

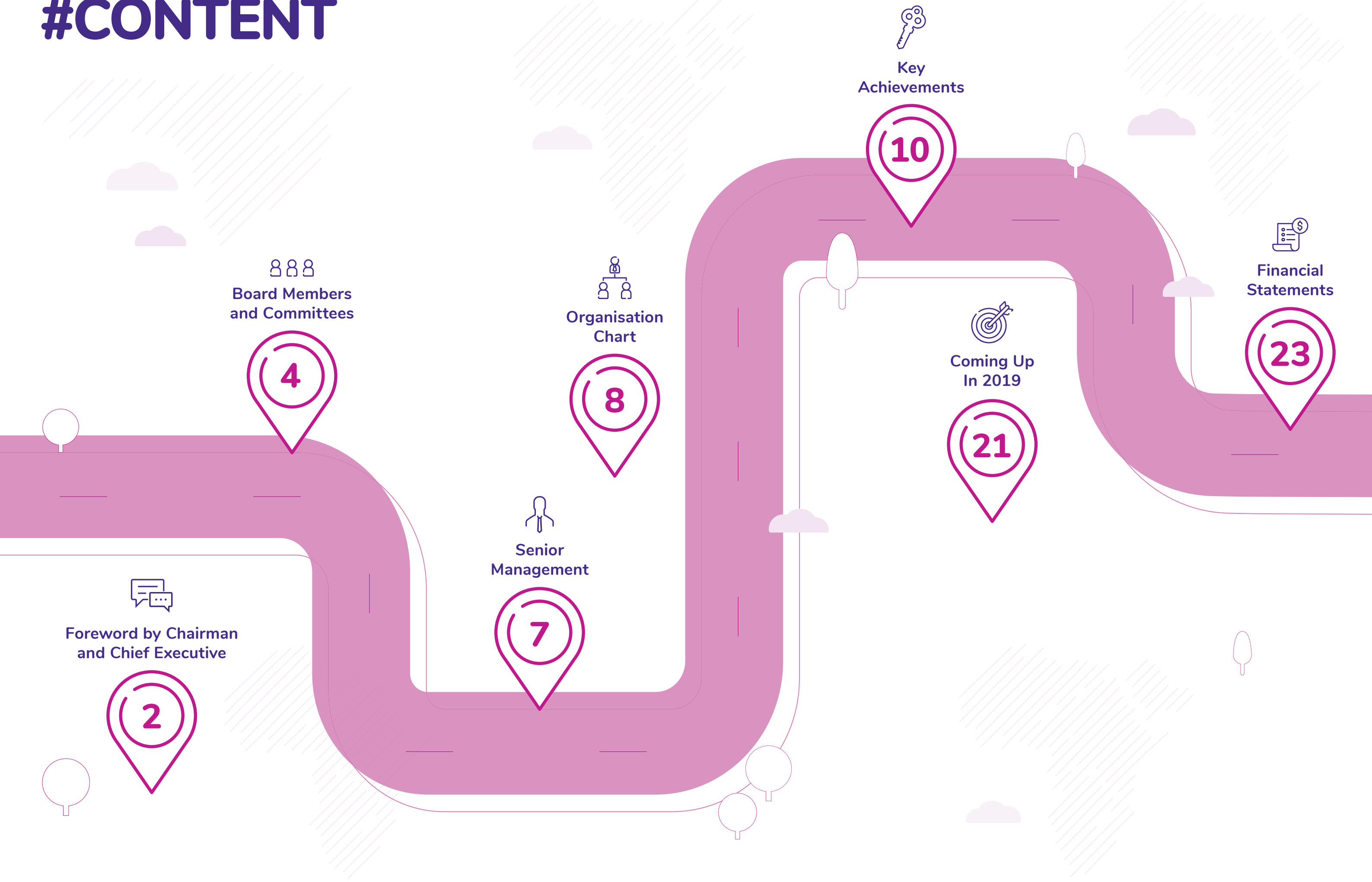


ANNUAL REPORT 2018/2019

#CHART YOUR OWN COURSE

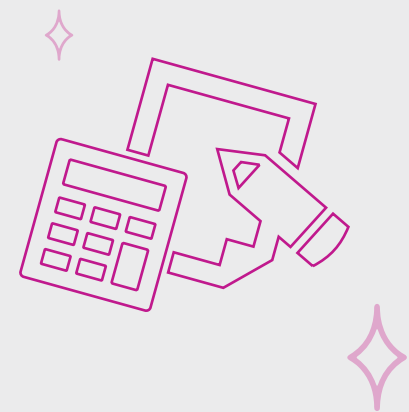
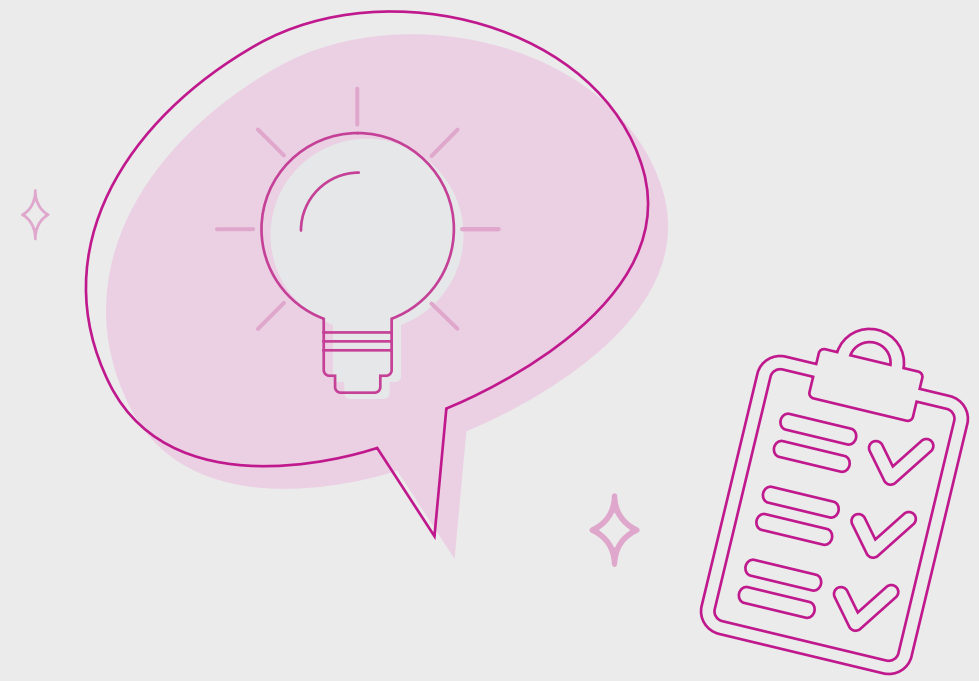
Your Career Journey. Many Ways Forward.

