The programme aims to improve the transfer of skills from foreign specialists to locals, ensuring that the local workforce has the required skill set to meet economic needs.

## Lean Enterprise Development (LED) Symposium

17 Nov 2017

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The 2017 LED Symposium was attended by 1,000 people from a range of sectors – including but not limited to food services, construction, food manufacturing, information and communications technology, professional services, electronics, hotels, logistics, and precision engineering.

14 companies shared about their lean transformation journey and panel discussions were held for both companies and solution providers. The symposium also included a gallery showcase of business transformation

project where industry practitioners shared on their transformation initiatives and insights to provide the audience with actionable ideas.

The event was organised by the LED Taskforce, SPRING Singapore, WSG, NTUC and its tripartite partners, as well as the Singapore National Employers Federation (SNEF). It was graced by former Manpower Minister Mr Lim Swee Say and current Manpower Minister Mrs Josephine Teo.



Manpower Minister Mrs Josephine Teo interacting with Ms Teo Peiru, Managing Director of La Belle Couture during the opening address at the LED Symposium.

## Adapt and Grow Roadshows

Aug – Nov 2017

Four roadshows and four pop-ups were held between August to November to promote awareness of WSG's Adapt and Grow initiative to Singaporeans. The roadshows were held at heartland malls as well as Raffles Place, while the pop ups were located at MRT stations. Each roadshow was categorised in three zones: a Career

Guidance zone for jobseekers to receive professional career advice, a Career Transition zone to learn about switching into careers in growth sectors, and a Job Search zone to access available job opportunities. Career ambassadors were also on site to assist with any queries.



Reaching out to our fellow Singaporeans and letting them have a better understanding of our Adapt and Grow programmes at the Adapt and Grow roadshows.

## Connecting PMETs to jobs in the 5 Priority Sectors

Sep – Nov 2017

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Then Minister for Manpower, Mr Lim Swee Say, had announced in mid-2017 that targeted efforts would be made to help displaced PMETs find work in the five Priority Sectors of Wholesale Trade, Finance, Healthcare, Information and Communications Technology, and Professional Services.

The overall effort was led and coordinated by Second Minister for Manpower, Mrs Josephine Teo, and supported by the respective Senior Ministers of State.

The following 5-P key events were held:

- PCP for International Trading Graduation Ceremony – **Wholesale Trade**
- Learning Journey to UOB Bank – **Finance**
- Tech Hirer Connect – **Infocomm technology**
- SNEF-WSG 'Rethink Your People Strategy For The Future Economy' Seminar – **Professional Services**
- Learning Journey to Singapore General Hospital's Inpatient Simulation Lab – **Healthcare**



Manpower Minister Mrs Josephine Teo and Senior Minister of State Ms Indranee Rajah at the learning journey to UOB.

## Industry Transformation Maps (ITMs)

Jun 2017 – Mar 2018

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Under the S\$4.5 billion Industry Transformation Programme, roadmaps were developed for 23 industries to address issues within each industry and deepen partnerships between Government, firms, industries, trade associations and chambers.

As an integrated approach to develop skills, innovation and productivity to catalyse transformation, one of the key pillars of the ITM was to equip workers

with deep skills to support the shift to greater value creation.

Through WSG's Adapt and Grow initiative, Professional Conversion Programmes (PCPs) support manpower and skills demand, and encourage employers to hire and reskill midcareer PMETs to stay relevant in growth sectors.

The following were the ITMs launched in FY 2017:

- Air Transport ITM  
20 April 2017
- Wholesale Trade ITM  
6 September 2017
- Electronics ITM  
20 September 2017
- Energy & Chemicals ITM  
21 October 2017
- Healthcare ITM  
8 November 2017
- Environmental Services ITM  
11 December 2017
- Sea Transport ITM  
12 January 2018
- Aerospace ITM  
17 January 2018
- Real Estate ITM  
8 February 2018
- Land Transport ITM  
11 February 2018
- Security ITM  
12 February 2018
- Marine & Offshore Engineering ITM  
22 February 2018



Minister-in-Charge of Trade Relations, Mr S Iswaran, commemorating the launch of the Marine & Offshore Engineering ITM at the Association of Singapore Marine Industries' 50<sup>th</sup> Anniversary.





Plans for the next

# FISCAL YEAR

WSG will continue to deploy innovative ideas to strengthen the employment facilitation ecosystem and prepare our workforce for the future.



## Develop Skills And Career Resiliency In The Workforce

### Increase outreach efforts for Adapt and Grow (A&G)

WSG will continue to drive broad-based awareness of A&G, while targeting outreach to vulnerable jobseekers such as those who are long-term unemployed (LTU).

### Embed career development practices within companies

WSG will reach out to employers to embed career development practices within their organisation, and in doing so instill career resilience among their employees. Through its employer-targeted workshops, the rebranded Careers Connect will continue to proliferate the “Knowledge, Skills and Attributes” framework where employers go beyond qualifications to focus on the skills and qualities required for the job.

### Facilitate digital job-matching and e-career services

MyCareersFuture.sg (MCF) was developed to complement career services offered at Careers Connect and by WSG partners by providing jobseekers with career-related digital services. Features for jobseekers and employers will be progressively rolled out to assist companies in finding the most suitable candidates for their jobs. Concurrently, WSG will be exploring more partnerships with private job portal operators for MCF, in order to enhance the provision of career services. WSG will also explore the feasibility of partnering third-party content providers to develop relevant career development content pieces that can be shared on MCF.



Members of public visiting the Adapt and Grow Roadshow @ Suntec City.

## Reduce Job Mismatches And Missed Matches In The Labour Market

### Continue to leverage Professional Conversion Programmes (PCPs) to support mid-career PMETs

WSG will continue to launch PCPs for new growth sectors like professional services and information and communication technology, and will focus on job roles with lower barriers to entry to help mature PMETs. Where needed, WSG will also work with companies to help them leverage PCPs to internally redeploy at-risk workers.

### Extending the reach of Careers Connect

WSG will launch a mobile extension of Careers Connect, named Careers Connect On-the-Go, to bring services to the under-served segments of the unemployed population. Targeting the Rank-and-File jobseekers in residential areas, Career Ambassadors and Coaches deployed onsite will provide career advisory and job search referrals, as well as conduct talks on industry hiring trends and job search skills.

### Strengthen and tighten the employment facilitation ecosystem

WSG will be partnering community and social service organisations to extend employment facilitation services and develop a wider and more accessible network of jobseeker touchpoints. WSG will also strengthen existing collaborations with self-help and grassroots organisations.

### Ramp up manpower-lean transformation across local enterprises

WSG will work with LED Taskforce agencies and LED Multipliers to expand outreach to local enterprises to raise awareness and promote the adoption of manpower-lean transformation. This will be done through the mass adoption of Ready-To-Go solutions and bite-size solutions under the Productivity Solutions Grant. The LED Taskforce will also continue to drive capability transfer through cluster-based projects.

### Facilitate transfer of capabilities from foreign specialists to the local workforce

In 2018, WSG aims to scale up this initiative to reach more companies and to help drive pervasive capability transfer across more companies and sectors.

### Drive human capital development via SkillsFuture for Enterprises

Under the SkillsFuture for Enterprises (SFE) pilot initiative, WSG aims to engage enterprises from all 23 ITM sectors, with the aim of raising the human capital capabilities of enterprises, driving greater participation in employee development and recognition of skills, and increasing employers' adoption of WSG's A&G programmes. This includes putting in place HR systems, structures and processes, as well as transforming companies' HR practices to better support training and development for their employees.

### Helping enterprises be more manpower lean and age-friendly

WSG will continue to work with industry stakeholders, trade associations and chambers to further drive the adoption of job redesign in the following sectors: retail, food services, hotel, security, and environmental services.

## Sustaining A High-Performing And Engaged WSG

### Sustain active employee engagement

WSG will continue to actively engage staff to ensure staff morale remains healthy through sustained staff welfare activities, cross-divisional team-building programmes by job level, and by developing a supportive work-life culture.

### Embark on innovation and digital transformation

Aligned with the need for public agencies to become more lean, effective and sustainable, WSG will embrace innovation more deeply. A cross-divisional committee will lead the WSG business technology group and divisions to harness technology and build a culture of innovation through both ground-up as well as management-initiated projects.





inancial  
STATEMENTS



# WORKFORCE SINGAPORE AGENCY

(formerly known as Singapore Workforce Development Agency)

FINANCIAL STATEMENTS AND THE STATEMENT  
BY THE BOARD OF WORKFORCE SINGAPORE AGENCY  
YEAR ENDED 31 MARCH 2018

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**STATEMENT BY THE BOARD OF  
WORKFORCE SINGAPORE AGENCY**

In our opinion:


- (a) the accompanying financial statements of Workforce Singapore Agency (“WSG”) as set out on pages FS1 to FS36 are properly drawn up in accordance with the provisions of the Workforce Singapore Agency Act, Cap. 305D (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRS”) so as to present fairly, in all material respects, the financial position of WSG as at 31 March 2018, and the financial performance, changes in equity and cash flows of WSG for the year ended on that date.
- (b) proper accounting and other records have been kept, including records of all assets of WSG whether purchased, donated or otherwise, in accordance with the provisions of the Act.
- (c) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by WSG during the financial year have been in accordance with the provisions of the Act; and

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

On behalf of the Board of Workforce Singapore Agency



**Lim Ming Yan**  
*Chairman*



**Tan Choon Shian**  
*Chief Executive*

28 August 2018

## **INDEPENDENT AUDITORS' REPORT**

Members of WSG  
Workforce Singapore Agency

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Workforce Singapore Agency ("WSG"), which comprise the statement of financial position of WSG as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS36.

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

#### *Basis for opinion*

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

#### *Other information*

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

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

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

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



## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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

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

### *Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WSG's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WSG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause WSG to cease to continue as a going concern.

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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

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

### **Report on other legal and regulatory requirements**

#### *Opinion*

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by WSG during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of WSG whether purchased, donated or otherwise.

#### *Basis for opinion*

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

#### *Responsibilities of management for compliance with legal and regulatory requirements*

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

#### *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.

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

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

*Other matter*

The financial statements of WSG for the year ended 31 March 2017 were audited by another firm of Public Accountants and Chartered Accountants who expressed an unmodified opinion on those statements on 17 August 2017.

**KPMG LP**

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
28 August 2018

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

<b>ASSETS</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Non-current assets</b>			
Deposits and prepayments	4	988,732	851,280
Property, plant and equipment	5	2,288,377	1,018,274
Intangible assets	6	4,396,221	5,382,345
		<u>7,673,330</u>	<u>7,251,899</u>
<b>Current assets</b>			
Deposits and prepayments	4	567,158	539,719
Cash and cash equivalents	7	87,431,632	82,470,686
Trade and other receivables	8	2,306,342	54,824,628
		<u>90,305,132</u>	<u>137,835,033</u>
<b>Total assets</b>		<u>97,978,462</u>	<u>145,086,932</u>
 <b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital account	9	7,872,073	7,872,073
Share capital	10	1,000	1,000
Accumulated surplus			
- General Fund		15,092,578	11,345,370
- Restricted Funds	11	1,132,448	1,132,448
<b>Total equity</b>		<u>24,098,099</u>	<u>20,350,891</u>
<b>Non-current liabilities</b>			
Provision for reinstatement costs	12	468,928	317,934
Deferred capital grants	13	4,224,717	4,189,879
		<u>4,693,645</u>	<u>4,507,813</u>
<b>Current liabilities</b>			
Provision for reinstatement costs	12	–	302,549
Deferred capital grants	13	2,375,183	2,160,257
Other payables	14	62,058,170	104,422,514
Provision for contribution to consolidated fund	15	767,500	63,507
Government grants received in advance	16	3,985,865	13,279,401
		<u>69,186,718</u>	<u>120,228,228</u>
<b>Total liabilities</b>		<u>73,880,363</u>	<u>124,736,041</u>
<b>Total equity and liabilities</b>		<u>97,978,462</u>	<u>145,086,932</u>
 <b>Net assets of trust funds</b>			
Skills Development Fund	23	–	–
Lifelong Learning Endowment Fund	24	4,052,940	3,677,193