#CONTENT



#FOREWORD

BY CHAIRMAN AND CHIEF EXECUTIVE



FOREWORD BY CHAIRMAN AND CHIEF EXECUTIVE



Mr Lim Ming Yan,
Chairman

A handwritten signature of Mr Lim Ming Yan in black ink.

2018 had been another fruitful year for Workforce Singapore (WSG). We continued to focus our efforts on strengthening employment facilitation for Singaporeans from all walks of life, ramping up our efforts under the Adapt and Grow initiative to provide more targeted help to the Singaporean workforce. Redeployment Professional Conversion Programmes were mounted to help companies undergoing business transformation to prepare their workers to reskill and transit into new jobs. We also introduced MyCareersFuture.sg, a smart online portal which matches jobseekers to jobs that are relevant to their skills.

In particular, we sought to deepen our reach in the heartlands and to drive greater inclusivity in hiring businesses. Careers Connect On-the-Go was rolled out to engage jobseekers beyond our three physical Careers Connect centres. We deepened our collaborations with SCORE and SG Enable to provide targeted employment and workplace support for the ex-offenders and Persons with Disabilities respectively. The Work-Life Grant under WorkPro was also enhanced to encourage flexible work arrangements, benefiting back-to-work individuals and those with caregiving responsibilities.

On the enterprises' front, we continued our efforts to help them overcome manpower constraints by coupling progressive human capital practices with enterprise transformation and job redesign. We also stepped up our industry engagements to drive adoption of ready-to-go, sector-specific solutions, and supported our companies in achieving lean manpower whilst ensuring their workforce remained upskilled and competitive.

All these efforts allowed us to help our jobseekers achieve greater career mobility in the midst of the ongoing economic restructuring and industry transformation. More than 30,000 jobseekers had found new jobs through Adapt and Grow, and over 7,000 companies had benefitted from our programmes.

Technology and the ongoing geopolitical and trade tensions will have far-reaching impact on our industries and the future of work. In response, we will press on our efforts to continue walking the journey with our workers and employers; and where necessary, scale up our assistance to help them adapt, transform and grow as we navigate the manpower-lean landscape and the uncertain economic climate together.



Mr Tan Choon Shian,
Chief Executive

A handwritten signature of Mr Tan Choon Shian in black ink.



#ABOUT US



BOARD MEMBERS AND COMMITTEES



Mr Lim Ming Yan
Chairman
Workforce Singapore



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



Ms Deborah Ong
Partner
PwC Singapore
Chairman, Audit and
Risk Committee (ARC)
Workforce Singapore



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



Mr Andrew Chong
Chairman
Singapore
Semiconductor
Industry Association



Mr Terence Ho
Divisional Director,
Manpower Policy
and Planning
Ministry of Manpower



Ms Judy Hsu
Regional Chief
Executive Officer,
ASEAN & South Asia
Standard Chartered
Bank Singapore



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



Mr Murali Pillai
Partner
Rajah & Tann
Singapore LLP



Mr Patrick Tay
Assistant Secretary General
National Trades
Union Congress



Ms Elaine Yew
Member of Global
Executive Committee
and Managing
Partner Singapore
Egon Zehnder
International



Mr Wahab Yusoff
Vice President
ForeScout
Technologies, Inc.



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.

COMMITTEES OF THE WSG BOARD

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.



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.



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.



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.



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.

SENIOR MANAGEMENT (AS OF MARCH 2019)



Mr Tan Choon Shian
Chief Executive
Workforce Singapore



Mr Goh Eng Ghee
Deputy Chief Executive
Workforce Singapore



Ms Lynn Ng
Group Director
Careers Connect Group
(CCG)



Ms Julia Ng
Group Director
Enterprise
Development
Group (EDG)



Mr Richard Lim
Director
Career Services
Division, CCG



Ms Ong Bee Lee
Director
Data Analytics
Division, CCG



Ms Gillian Woo
Acting Director
Partners & Operations
Division, CCG



Mr Aaron Lye
Director
Corporate Marketing
& Communications
Division, Corporate
Development Group
(CDG)



Mr Ow Seng Fong
Director
Corporate Services
Division, CDG



Ms Serene Chiang
Director
Human Resource
Division, CDG



Ms Doris Kuek
Director
Strategic & Resource
Planning Division, CDG



Mr Kenneth Wong
Director
Tourism Division, EDG



Ms Selena Huynh
Director
Creative & Professional
Services Division, EDG



Mr Toh Swee Chien
Director
Enterprise Programmes
Division, Manufacturing
Division, EDG



Ms Janice Foo
Director
Healthcare, Social
& Business Services
Division, EDG

WSG BOARD MEMBERS AND COMMITTEES CHART

Mr Lim Ming Yan
Chairman
Workforce Singapore

AUDIT AND RISK COMMITTEE (ARC)

CHAIRMAN

Ms Deborah Ong
Partner
PwC Singapore

MEMBERS

Mr Terence Ho
Divisional Director,
Manpower Policy
and Planning
Ministry of Manpower

Mr Murali Pillai
Partner
Rajah & Tann
Singapore LLP

FINANCE COMMITTEE (FC)

CHAIRMAN

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

MEMBERS

Mr Andrew Chong
Chairman
Singapore Semiconductor
Industry Association

Mr Patrick Tay
Assistant Secretary General
National Trades
Union Congress

Ms Judy Hsu
Regional Chief Executive
Officer, ASEAN & South Asia
Standard Chartered
Bank Singapore

REMUNERATION COMMITTEE (RC)

CHAIRMAN

Mr Douglas Foo
Chairman
Sakae Holdings Ltd

MEMBERS

Ms Elaine Yew
Member of Global
Executive Committee and
Managing Partner Singapore
Egon Zehnder International

Mr Wahab Yusoff
Vice President
ForeScout Technologies, Inc.