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2018**

	Note	2018 General funds \$	2018 Restricted funds \$	Total \$	2017 General funds \$	2017 Restricted funds \$	Total \$
<b>Income</b>							
Operating income	17	1,033,517	–	1,033,517	1,241,928	2,576,650	3,818,578
Other income	18	464,498	115,907	580,405	460,113	6,223,676	6,683,789
Other (losses)/gains	19	(212,983)	99,407	(113,576)	663,941	(2,273,434)	(1,609,493)
<b>Total income</b>		<b>1,285,032</b>	<b>215,314</b>	<b>1,500,346</b>	<b>2,365,982</b>	<b>6,526,892</b>	<b>8,892,874</b>
<b>Expenditure</b>							
Amortisation of intangible assets	6	(93,620)	(1,964,351)	(2,057,971)	(1,591,549)	(7,090,024)	(8,681,573)
Depreciation of property, plant and equipment	5	(70,162)	(302,678)	(372,840)	(2,333,398)	(6,608,398)	(8,941,796)
Staff costs	20	(40,772,830)	(4,423,484)	(45,196,314)	(25,358,620)	(29,347,245)	(54,705,865)
Grant disbursements		(1,541,106)	(98,856,841)	(100,397,947)	(20,841,500)	(77,928,405)	(98,769,905)
Operating leases payments		(3,029,667)	(640,957)	(3,670,624)	(6,329,580)	(3,371,559)	(9,701,139)
Professional services		(10,528,221)	(23,725,851)	(34,254,072)	(20,548,504)	(14,542,620)	(35,091,124)
Maintenance expenses		(8,406,312)	(9,498,326)	(17,904,638)	(10,690,490)	(7,876,790)	(18,567,280)
Supplies and materials		(638,789)	(272,960)	(911,749)	(725,169)	(406,473)	(1,131,642)
Public relations		(3,303,545)	(147,625)	(3,451,170)	(221,079)	(971,338)	(1,192,417)
Travel expenses		(314,965)	(9,416)	(324,381)	(410,910)	(203,690)	(614,600)
Agency fee paid to CPF Board		–	–	–	–	(493,126)	(493,126)
GST expenses		(1,514,397)	(2,587,918)	(4,102,315)	(2,359,262)	(1,099,669)	(3,458,931)
Temporary staff cost		(480,609)	(392,495)	(873,104)	(660,400)	(1,325,359)	(1,985,759)
Course-related trainers' fees		(70,000)	–	(70,000)	–	(4,105,318)	(4,105,318)
Others		(1,449,859)	(389,676)	(1,839,535)	(1,116,528)	(1,138,291)	(2,254,819)
<b>Total expenditure</b>		<b>(72,214,082)</b>	<b>(143,212,578)</b>	<b>(215,426,660)</b>	<b>(93,186,989)</b>	<b>(156,508,305)</b>	<b>(249,695,294)</b>
<b>Deficit for the year before grants and contribution to consolidated fund</b>		<b>(70,929,050)</b>	<b>(142,997,264)</b>	<b>(213,926,314)</b>	<b>(90,821,007)</b>	<b>(149,981,413)</b>	<b>(240,802,420)</b>

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

**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

	Note	General funds \$	2018 Restricted funds \$	Total \$	General funds \$	2017 Restricted funds \$	Total \$
<b>Grants</b>							
Grants from government	16	75,055,147	140,724,947	215,780,094	92,304,139	133,660,478	225,964,617
Deferred capital grants amortised	13	388,611	2,272,317	2,660,928	2,292,761	16,320,935	18,613,696
		<u>75,443,758</u>	<u>142,997,264</u>	<u>218,441,022</u>	<u>94,596,900</u>	<u>149,981,413</u>	<u>244,578,313</u>
<b>Surplus for the year before contribution to consolidated fund</b>		4,514,708	–	4,514,708	3,775,893	–	3,775,893
Contribution to consolidated fund	15	(767,500)	–	(767,500)	(58,337)	–	(58,337)
<b>Net surplus for the year, representing total comprehensive income for the year</b>		<u>3,747,208</u>	<u>–</u>	<u>3,747,208</u>	<u>3,717,556</u>	<u>–</u>	<u>3,717,556</u>

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

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2018**

	Note	Capital account \$	Share capital \$	Accumulated surplus General fund \$	Restricted fund \$	Total \$
At 1 April 2016		7,872,073	1,000	22,704,674	1,132,448	31,710,195
Transfer of net assets to SSG	27	–	–	(15,076,860)	–	(15,076,860)
Net surplus for the year, representing total comprehensive income for the year		–	–	3,717,556	–	3,717,556
Balance at 31 March 2017		7,872,073	1,000	11,345,370	1,132,448	20,350,891
Net surplus for the year, representing total comprehensive income for the year		–	–	3,747,208	–	3,747,208
Balance at 31 March 2018		7,872,073	1,000	15,092,578	1,132,448	24,098,099

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

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Deficit for the year before grants and contribution to consolidated fund		(213,926,314)	(240,802,420)
Adjustments for:			
Depreciation of property, plant and equipment	5	372,840	8,941,796
Amortisation of intangible assets	6	2,057,971	8,681,573
Impairment loss on trade receivables	8	330	309,621
Interest income	18	(573,401)	(796,653)
Reversal of overprovision for reinstatement costs	19	(206,731)	(155,537)
Loss on property, plant and equipment and intangible assets disposed/written off	19	320,933	1,448,263
		(211,954,372)	(222,373,357)
Changes in working capital:			
Deposits and prepayments		(164,891)	4,570,340
Trade and other receivables		52,336,165	(54,086,937)
Other payables		(42,364,344)	75,049,382
Cash used in operations		(202,147,442)	(196,840,572)
Provision for reinstatement costs		(69,855)	21,635
Contribution to consolidated fund		(63,507)	–
<b>Net cash used in operating activities</b>		(202,280,804)	(196,818,937)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets*		(2,910,692)	(9,853,528)
Proceeds from disposal of property, plant and equipment and intangible assets		–	31,070
Interest received		755,192	815,918
<b>Net cash used in investing activities</b>		(2,155,500)	(9,006,540)
<b>Cash flows from financing activities</b>			
Grants received from government		209,397,250	232,170,475
Net cash outflows arising from transfer of net assets to SSG	27	–	(13,738,179)
<b>Net cash from financing activities</b>		209,397,250	218,432,296
<b>Net increase in cash and cash equivalents</b>		4,960,946	12,606,819
Cash and cash equivalents at beginning of year		82,470,686	69,863,867
<b>Cash and cash equivalents at end of year</b>	7	87,431,632	82,470,686

**Non-cash transaction\***

During the financial year ended 31 March 2017, additions to property, plant and equipment and intangible assets included an amount of \$3,903,370 transferred from National Productivity Fund (refer to Note 13).

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



## **NOTES TO FINANCIAL STATEMENTS**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 August 2018.

### **1 Domicile and activities**

Workforce Singapore Agency (“WSG”) was established in the Republic of Singapore under the Workforce Singapore Agency Act, Cap. 305D. The address of the registered office and principal place of operations of the Agency is No. 1 Marina Boulevard #18-01, One Marina Boulevard, Singapore 018989.

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 jobs for Singaporeans over the long term. A new statutory board, SkillsFuture Singapore Agency (“SSG”), under the Ministry of Education (“MOE”) has been formed to drive and coordinate the implementation of SkillsFuture initiative. Following the reorganisation of WDA, SSG has taken over some of the functions previously performed by WDA and absorbed the Council for Private Education (“CPE”), an existing statutory board under MOE.

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

The principal activities of WSG are:

- (a) to promote and facilitate employment and re-employment in Singapore through services and facilities that help citizens and residents of Singapore find and keep jobs;
- (b) to collaborate with and support employers, relevant representatives of commerce or industry and public sector agencies in Singapore:
  - (i) to identify and promote the enhancement of industry-specific skills;
  - (ii) to enhance individuals’ employability; and
  - (iii) to increase workforce productivity and improve the international competitiveness of commerce and industry;
- (c) to promote and facilitate productive employment and employee career development, including through review and reallocation of job duties and tasks among employees (commonly called job redesign);
- (d) to promote and facilitate the adoption of best practices in the management of human capital in Singapore;
- (e) to advise and make recommendations to the Government on policies, measures and laws connected with the Agency’s functions under this Act or any other written law;
- (f) to cooperate and collaborate with SSG in the discharge of its functions under the SkillsFuture Singapore Agency Act 2016;
- (g) to encourage, promote and facilitate the development of the human resources industry in Singapore;

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

- (h) to promote or undertake research in Singapore into matters relating to the Singapore workforce;
- (i) to provide financial support by way of grants, loans or otherwise so as to give effect to the functions and objects of WSG;
- (j) to undertake, direct and support the analysis and dissemination of labour market information and trends to the public;
- (k) to represent the Government internationally in respect of matters relating to adult continuing education and training and public employment services; and
- (l) to carry out such other functions as are imposed upon WSG by or under the Act or any other written law.

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

**2 Basis of preparation**

**2.1 Statement of compliance**

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

**2.4 Use of estimates and judgements**

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

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

There are no significant areas of estimation uncertainty or critical judgements in the application of accounting policies that have significant effect on the amounts recognised in the financial statements.

## **NOTES TO FINANCIAL STATEMENTS** **(CONTINUED)**

### ***Measurement of fair values***

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

### **2.5 Adoption of revised financial reporting standards**

WSG has applied the following amendments for the first time for the annual period beginning on 1 April 2017:

- *Disclosure Initiative (Amendments to SB-FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to SB-FRS 12);*  
and
- *Clarification of the scope of SB-FRS 112 (Improvements to SB-FRSs 2016).*

The adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **3.1 Property, plant and equipment**

##### ***Recognition and measurement***

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

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

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

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

##### ***Subsequent costs***

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

##### ***Depreciation***

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

Depreciation is recognised as an expense in profit or loss 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 FINANCIAL STATEMENTS**

### **(CONTINUED)**

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

Furniture and fittings	-	8 years
Office equipment	-	5 years
Computer equipment	-	3 to 5 years
Leasehold land	-	30 years
Mechanical and electrical equipment	-	10 years
Building	-	30 years

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

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

### **3.2 Intangible assets**

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

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

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

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

Computer software	-	3 to 5 years
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Assets under development included in intangible assets comprise software implementation that are not depreciated as these assets are not available for use.

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

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

### **3.3 Financial instruments**

#### ***Non-derivative financial assets***

WSG initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that WSG becomes a party to the contractual provisions of the instrument.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

WSG derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by WSG is recognised as a separate asset or liability.

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

WSG's non-derivative financial assets comprise loans and receivables.

### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise deposits, trade and other receivables, and cash and cash equivalents.

### *Cash and cash equivalents*

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

### ***Non-derivative financial liabilities***

Financial liabilities are recognised initially on the trade date, which is the date that WSG becomes a party to the contractual provisions of the instrument.

WSG derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

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

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

Other financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise other payables.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### ***Share capital***

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

### 3.4 Impairment

#### ***Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to WSG on terms that WSG would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

#### ***Loans and receivables***

WSG considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, WSG uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When WSG considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

#### ***Non-financial assets***

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

## **NOTES TO FINANCIAL STATEMENTS**

### **(CONTINUED)**

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

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

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

#### 3.5 Provisions

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

##### *Reinstatement costs*

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

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

#### 3.6 Employee benefits

##### ***Defined contribution plans***

A defined contribution plan is an post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss 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.



## **NOTES TO FINANCIAL STATEMENTS**

### **(CONTINUED)**

#### ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if WSG has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### ***Employee leave entitlements***

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

### **3.7 Government grants**

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

#### ***Capital grants***

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

#### ***Operating grants***

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

### **3.8 Trust and agency funds**

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

Trust funds are accounted for on an accruals basis, except for the LLEF which is accounted for on a cash basis.

## **NOTES TO FINANCIAL STATEMENTS**

### **(CONTINUED)**

#### 3.9 Restricted funds

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

#### 3.10 Income

Income is recognised to the extent that it is probable that economic benefits will flow to WSG and the amount can be reliably measured.

##### ***Workers’ assessment fees***

Workers’ assessment fees are recognised when the assessment test are undertaken.

##### ***Application fees***

Application fees are recognised when the application to be an approved training organisation or application for courses’ accreditation have been approved.

##### ***Course fees***

Course fees are recognised upon attendance of the courses by the participants.