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

WSG ORGANISATION CHART

FY 2018 (until March 2019)

Mr Tan Choon Shian
Chief Executive

Mr Goh Eng Ghee
Deputy Chief Executive

INTERNAL AUDIT UNIT

Ms Tan Ying Ying
Deputy Director

CAREERS CONNECT GROUP (CCG)

Ms Lynn Ng
Group Director

Career Practitioner
Division
Vacant

Career Services Division
Mr Richard Lim
Director

Data Analytics Division
Ms Ong Bee Lee
Director

Partners &
Operations Division
Ms Gillian Woo
Acting Director
(Term started Jul 2018)

Mr Christopher Yu
Director
(Term ended Jul 2018)

CORPORATE DEVELOPMENT GROUP (CDG)

Corporate Marketing &
Communications Division
Mr Aaron Lye
Director
(Term started Oct 2018)

Mr Goh Chour Thong
Director
(Term ended Oct 2018)

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
Ms Selena Huynh
Director
(Term started Aug 2018)

Mr Kenneth Wong
Director
(Term ended Oct 2018)

Enterprise
Programmes Division
Mr Toh Swee Chien
Director

Healthcare, Social &
Business Services Division
Ms Janice Foo
Director
(Term started Jun 2018)

Mr Toh Swee Chien
Director
(Term ended May 2018)

Manufacturing Division
Mr Toh Swee Chien
Director
(Term started Jun 2018)

Mr Ang Chai Soon
Director
(Term ended Jun 2018)

Tourism Division
Mr Kenneth Wong
Director
(Term started Jun 2018)

Ms Janice Foo
Director
(Term ended May 2018)

BOARD MEMBER

Mr Tan Choon Shian
Chief Executive
Workforce Singapore

SSG SHARED SERVICES ORGANISATION CHART

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

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

Mr Tan Tow Koon
Group Director

Shared Services Management Division

Ms Ong Ai Ming
Director

Intergrated Business Services Division

Ms Angelina Soh
Director

**BUSINESS TECHNOLOGY
GROUP (BTG) - SSG**

Ms Pang Poh Cheng
Senior Director

Operations Planning Division

Mr Koh Kian Wee
Director

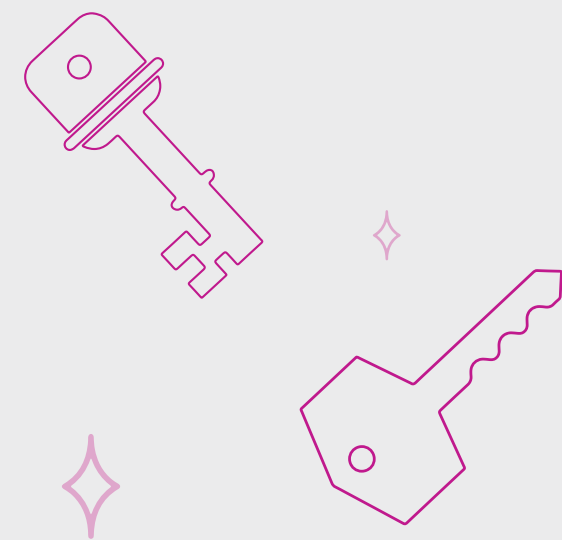
Capability Development Division

Mr Richard Lee
Director

Operations & Support Division
Security & Infrastructure Division

Mr Teh Sim Seng
Director
Chief Information Officer


#KEY ACHIEVEMENTS




Over

30,000

jobseekers placed through Adapt and Grow initiative



• More than half are PMETs



2017

2018

For those aged 50 and above, there were close to 9,000;

>20%

increase compared to 2017.



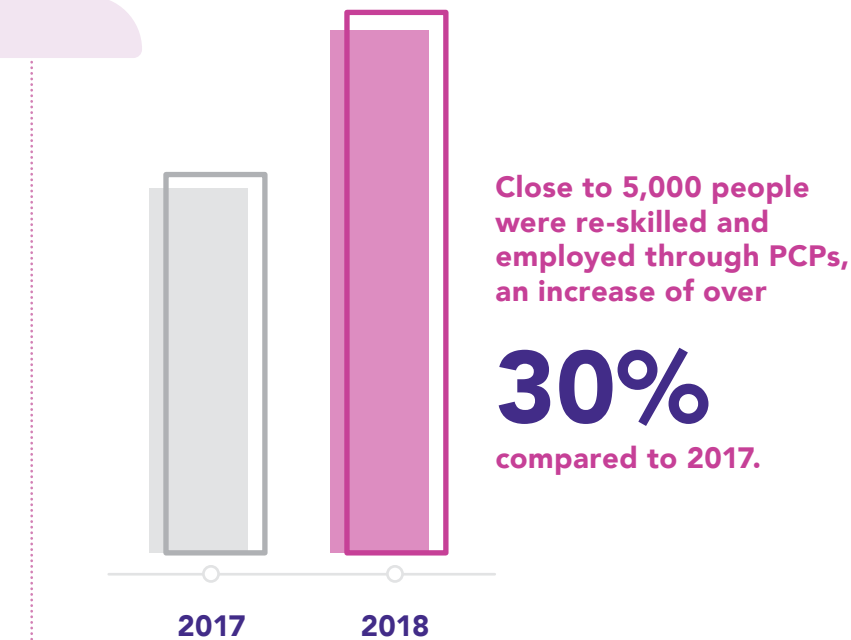
More than

9,000

jobseekers successfully placed had secondary-level qualifications or below.

Adapt & Grow

A YEAR IN REVIEW



- Most of the PCP participants do well. About 9 in 10 of them remained in employment 12 to 18 months after being placed.
- About two-thirds were recognised for their newly acquired skills, and received higher wages than before.

Over **6,000** companies across key sectors, such as Food Services, Wholesale Trade, Construction and Retail were supported by LEDS in their transformation efforts.



60%

Over 60% of jobseekers placed were unemployed.

- Among them, close to half had been unemployed for more than 6 months.



More than

1,500

RnF workers benefited from the Place-and-Train programme.



About

730

jobseekers obtained jobs through Career Trial.



More than

1,200

jobseekers were placed with the help of CSP.

- Nearly 90% had been unemployed for more than 6 months.

AN ENGAGED AND INFORMED WORKFORCE

To foster an agile workforce and enable career resilience and mobility within our workers, Workforce Singapore’s engagement and publicity efforts in 2018 took a dual-pronged approach with outreach to the general population in tandem with targeted efforts at vulnerable groups (e.g. mature or LTU workers). Through these engagement and outreach activities, as well as active social media and digital campaigns, Workforce Singapore successfully reached out to about 60,000 individuals between April 2018 and March 2019.

JobStreet Industry Nites to spread and deepen understanding into the different industries

Workforce Singapore continued our collaboration with NLB and Jobstreet on a series of professional sharing sessions to reach out to PMETs on Adapt and Grow.

The series served as a platform for jobseekers interested in InfoComm and Technology, Wholesale Trade, Food Services, Hotel, MICE and Retail, as well as Built Environment to understand the industries better, network with experienced industry professionals, and understand how PCPs can help them enter the sectors.