##### ***Interest income***

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### 3.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### ***WSG as lessor***

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

##### ***WSG as lessee***

Rental payables under operating leases are charged to income or expense on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

## **NOTES TO FINANCIAL STATEMENTS**

### **(CONTINUED)**

In the event that lease incentives are received into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **3.12 Tax**

Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflect the tax consequences that would follow the manner in which WSG expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, WSG takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. WSG believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes WSG to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

#### **3.13 Contribution to consolidated fund**

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

## **NOTES TO FINANCIAL STATEMENTS**

### **(CONTINUED)**

#### **3.14 New standards and interpretations not adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017 and earlier application is permitted. WSG has not early adopted the following new or amended standards in preparing these statements. WSG does not expect the application of the below standards and interpretations to have a significant impact on the financial statements.

##### **SB-FRS 115 Revenue from Contracts with Customers**

SB-FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, SB-FRS 115 replaces existing revenue recognition guidance, including SB-FRS 18 *Revenue*, SB-FRS 11 *Construction Contracts*, INT SB-FRS 113 *Customer Loyalty Programmes*, INT SB-FRS 115 *Agreements for the Construction of Real Estate*, INT SB-FRS 118 *Transfers of Assets from Customers* and INT SB-FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

SB-FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. SB-FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

##### **SB-FRS 109 Financial Instruments**

SB-FRS 109 replaces most of the existing guidance in SB-FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from SB-FRS 39.

SB-FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

##### **Applicable to 2019 financial statements**

##### **SB-FRS 116 Leases**

SB-FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

WSG plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. WSG also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

WSG is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 April 2019. Accordingly, existing lease contracts that are still effective on 1 April 2019 continue to be accounted for as lease contracts under SB-FRS 116. WSG has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 25).

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. WSG will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

WSG expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SB-FRS 116. The operating lease commitments on an undiscounted basis amount to approximately 2.07% of total assets and 2.75% of total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SB-FRS 116 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of WSG in future financial periods, WSG is currently assessing the transition options and the potential impact on its financial statements, to implement these standards. WSG does not plan to adopt these standards early.

**4 Deposits and prepayments**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Deposits	996,707	1,087,430
Prepayments	559,183	303,569
	1,555,890	1,390,999
Represented by:		
Current portion	567,158	539,719
Non-current portion	988,732	851,280
	1,555,890	1,390,999

**NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

**5 Property, plant and equipment**

	Note	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Leasehold land \$	Mechanical and electrical equipment \$	Building \$	Work-in-progress \$	Total \$
<b>Cost</b>									
At 1 April 2016		23,045,585	2,761,041	25,102,737	36,822,094	2,270,190	193,033,193	–	283,034,840
Additions		69,088	45,775	397,308	516,818	–	–	868,428	1,897,417
Disposal/Written off		(6,453,489)	(794,354)	(91,371)	–	–	–	–	(7,339,214)
Transfer to SSG	27	(15,705,237)	(1,779,762)	(25,333,696)	(37,338,912)	(2,270,190)	(193,033,193)	(331,255)	(275,792,245)
At 31 March 2017		955,947	232,700	74,978	–	–	–	537,173	1,800,798
Additions		944,739	305,865	2,419	–	106,062	–	352,223	1,711,308
Transfer		395,928	72,880	–	–	–	–	(468,808)	–
Written off		(282,721)	(2,929)	(35,626)	–	–	–	(68,365)	(389,641)
At 31 March 2018		2,013,893	608,516	41,771	–	106,062	–	352,223	3,122,465
<b>Accumulated depreciation</b>									
At 1 April 2016		10,728,476	1,585,186	5,890,725	5,318,746	290,502	16,651,474	–	40,465,109
Depreciation for the year		1,423,535	193,811	3,368,351	613,702	113,510	3,228,887	–	8,941,796
Disposal/Written off		(5,009,116)	(775,293)	(77,488)	–	–	–	–	(5,861,897)
Transfer to SSG	27	(6,502,895)	(918,159)	(9,124,609)	(5,932,448)	(404,012)	(19,880,361)	–	(42,762,484)
At 31 March 2017		640,000	85,545	56,979	–	–	–	–	782,524
Depreciation for the year		248,525	103,954	11,522	–	8,839	–	–	372,840
Written off		(282,721)	(2,929)	(35,626)	–	–	–	–	(321,276)
At 31 March 2018		605,804	186,570	32,875	–	8,839	–	–	834,088
<b>Carrying amount</b>									
At 1 April 2016		12,317,109	1,175,855	19,212,012	31,503,348	1,979,688	176,381,719	–	242,569,731
At 31 March 2017		315,947	147,155	17,999	–	–	–	537,173	1,018,274
At 31 March 2018		1,408,089	421,946	8,896	–	97,223	–	352,223	2,288,377

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**6 Intangible assets**

	Note	Computer software \$	Assets under development \$	Total \$
<b>Cost</b>				
At 1 April 2016		76,392,124	908,829	77,300,953
Additions		6,388,982	5,470,499	11,859,481
Transfers		42,183	(42,183)	–
Transfer to SSG	27	(71,167,090)	(6,337,145)	(77,504,235)
Written off		(46,611)	–	(46,611)
At 31 March 2017		11,609,588	–	11,609,588
Additions		1,324,415	–	1,324,415
Written off		(1,917,224)	–	(1,917,224)
At 31 March 2018		11,016,779	–	11,016,779
<b>Accumulated amortisation</b>				
At 1 April 2016		21,206,845	–	21,206,845
Amortisation for the year		8,681,573	–	8,681,573
Transfer to SSG	27	(23,616,580)	–	(23,616,580)
Written off		(44,595)	–	(44,595)
At 31 March 2017		6,227,243	–	6,227,243
Amortisation for the year		2,057,971	–	2,057,971
Written off		(1,664,656)	–	(1,664,656)
At 31 March 2018		6,620,558	–	6,620,558
<b>Carrying amount</b>				
At 1 April 2016		55,185,279	908,829	56,094,108
At 31 March 2017		5,382,345	–	5,382,345
At 31 March 2018		4,396,221	–	4,396,221

**7 Cash and cash equivalents**

	2018 \$	2017 \$
Centralised Liquidity Management ("CLM") deposits held with AGD <sup>(i)</sup>	87,431,582	82,470,636
Cash at bank or on hand	50	50
	87,431,632	82,470,686

<sup>(i)</sup> With effect from financial year 2009/2010, Statutory Boards are to participate in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the statutory board upon request and earns interest at the average rate of 1.23% (2017: 1.37%) per annum.