A WSG staff explaining the various Adapt and Grow programmes to a captive audience.

Learning job search techniques at Adapt and Grow Series @ NLB

Organised in collaboration with the National Library Board, the series comprised monthly career workshops and seminars held in public libraries island-wide to provide participants with practical job search techniques and information on the Adapt and Grow programmes.



Workshop participants going through an informative game session to better understand Adapt and Grow.

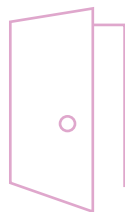
Adapt and Grow Roadshows 2018 to raise awareness of the national initiative

Workforce Singapore has been running a series of Adapt and Grow roadshows in the heartlands with the aim of helping Singaporeans better understand how to use Adapt and Grow programmes for their career journey.

A total of seven roadshows were held across the island between April and October 2018, with each roadshow showcasing opportunities in industries such as air transport, hotels, public transport and built environment, through specially curated information on relevant job roles and the PCPs available for interested jobseekers to tap on to enter these roles. A total of 33,000 Singaporeans attended the roadshows.



Visitors exploring the various exhibits at the Adapt and Grow roadshow.



Adapt and Grow Career Fairs to connect jobseekers to job opportunities

Workforce Singapore collaborated with various partners, including industry associations, grassroots organisations and the People’s Association to organise about 100 career events in 2018. These included community career fairs to connect jobseekers and residents to job opportunities located in close proximity to their homes, as well as sectoral events bundled with workshops to help prepare jobseekers for new work in various sectors. More than 12,000 jobseekers attended the career events as of March 2019.



Jobseekers doing their best to impress employers during interviews at the Career Fairs.

Careers Connect On-the-Go to bring Career Matching Services to the heart of communities

Careers Connect On-the-Go (CCOTG) serves as a mobile extension and expansion of Workforce Singapore’s Careers Connect centres. With the aim of bringing career coaching, advisory services and job search preparatory workshops closer to Singaporeans, CCOTG travelled to the heartland island-wide in 2018. This helped Careers Connect reach out beyond its three physical centres, and engage with more jobseekers. Jobseekers can receive services such as one-to-one career coaching, attend walk in interviews, gain useful job search tips from the on-site mini workshops conducted in English and other languages, and receive job referrals from the curated community jobs listing.

CCOTG, which started as a year-long pilot, will continue for another two years with the adoption of a more flexible and nimble setup so as to better reach more residents and different pockets of the community. CCOTG had been deployed 21 times since its launch in July 2018, reaching out to more than 4,500 individuals.



A jobseeker receiving career advice from one of WSG’s Career Ambassadors.

CONTINUOUS EFFORTS TO ADDRESS MISMATCHES AND MINIMISE MISSED MATCHES THROUGH ADAPT AND GROW

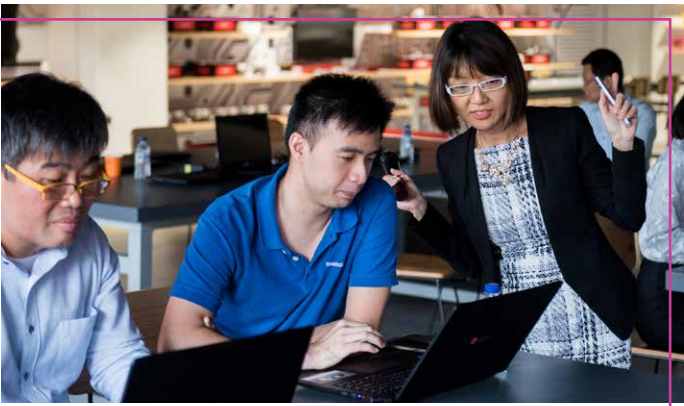
Workforce Singapore continued to implement and roll out various programmes, including Professional Conversion Programmes and Career Trial, to address skills and jobs mismatches, and to connect jobseekers to employers and jobs. These efforts, with support from the unions, the trade associations, government bodies and industry stakeholders, supported more than 30,000 jobseekers to move into new jobs through the Adapt and Grow initiative in 2018.

Professional Conversion Programmes (PCP) provide ramp up for career mobility

Workforce Singapore continued to ramp up support for local mid-career PMETs to undergo skills conversion and move into new occupations or sectors that have good prospects and opportunities for progression. In particular, a sectoral approach was adopted to help employers manage ongoing sectoral transformation and redeployment of their workers. More tech-lite PCPs were introduced, and the agency has been working closely with the Institute of Banking and Finance (IBF) to administer redeployment PCPs in the financial services sector. PCPs were also expanded to cover all six main clusters across the Industry Transformation Maps. These efforts helped to place close to 5,000 PMETs into new jobs in 2018, helping them to stay mobile and agile in their career journey.

MyCareersFuture.sg launched to further sharpen matches between jobseekers and jobs

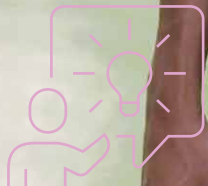
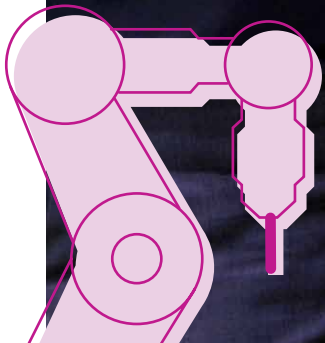
MyCareersFuture.sg was officially launched in April 2018 to replace the National Jobs Bank. The online portal had garnered approximately 2.85 million unique visitors and facilitated more than 1.9 million job applications as of March 2019. Powered by Artificial Intelligence, MyCareersFuture.sg provides local jobseekers with a smarter job search service based on skills-to-job matching technologies, so users are able to find and be recommended jobs relevant to their skills. Workforce Singapore also established collaborations with various technology service providers, job portals and industry partners in order to better serve jobseekers.



An NLB workshop participant learning how to navigate MyCareersFuture.sg to meet his job search needs.

“ I wanted to take a step closer to my dreams to work with robots and also take on a career that challenges me. Even though it was a steep learning curve for me when I decided to make the career switch, the PCP Attach and Train (AnT) programme gave me the opportunity to apply what I had learnt. Now, I am travelling around the world to work with tech giants!”

Muhammad Fazli Abu Bakar
Robotics Engineer
GLOBAL Automation Technologies, Pte. Ltd



6 Growth Sectors – targeted efforts to create PMET jobs

To help jobseekers with ongoing economic transformation and disruption, the Ministry of Manpower (MOM) had embarked on a joint initiative with sector agencies to place local PMETs into the top five sectors identified to have strong potential for PMET job creation: Professional Services, Wholesale Trade, Healthcare, Finance, and InfoComm Technology. The five priority sectors initiative was updated to the Six Growth Sectors (6GS) initiative after the Built Environment sector was identified as one with potential for job creation and opportunities in July 2018.