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**8 Trade and other receivables**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Trade receivables		1,286,883	2,983,430
Less: Allowance for impairment losses		(330)	–
Net trade receivables		1,286,553	2,983,430
Amount due from SSG		263,808	2,289,708
Amount due from SDF	23	755,981	1,336,096
Amount due from LLEF	24	–	48,215,394
		2,306,342	54,824,628

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

	<b>Gross 2018</b>	<b>Impairment losses 2018</b>	<b>Gross 2017</b>	<b>Impairment losses 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not past due	1,209,183	–	2,631,928	–
Past due 1 – 90 days	77,370	–	351,502	–
Past due more than 90 days	330	330	–	–
	1,286,883	330	2,983,430	–

The credit period on rendering of services is 30 days (2017: 30 days). No interest is charged on the trade receivables and no collateral is held by WSG over the trade receivables.

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

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	–	32,007
Charge to income or expenditure	330	309,621
Allowance utilised in the year	–	(32,007)
Transfer to SSG	–	(309,621)
Balance at the end of the year	330	–



**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**9 Capital account**

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

**10 Share capital**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Number of</b>	<b>Number of</b>	<b>\$</b>	<b>\$</b>
	<b>shares</b>	<b>shares</b>		
<b>Issued and fully paid with no par value</b>				
At beginning and end of year	1,000	1,000	1,000	1,000

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

***Capital management***

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**11 Statement of comprehensive income – Restricted funds**

	CES		RF		WTS		Operations funded by SDF		Operations funded by LLEF		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Income</b>												
Operating income	–	–	–	–	–	–	–	874	–	1,703	–	2,577
Other income	–	–	5	35	–	–	23	5,946	88	243	116	6,224
Other gains/(losses)	–	–	50	(1,891)	–	–	–	(32)	50	(350)	100	(2,273)
<b>Expenditure</b>												
Amortisation of intangible assets	–	–	(68)	(91)	(34)	(34)	–	(5,051)	(1,862)	(1,914)	(1,964)	(7,090)
Depreciation expense	–	–	(50)	(323)	–	–	–	(5,820)	(252)	(466)	(302)	(6,609)
Staff costs	–	–	(4,514)	(4,742)	–	–	5	(7,599)	85	(17,006)	(4,424)	(29,347)
Grant disbursements	–	–	–	(5,970)	(98,857)	(71,292)	–	(67)	–	(599)	(98,857)	(77,928)
Operating lease payments	–	–	(616)	(699)	–	–	–	(270)	(25)	(2,403)	(641)	(3,372)
Professional services	–	–	(4)	(17)	–	–	(6,821)	(7,286)	(16,901)	(7,240)	(23,726)	(14,543)
Maintenance expenses	–	–	(260)	(340)	(773)	–	(6,638)	(4,278)	(1,827)	(3,258)	(9,498)	(7,876)
Suppliers and material	–	–	(181)	(19)	(1)	–	2	(46)	(94)	(341)	(274)	(406)
Public relations	–	–	(80)	2	–	–	–	(50)	(68)	(923)	(148)	(971)
Travel expenses	–	–	(9)	(11)	–	–	–	(74)	(1)	(119)	(10)	(204)
Agency fee paid to CPF Board	–	–	–	–	–	–	–	(493)	–	–	–	(493)
GST expenses	–	–	(93)	(91)	(63)	–	(812)	(438)	(1,620)	(571)	(2,588)	(1,100)
Temporary staff cost	–	–	(260)	(72)	(28)	–	–	(369)	(104)	(884)	(392)	(1,325)
Course-related trainers' fees	–	–	–	–	–	–	–	(557)	–	(3,548)	–	(4,105)
Others	–	–	(50)	(57)	(278)	–	2	(187)	(64)	(896)	(390)	(1,140)
Deficit for the year before grants and contribution to consolidated fund	–	–	(6,130)	(14,286)	(100,034)	(71,326)	(14,239)	(25,797)	(22,595)	(38,572)	(142,998)	(149,981)
Grants from government	–	–	6,062	12,103	100,000	71,292	14,239	15,022	20,425	35,243	140,726	133,660
Deferred capital grants amortised	–	–	68	2,183	34	34	–	10,775	2,170	3,329	2,272	16,321
	–	–	6,130	14,286	100,034	71,326	14,239	25,797	22,595	38,572	142,998	149,981
(Deficit)/Surplus before contribution to consolidated fund	–	–	–	–	–	–	–	–	–	–	–	–
Contribution to consolidated fund	–	–	–	–	–	–	–	–	–	–	–	–
Net deficit for the year	–	–	–	–	–	–	–	–	–	–	–	–
Accumulated surplus/(deficit) at the beginning of the year	1,138	1,138	25	25	–	–	(31)	(31)	–	–	1,132	1,132
Accumulated surplus/(deficit) at the end of the year	1,138	1,138	25	25	–	–	(31)	(31)	–	–	1,132	1,132

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**12 Provision for reinstatement costs**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
At beginning of the year		620,483	5,016,513
Provision made during the year		125,031	21,635
Reversal of overprovision for reinstatement costs	19	(206,731)	(155,537)
Reinstatement costs utilised		(69,855)	–
Transfer to SSG	27	–	(4,262,128)
At end of the year		<u>468,928</u>	<u>620,483</u>
Represented by:			
Current portion		–	302,549
Non-current portion		468,928	317,934
		<u>468,928</u>	<u>620,483</u>

Provision for reinstatement costs is the estimated costs to restore any or all parts of WSG's leased premises and land to their state and condition as at the commencement of the lease terms. Management's estimate for reinstatement costs of land include expenditures to carry out demolition works, distress prestressed tendon, imported earth backfilling and turfing. The provision is expected to be utilised upon return of WSG's leased premises and land.