Workforce Singapore supported MOM and the sector agencies' 6GS efforts through interventions under the Adapt and Grow initiative to help address skills and wage mismatches. These efforts in turn, helped place more than 3,700 local PMETs into new jobs in these sectors.

Career Trial enhanced for better-paying job opportunities

Introduced in April 2018 as an enhancement to Work Trial, the Career Trial provided jobseekers and employers with a short-term trial for both parties to assess job fit. The enhancement allowed employers to offer better-paying jobs, and jobseekers to receive higher training allowances during the trial.

To further promote inclusive hiring, salary support is also provided to employers who hire successful Career Trial participants who have been unemployed and actively seeking jobs for more than 6 months, as well as Persons with Disabilities (regardless of unemployment duration). About 730 jobseekers found jobs through Career Trial in 2018.



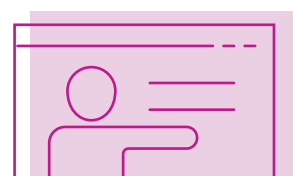
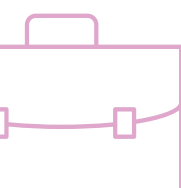
A visitor at an Adapt and Grow Roadshow learning how he could benefit from Career Trial.

I decided to make a switch into the Built Environment sector after finding out about the growth opportunities within the sector and the plans to incorporate IT into work processes under the Construction Industry Transformation Map.

My interest was further piqued when I read about how BIM Professionals are in demand, and I decided to pursue the career by tapping on the PCP for BIM Professionals.

I'm currently employed full-time with APP Engineering as a BIM Modeller. The PCP has been useful in providing me with the essential skills and knowledge needed to make my transition smoother, and I'm confident that the sector offers good career prospects."

Yusuf Hassan
BIM Modeller
APP Engineering



“At Skechers, we always believe that more opportunities should be provided to Singaporeans. It is also part of our Corporate Social Responsibility to give back by providing ex-offenders a second chance in life.

Therefore, we chose to work with SCORE and WSG on the Career Trial programme to help the company find suitable candidates and also provide such ex-offenders with employment opportunities.”

Ms Zann Lee
Regional Director
Skechers Singapore

“Initially I thought it was tough to build relationships with my colleagues. However, during the period of the Career Trial programme, I realised that my colleagues were very nice people to work with. We all make mistakes, but we have the power to change our story and make it more meaningful; never let any obstacles come in your way to have a good life.”

Ms Nur Syahirah Binte Sarbor Khan
Junior Sales Consultant
Skechers Singapore



Collaboration with SCORE to support reintegration of ex-offenders through Career Trial

As an extension to Workforce Singapore’s longstanding partnership with the Singapore Corporation of Rehabilitative Enterprises (SCORE) to provide employment support for ex-offenders, the Career Trial was facilitated in-prison and piloted in November 2018 to match prospective employers with ex-offenders so that the latter could commence on Career Trial upon or even before release. This allowed ex-offenders the opportunity to showcase themselves to the employers and assess their job fit so as to improve their chances for employment.

Career Starter Programme to give ITE and Poly grads a kickstart into workforce

The programme was rolled out in January 2019 to provide more job search support for graduates from the Institute of Technical Education (ITE) and the five Polytechnics entering the workforce.

This includes specialised Career Booster workshops to reinforce job search strategies and skills, and individualised Career CARE360 programme at Careers Connect where personalised career coaching is available for graduating students who require more in-depth support in their job search. Under the programme, a Career Starter Pack comprising career resources to support their job search was also distributed to 28,000 graduating students.



Graduating students visiting WSG’s booth at a career fair to understand how the Career Starter Programme could help them in their job search.

Place-and-Train Programme to support Rank-and-File workers

The Place-and-Train programme was enhanced in April 2018 to help Rank-and-File (RnF) workers reskill and take on new jobs in different sectors. This is part of the efforts to strengthen support for these workers, especially those who were unemployed for more than six months (i.e. Long-term unemployed or LTU). The enhancement increased salary support for LTU persons from 70% to 90%, and the cap from \$2,000 to \$3,000. More than 1,500 RnF workers benefited in 2018.

Fostering an inclusive workforce for Persons with Disabilities

Workforce Singapore supports SG Enable by providing funding support, in line with Adapt and Grow’s objective to facilitate inclusive hiring for Persons with Disabilities (PWDs), and has helped more than 2,000 PWDs secure employment with close to 750 companies between January 2016 and March 2019. Funding support is also provided to encourage employers to embark on job redesign and work accommodation projects to enable their recruitment and retention of PWD employees.

WORKERS AT THE HEART OF INDUSTRY TRANSFORMATION

Workforce Singapore has been working with various partners, including the unions, employers, sector agencies and industry stakeholders to support companies in developing manpower-lean business models to optimise manpower use, improve productivity, and to couple their transformation efforts with progressive human capital development.

Lean Enterprise Development Scheme (LEDS) to transform and grow manpower-lean businesses

LEDS supported over 6,000 companies in 2018 across key sectors, such as Food Services, Wholesale Trade, Construction and Retail. Through the programme, they were able to transform their business operations to achieve greater productivity and create higher-value jobs. Over 3,000 of these companies had tapped on ready-to-go (RTG) solutions which were all pre-approved to drive rapid adoption of technologies.

Workforce Singapore accounted for about 1 in 5 companies onboard LEDS in 2018 with ongoing efforts to transform the key sectors such as Retail, Food Services, Security and Environmental Services (Cleaning) through job redesign and manpower-lean programmes.



Mr Daniel Lim, Executive Director and Group Executive Officer at SK Jewellery Group, attending the LED Symposium 2018 and giving a keynote presentation on Business Model Transformation.

Job Redesign supports enterprise transformation

Job redesign is intrinsically tied to business strategy and growth. As companies transform and adopt new business formats to improve productivity and capture new business opportunities, they must also ensure that their workforce is equipped with new skills to manage the new business formats and/or technology.

To support companies in carrying out job redesign efforts to complement their transformation, Workforce Singapore has worked with various partners and government agencies to develop sectoral Job Redesign (JR) Frameworks and Toolkits, as well as running of JR Workshops to enable companies to gain access to resources and solutions to begin their JR journeys.

8 Bar Pte Ltd, a Singapore-based restaurant group, participated in the **Food Services Job Redesign Workshop** organised by Workforce Singapore where they learnt how to implement job redesign using the **Food Services Job Redesign Framework**. As a result, they adopted SmartTab, a table-top ordering, payment and customer engagement system to enhance the job roles of their front-of-house staff. This reduced the time their staff took to serve each table from more than 13 minutes to about 7 minutes, and allowed the staff more time to engage and attend to more customers, thereby fulfilling their needs and requests in a timelier manner. Customers are now happier with the quality of service they received; their staff in turn, have a heightened sense of accountability and job satisfaction, leading to higher staff retention.

Golden Bridge Foods Manufacturing Pte Ltd is a non-halal food manufacturer and supplier of processed meat to retailers, wholesalers, food services companies and overseas markets. The company tapped on the **Workforce Singapore-McKinsey Lean i4.0 Programme** under LEDS to improve operational efficiency and manpower productivity. The company leveraged various technologies, including a eDatalogger for e-forms to digitalise all manual forms and a Maintenance Management System to automate scheduling for machine maintenance and repairs. Through these efforts, Golden Bridge were able to cut down manual labour for their employees, who were also able to take on higher value-added roles. More than 70 employees benefited from these job redesign efforts.



(T): A SingTel representative explaining to Mrs Josephine Teo, Minister for Manpower on how her company had embarked on transformation and job redesign.

(B): A supervisor from Golden Bridge Foods Manufacturing explaining to his team how processes have changed after the company underwent job redesign.

Building progressive, age-friendly workplaces for older workers through WorkPro Job Redesign Grant

The WorkPro Job Redesign Grant (JRG) provides funding support of up to \$300,000 per company to help them create physically easier, safer and smarter jobs for older workers aged 50 and above. Companies could explore different redesign projects to benefit different groups of older workers through improvements to the work environment or processes, thereby enhancing their job scope and allowing them to be more productive. Since the enhancement of WorkPro JRG in Jul 2016, over 1,750 companies and about 20,000 older workers had benefitted.



Mr N. Xavier explaining to Mrs Josephine Teo, Minister for Manpower how RFID tags were sewn into the towels for easy detection and stock-taking.

Capability Transfer Programme to strengthen the workforce’s capabilities in support of enterprise transformation

The Capability Transfer Programme was launched in October 2017 as a pilot to support companies in speeding up the transfer of global capabilities to the local workforce. As of December 2018, Workforce Singapore has supported 26 projects which are expected to benefit over 100 companies and more than 800 workers from various sectors that include MICE, Air Transport, Retail, Built Environment and Manufacturing.

Cityneon Holdings Limited, as part of its business expansion to create and set up innovative and interactive exhibitions as well as to produce market merchandise, needed workers with global capabilities to manage and implement these projects.

The company tapped on the Capability Transfer Programme, which provided funding for the company to bring in the US team to help train and equip its local Singaporean team with the skills required to carry out such installation and production. This not only provided operational cost savings for the company, but also enabled them to speed up the transfer of global capabilities to its employees.



CityNeon’s local team had a fruitful time gleaning new insights and learning new skills from the company’s US counterparts.

“ Previously, my colleagues and I had to manually count about 1,000 towels before and after they are sent to the laundry. Now, with a wave of the RFID wand over the towel cart, the count is done automatically and accurately. With this redesign and use of new technology in my job, I can keep track of the numbers and schedule a delivery if they are starting to run out. It is a win-win situation for both the guests and the resort.”

Mr N. Xavier
Service Associate (Recreation)
Shangri-La’s Rasa Sentosa Resort & Spa



ENGAGING EMPLOYERS TO BUILD PROGRESSIVE, PRODUCTIVE WORKPLACES

Workforce Singapore also strengthened efforts to encourage employers on the adoption of progressive human capital practices that would lead to an engaged and productive workforce with higher employee retention. This includes partnering employers to build progressive and inclusive work environments.

SkillsFuture for Enterprises (SFE) in a push for human capital

The pilot implementation of the SFE initiative started in August 2018 with the appointment of Singapore National Employers Federation (SNEF) as the pilot partner. As of March 2019, over 350 companies have been engaged, of which 54% were SMEs. Beyond engagement, 21 enterprises came onboard Human Capital (HC) Enabling Project and showed interest to work with SNEF on other HC-related projects under SFE.

Building progressive and inclusive workplaces with WorkPro Work-Life Grant

The WorkPro Work-Life Grant (WLG) was enhanced in July 2018 to provide increased funding per employee to encourage more employers to implement and sustain flexible work arrangements for their local employees. Job Sharing Incentive was also introduced as part of the enhancement to support companies' move to roll out job sharing arrangements for PMET employees who needed it. There have been more than 340 applications for WLG as of December 2018 since the rollout of the enhanced WLG.



Mrs Josephine Teo visited local firm M.Tech to see how it implements flexible work arrangements. Married couple Mr Calvin Lee and Ms Angela Goh (extreme right) tapped on the arrangements regularly to juggle work and their family.

Ongoing employer outreach through engagements with TACs and Employers Connect

Workforce Singapore continued to deepen collaboration with the Trade Associations and Chambers (TACs), including the Singapore National Employers Federation (SNEF), Singapore International Chamber of Commerce (SICC), Singapore Chinese Chamber of Commerce & Industry (SCCCI), Association of Small & Medium Enterprises (ASME), and the British and Italian Chambers of Commerce.

Through these collaborations, the agency was able to leverage their employer engagement sessions to share with their members more information on the Adapt and Grow initiative. Employers Connect sessions were also organised to reach out to new companies, during which speakers were invited to share on topics related to good and fair hiring practices, and how WSG can support them in their hiring needs. Through these efforts, more than 1,300 employers were engaged as of March 2019.



Employer representatives from various companies attended the monthly Employers Connect to pick up best hiring practices and learn how their companies could benefit from the various Adapt and Grow programmes.

Institute of HR Professionals (IHRP) certification to strengthen HR profession and develop human capital in enterprises

The IHRP, a tripartite professional body established by MOM, NTUC and Singapore National Employer Federation (SNEF), and funded by Workforce Singapore, certified more than 800 HR professionals from over 400 companies in 2018 through its IHRP Certification Framework. By further developing the competencies of these HR professionals and providing recognition for their skills, IHRP seeks to promote progressive human capital (HC) practices amongst enterprises in Singapore.

Beyond certification, IHRP also partners sector agencies, trade associations and chambers, and tripartite partners to enable and develop HC capability in enterprises through the Human Capital Diagnostic Tool and curation of HC solutions.