**13 Deferred capital grants**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
At beginning of the year		6,350,136	295,379,474
Amounts transferred from government grants received in advance	16	2,910,692	9,636,180
Amounts transferred from National Productivity Fund		–	3,903,370
		<u>9,260,828</u>	<u>308,919,024</u>
Amortisation of deferred capital grants		(2,660,928)	(18,613,696)
Transfer to SSG	27	–	(283,955,192)
At end of the year		<u>6,599,900</u>	<u>6,350,136</u>
Represented by:			
Current portion		2,375,183	2,160,257
Non-current portion		4,224,717	4,189,879
		<u>6,599,900</u>	<u>6,350,136</u>

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**14 Other payables**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Other payables			
- Related parties		1,767,859	1,634,152
- Third parties		1,799,627	3,379,242
Accruals		12,254,212	14,536,866
Advance receipts		125,736	56,489
Amounts due to SSG		44,204,669	84,815,765
Amounts due to LLEF	24	1,906,067	–
		<u>62,058,170</u>	<u>104,422,514</u>

**15 Contribution to consolidated fund**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year before contribution to consolidated fund	4,514,708	3,775,893
Utilisation of accumulated deficits carried forward	–	(3,402,324)
Adjusted surplus before contribution to consolidated fund	<u>4,514,708</u>	<u>373,569</u>
Contribution to consolidated fund at 17% (2017: 17%) as presented in the statement of financial position	767,500	63,507
Overprovision in prior years	–	(5,170)
Contribution to consolidated fund as presented in the statement of comprehensive income	<u>767,500</u>	<u>58,337</u>

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**16 Government grants received in advance**

	Note	CES <sup>(i)</sup> \$	RF <sup>(ii)</sup> \$	WTS <sup>(iii)</sup> \$	Operations funded by SDF <sup>(iv)</sup> \$	Operations funded by LLEF <sup>(iv)</sup> \$	Operating grants \$	Total \$
At 1 April 2016		2,462,888	273,490	51,677	11,504,021	2,417,647	–	16,709,723
Grants received during the financial year		–	12,953,676	71,348,323	17,590,217	35,132,533	95,145,726	232,170,475
		2,462,888	13,227,166	71,400,000	29,094,238	37,550,180	95,145,726	248,880,198
Transfer to income or expenditure		–	(12,102,857)	(71,291,797)	(15,121,825)	(35,249,603)	(92,198,535)	(225,964,617)
Internal fund transfer		–	–	–	98,713	6,891	(105,604)	–
Transfer to deferred capital grants	13	–	(1,129,865)	–	(4,030,268)	(1,634,460)	(2,841,587)	(9,636,180)
At 31 March 2017		2,462,888	(5,556)	108,203	10,040,858	673,008	–	13,279,401
Grants received during the financial year		–	6,290,000	99,891,797	4,908,142	22,614,068	75,693,243	209,397,250
		2,462,888	6,284,444	100,000,000	14,949,000	23,287,076	75,693,243	222,676,651
Transfer to income or expenditure		–	(6,061,648)	(100,000,000)	(14,238,707)	(20,424,591)	(75,055,148)	(215,780,094)
Transfer to deferred capital grants	13	–	–	–	–	(2,272,597)	(638,095)	(2,910,692)
At 31 March 2018		2,462,888	222,796	–	710,293	589,888	–	3,985,865

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

(i) Centre for Employability Skills

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

(ii) Reinvestment Funds

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

(iii) Workfare Training Support

Workfare Training Support (“WTS”) is a scheme which started on 1 July 2010 introduced in the Government Budget 2010 to complement the Workfare Income Supplement (“WIS”). WTS aims to incentivise employers to send their low-waged workers for training as well as to encourage low-waged workers to commit to sustained training efforts. While WIS encourages older low-wage workers to work by supplementing their income and retirement savings, WTS encourages them to upgrade their skills through training so that they can improve their employability, upgrade to better jobs and earn more.

(iv) Operations funded by Skills Development Fund (“SDF”) and Lifelong Learning Endowment Fund (“LLEF”)

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

**17 Operating income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Workers’ assessment fees	1,033,517	1,267,928
Application fees	–	289,850
Course fees	–	2,260,800
	<b>1,033,517</b>	<b>3,818,578</b>

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**18 Other income**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest income from:		
- Short-term bank deposits	12	19
- CLM deposits held with AGD	573,389	796,634
Rental and service income	–	5,714,314
Others	7,004	172,822
	580,405	6,683,789

**19 Other (losses)/gains**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Impairment loss on trade receivables	8	(330)	(309,621)
Reversal of overprovision for reinstatement costs	12	206,731	155,537
Loss on property, plant and equipment and intangible assets written off		(320,933)	(1,448,263)
Net foreign exchange gain/(loss)		956	(7,146)
		(113,576)	(1,609,493)

**20 Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	38,183,335	47,714,169
Contributions to defined contribution plans	5,716,613	6,859,828
Staff training and benefits	1,248,604	67,505
Skills development levy	47,762	64,363
	45,196,314	54,705,865

**21 Financial instruments**

**Overview**

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

- credit risk
- liquidity risk
- market risk

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

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

***Risk management framework***

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

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

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

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

***Credit risk***

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

At the reporting date, WSG's credit risk is limited as the major classes of financial assets are cash and deposits with AGD and trade 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.

***Liquidity risk***

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

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

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

	Carrying amount	Cash flows		
		Contractual cash flows	Within 1 year	Between 2 to 5 years
	\$	\$	\$	\$
<b>31 March 2018</b>				
<b>Non-derivative financial liability</b>				
Other payables	62,058,170	(62,058,170)	(62,058,170)	–



**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

	Carrying amount \$	Cash flows		
		Contractual cash flows \$	Within 1 year \$	Between 2 to 5 years \$
<b>31 March 2017</b>				
<b>Non-derivative financial liability</b>				
Other payables	104,422,514	(104,422,514)	(104,422,514)	–

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

***Market risk***

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

***Interest rate risk***

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

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

***Determination of fair values***

***Other financial assets and liabilities***

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

***Non-current deposits***

The fair value of non-current deposits is calculated based on discounted expected future cash flows.