BUILDING A RESPONSIVE, ENGAGED WORKFORCE SINGAPORE

In order to walk the talk, and build and sustain a Workforce Singapore that is nimble in its responses to public needs and queries, the organisation has rolled out an online portal to streamline the online application process for the Professional Conversion Programmes (PCPs). It also launched a Career Development Framework to outline and guide the professional development of Career Practitioners, including its Career Coaches and Career Ambassadors, so that they are equipped with relevant skills and capabilities to better serve the workforce and employers.

Roll out of online portal to streamline programme application process

Together with our programme partners, Workforce Singapore had developed a comprehensive application management portal to help strengthen the delivery and data management of the applications for programmes, starting with Professional Conversion Programmes. Individuals would be able to enjoy a more streamlined application process, while programme partners would be equipped with the capability to better track and manage applications. More than 700 applications have been processed on the portal since its roll-out in March 2019.

Sustaining active employee engagement

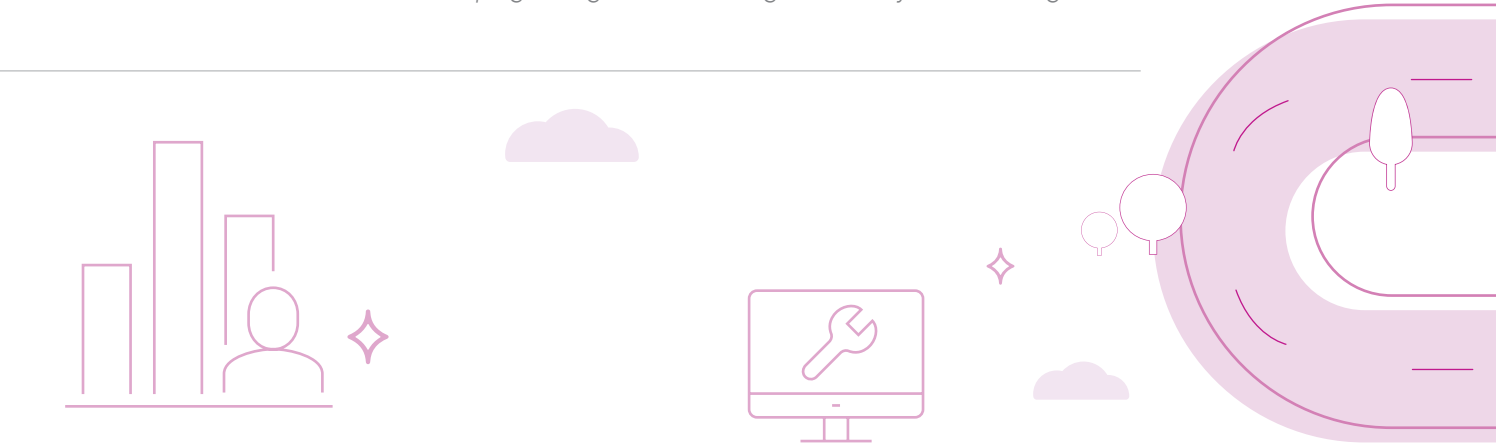
Employee engagement remained a high priority in Workforce Singapore. Other than ongoing engagement through staff communication sessions and staff welfare activities, including cross-divisional team building programmes, the agency also placed emphasis on deepening supervisors' capabilities and leadership skills through structured learning and sharing.



WSG staff from different divisions going through and completing the various teambuilding games with much enthusiasm.



Team Leads from different divisions developing stronger bonds during the full-day teambuilding session at Sentosa.



Career Development Framework (CDF) to provide professional development roadmap for Career Practitioners

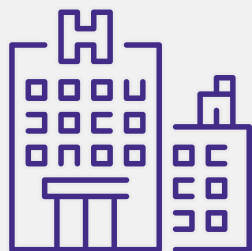
A practice-based credentialing framework, Workforce Singapore's CDF was launched at the inaugural Career Practitioners Conference in August 2018 to provide a roadmap for the professional development of career practitioners. More than 1000 practitioners have benefitted from the training courses, Conference, Community of Practice sessions and Masterclasses that were organised around the framework to help them acquire, maintain and upskill their competencies in career facilitation.

The CDF also provides national recognition to career practitioners through credentialing. More than 40 career professionals, including Workforce Singapore's Career Coaches and Career Ambassadors, have received their credentials either as Certified Career Advisor and/or Certified Career Practitioner as of March 2019.

1. Incorporating public feedback for more interactive Adapt and Grow Roadshows

Based on feedback and experience from the 2018 roadshows, Workforce Singapore will be enhancing the Adapt and Grow roadshow series to provide a more fun and interactive experience, and for information to be presented in a more digestible format.

The roadshows will also feature technology showcases to help visitors understand how technology can be used to augment their jobs and assist them in the workplace.



2. Hoteliers to get boost for job redesign

To encourage more hotels to carry out job redesign, Workforce Singapore has been working with its tripartite partners, Singapore Tourism Board, the Singapore Hotel Association and NTUC affiliates from the Hospitality and Consumer Business Cluster, the Food, Drinks and Allied Workers Union and the Attractions, Resorts and Entertainment Union to develop the Hotel Job Redesign Initiative.

The programme, under the LEDS, will enable hoteliers to review, optimise and value-add to existing jobs within the sector in order to create higher quality jobs and a heightened sense of job satisfaction amongst the employees.

3. Industry 4.0 Human Capital Initiative to complement manufacturing's job redesign capabilities

To better support enterprises' transformation efforts, Workforce Singapore is working with the Singapore Business Federation to develop the Industry 4.0 Human Capital Initiative (IHCI). IHCI aims to scale up the development of strategic HR and job redesign capabilities to augment the adoption of technology solutions by manufacturing enterprises.



4. Digitalise high-touch services for jobseekers

To increase the efficiency and scale the extent of our reach to jobseekers, Workforce Singapore will move towards digital coaching and career services to complement our current face-to-face services, and to serve our jobseekers better.

This includes rolling out Virtual Career Coaching services to provide an alternate, virtual mode of service interface for jobseekers to receive face-to-face career coaching services anywhere. Workforce Singapore will also be working with partner agencies to progressively roll out these services at the standalone Social Service Offices.

5. Targeted approach to better support jobseekers through Career Events

Workforce Singapore will be adopting (at the community level) a differentiated approach for PMET and RnF jobseekers to provide more targeted assistance and support through career events. PMET jobseekers can look forward to more Virtual Career Fairs, video interviews and curated events that would include industry previews and workshops – organised to enhance job matching.