***Accounting classification and fair values***

***Fair values versus carrying amounts***

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

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

	Loans and receivables \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
<b>31 March 2018</b>				
<b>Financial assets not measured at fair value</b>				
Deposits	996,707	–	996,707	996,707
Trade and other receivables	2,306,342	–	2,306,342	2,306,342
Cash and cash equivalents	87,431,632	–	87,431,632	87,431,632
	<u>90,734,681</u>	<u>–</u>	<u>90,734,681</u>	<u>90,734,681</u>
<b>Financial liability not measured at fair value</b>				
Other payables	–	(62,058,170)	(62,058,170)	(62,058,170)
<b>31 March 2017</b>				
<b>Financial assets not measured at fair value</b>				
Deposits	1,087,430	–	1,087,430	1,087,430
Trade and other receivables	54,824,628	–	54,824,628	54,824,628
Cash and cash equivalents	82,470,686	–	82,470,686	82,470,686
	<u>138,382,744</u>	<u>–</u>	<u>138,382,744</u>	<u>138,382,744</u>
<b>Financial liability not measured at fair value</b>				
Other payables	–	(104,422,514)	(104,422,514)	(104,422,514)

**22 Related parties**

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

***Key management personnel compensation***

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

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

	2018 \$	2017 \$
Board of Director's fees	177,766	164,621
Wages and salaries	5,030,246	7,555,107
Employer's contribution to Central Provident Fund	280,999	430,872
	<u>5,489,011</u>	<u>8,150,600</u>

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

***Other related party transactions***

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

	<b>Parent Ministry \$</b>	<b>Other Ministries \$</b>	<b>Statutory boards (i) \$</b>
<b>2018</b>			
Operating income	–	(500)	(105,301)
Grant disbursements	14,486,071	(23,918)	1,342,030
Professional services	1,200	50,830	32,760,919
Maintenance expenses	–	–	17,118,294
Other expenditure	–	19,146	7,952,845
<b>2017</b>			
Operating income	(857)	(141,801)	(346,439)
Grant disbursements	12,287,679	78,740	897,763
Professional services	–	–	20,941,772
Maintenance expenses	–	87,581	8,012,057
Other expenditure	–	663,666	6,334,196

(i) WSG and SSG have the shared goal of helping individuals grow their skills in the course of seeking fulfilling careers, and enabling Singapore's enterprises to develop their workforce to remain globally competitive. SSG provides various services to WSG as the main resource owner, including business process outsourcing, technological and facility services to deliver the shared goal. WSG will reimburse SSG for services rendered during the year/period amounting to \$52,309,218 (4 October 2016 to 31 March 2017: \$24,851,000) (as included above).

**23 Net assets of Skills Development Fund**

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

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

SDF is established for the following purposes:

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

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

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

The following financial information represents SDF:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Operating income	–	124,938,427
Other income	39,356	8,566,625
Fair value losses	–	(77,817)
	39,356	133,427,235
<b>Expenditure</b>		
Net disbursements	(43,407,655)	(90,644,952)
Allowance for impairment loss on receivables	–	(18,011)
Others	(11,865)	–
	(43,419,520)	(90,662,963)
<b>Grants received</b>	43,380,164	–
Surplus for the year	–	42,764,272
Accumulated surplus at the beginning of the year	–	416,368,036
Transfer to SSG on 3 October 2016	–	(459,132,308)
Accumulated surplus at the end of the year	–	–
Represented by:		
<b>Current assets</b>		
Cash and cash equivalents	5,434,950	38,176
Other receivables	6,575,378	7,638,291
Grants disbursed in advance	710,293	7,231,017
	12,720,621	14,907,484
<b>Current liabilities</b>		
Payables	(629,047)	(131,154)
Amount due to WSG	(755,981)	(1,336,096)
Grants received in advance	(11,335,593)	(13,440,234)
	(12,720,621)	(14,907,484)
Net assets	–	–

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**24 Net assets of Lifelong Learning Endowment Fund**

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

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

The financial statements of the LLEF, as presented below, are prepared by MOE on a cash basis and audited by another audit firm:

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>Receipts</b>			
Refund of unused grant from programme manager		4,768,911	319,578
Interest income		335,245	267,499
		5,104,156	587,077
<b>Expenditure</b>			
Grants disbursed		(124,344,345)	(136,475,163)
<b>Grants received</b>		119,615,936	132,498,446
Surplus/(Deficit) for the year		375,747	(3,389,640)
Accumulated surplus at the beginning of the year		3,677,193	7,066,833
Accumulated surplus at the end of the year		4,052,940	3,677,193
Represented by:			
<b>Current assets</b>			
Cash and cash equivalents		5,560,227	11,637,708
Other assets		–	40,505,053
Amount due from WSG	14	1,906,067	–
		7,466,294	52,142,761
<b>Current liabilities</b>			
Payables		(3,413,354)	(250,174)
Amount due to WSG	8	–	(48,215,394)
		(3,413,354)	(48,465,568)
Net assets		4,052,940	3,677,193

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**25 Operating leases**

*As lessee*

WSG leases office premises and equipment under non-cancellable operating lease arrangements. The leases typically run for 1 to 5 years with an option to renew the lease thereafter and rentals are fixed for an average of 3 years.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities as at the reporting date are as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Within one year	1,809,301	1,515,120
After one year but within five years	1,733,088	1,631,040
	3,542,389	3,146,160

**26 Commitments**

*Capital commitments*

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Commitments for the acquisition of: Property, plant and equipment	278,902	1,176,454
	278,902	1,176,454

**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**27 Reorganisation of WDA**

Following the reorganisation as disclosed in Note 1, the assets and liabilities (associated with the functions of WDA and CPE taken over by SSG) were transferred to SSG in accordance with Section 66 of the Skillsfuture Agency Act, No 24. of 2016 (the “SSG Act”).

Details of the assets and liabilities transferred to SSG are as follows:

	<b>WDA 2017 \$</b>
<b>Assets</b>	
Cash and cash equivalents	13,738,179
Trade and other receivables	22,576,956
Deposits and prepayments	3,559,495
Property, plant and equipment	233,029,761
Intangible assets	53,887,655
	<u>326,792,046</u>
<b>Liabilities</b>	
Other payables <sup>(i)</sup>	23,497,866
Provision for reinstatement costs	4,262,128
Deferred capital grants	283,955,192
	<u>311,715,186</u>
 Net assets transferred to SSG <sup>(ii)</sup>	 <u>15,076,860</u>

(i) The accruals allocated to SSG includes provisions for staff bonus and other employee benefits of \$10,289,000 relating to employees of WDA who are employed by SSG with effect from 3 October 2016.

(ii) The net assets transferred to SSG have been recorded as a reduction in WDA/WSG’s accumulated surplus as a deemed distribution to the government.

**28 Subsequent event**

With effect from 1 April 2018, WSG transferred its restricted funds and accumulated surpluses relating to CES to SSG. All the business undertakings and rights and obligations associated with CES have been transferred to and reside with SSG.

**29 Comparative information**

The financial statements of the Company for the year ended 31 March 2017 were audited by another firm of Public Accountants and Chartered Accountants who expressed an unmodified opinion on those statements on 17 August 2017.



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