For RnF jobseekers, especially individuals who were retrenched or long-term unemployed, Workforce Singapore will work with community partners to identify jobs that allow RnF jobseekers to work near their homes.

6. Continuous enhancement of MyCareersFuture.sg

MyCareersFuture.sg functions will continue to be enhanced to improve the quality of service for both jobseekers and employers. The latter can look forward to posting jobs directly on the portal, as well as accessing new features to widen their range of suitable candidates.

Jobseekers can also look forward to updated features which will suggest tips on how to enhance their resumes.



7. Driving lean enterprises through transformation

Workforce Singapore will continue to work closely with other government agencies to empower lean transformation within local companies, especially for services sector companies impacted by Dependency Ratio Ceiling cuts. This will be driven through sectoral outreach and engagement platforms targeting the services sectors, for adoption of Ready-To-Go solutions.



8. P-Max Enhancements to provide SMEs more support

To proliferate the adoption of progressive HR practices within SMEs, Workforce Singapore will be providing funding support for non-hiring SMEs to send their supervisors and staff to P-Max HR Workshops to level up their HR capabilities. More support will also be provided for SMEs hiring senior PMETs aged 50 and above.

Supervisors of the newly hired senior PMETs will be required to attend an age management workshop and subsequently implement age management practices within their organisation to better attract, manage and retain their senior talent.

9. Programme to spur the use of HR Tech to achieve higher HR productivity among enterprises

To encourage wider adoption of HR Tech amongst enterprises and catalyse their transition from transactional HR to strategic HR, Workforce Singapore will be rolling out a HR Tech Transformation Programme in the coming year.

Through the programme, enterprises can adopt HR software to manage various HR functions, and use HR analytics in their strategic workforce planning.

Workforce Singapore Agency

Registration Number: T08GB0060H

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

Year ended 31 March 2019

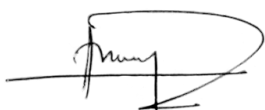
Statement by the Board of Workforce Singapore Agency

In my opinion,

- (a) the accompanying financial statements of Workforce Singapore Agency ("WSG") as set out on pages FS1 to FS38 are properly drawn up in accordance with the provisions of the Workforce Singapore Agency Act, Cap. 305D (the "Act"), the Public Sector (Governance) Act, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of WSG as at 31 March 2019, and the results, changes in equity and cash flows of WSG for the year ended on that date.
- (b) proper accounting and other records have been kept, including records of all assets of WSG whether purchased, donated or otherwise, in accordance with the provisions of the Act and the Public Sector (Governance) Act.
- (c) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by WSG during the financial year have been in accordance with the provisions of the Act and the Public Sector (Governance) Act.

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

2 August 2019



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

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

Independent auditors' report

Members of WSG
Workforce Singapore Agency

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Workforce Singapore Agency ("WSG"), which comprise the statement of financial position of WSG as at 31 March 2019, 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 F38.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Workforce Singapore Agency Act, Cap. 305D (the "Act"), the Public Sector (Governance) Act, Act 5 of 2018 (the "Public Sector (Governance) Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the state of affairs of WSG as at 31 March 2019, 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.

Information other than the financial statements and auditor's report thereon

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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, the Public Sector (Governance) Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing WSG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up WSG or for WSG to cease operations.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WSG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause WSG to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by WSG during the year are, in all material respects, in accordance with the provisions of the Act and the Public Sector (Governance) Act; and
- (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 and the Public Sector (Governance) Act. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditors' responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act and the Public Sector (Governance) 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 Board's internal control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

2 August 2019

Statement of financial position

As at 31 March 2019

	Note	2019 \$	2018 \$
ASSETS			
Non-current assets			
Deposits and prepayments	4	112,839	988,732
Property, plant and equipment	5	2,203,858	2,288,377
Intangible assets	6	2,477,311	4,396,221
		<u>4,794,008</u>	<u>7,673,330</u>
Current assets			
Deposits and prepayments	4	2,742,221	567,158
Cash and cash equivalents	7	76,337,486	87,431,632
Other receivables	8	3,210,962	2,306,342
		<u>82,290,669</u>	<u>90,305,132</u>
Total assets		<u>87,084,677</u>	<u>97,978,462</u>
EQUITY AND LIABILITIES			
Equity			
Capital account	9	7,872,073	7,872,073
Share capital	10	1,000	1,000
Accumulated surplus			
- General Fund		19,989,674	15,092,578
- Restricted Funds	11	1,132,448	1,132,448
Total equity		<u>28,995,195</u>	<u>24,098,099</u>
Non-current liabilities			
Provision for reinstatement costs	12	112,710	468,928
Deferred capital grants	13	2,466,345	4,224,717
		<u>2,579,055</u>	<u>4,693,645</u>
Current liabilities			
Provision for reinstatement costs	12	369,245	–
Deferred capital grants	13	2,110,271	2,375,183
Other payables	14	47,016,806	62,058,170
Provision for contribution to consolidated fund	15	1,003,019	767,500
Government grants received in advance	16	5,011,086	3,985,865
		<u>55,510,427</u>	<u>69,186,718</u>
Total liabilities		<u>58,089,482</u>	<u>73,880,363</u>
Total equity and liabilities		<u>87,084,677</u>	<u>97,978,462</u>
Net assets of trust funds			
Skills Development Fund	23	–	–
Lifelong Learning Endowment Fund	24	<u>2,198,956</u>	<u>4,052,940</u>

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

Statement of comprehensive income
Year ended 31 March 2019

	Note	2019			2018		
		General	Restricted	Total	General	Restricted	Total
		funds	funds		funds	funds	
		\$	\$	\$	\$	\$	\$
Income							
Operating income	17	183,077	–	183,077	1,033,517	–	1,033,517
Interest and other income	18	613,458	78,184	691,642	464,498	115,907	580,405
Total income		796,535	78,184	874,719	1,498,015	115,907	1,613,922
Expenditure							
Depreciation of property, plant and equipment	5	(248,257)	(340,285)	(588,542)	(70,162)	(302,678)	(372,840)
Amortisation of intangible assets	6	(20,045)	(2,043,439)	(2,063,484)	(93,620)	(1,964,351)	(2,057,971)
Staff costs	20	(42,791,981)	(4,422,414)	(47,214,395)	(42,077,233)	(4,530,320)	(46,607,553)
Grant disbursements		–	(149,984,600)	(149,984,600)	(1,541,106)	(98,856,841)	(100,397,947)
Operating leases expenses		(4,165,407)	(650,484)	(4,815,891)	(3,029,667)	(640,957)	(3,670,624)
Professional services		(9,460,227)	(15,858,548)	(25,318,775)	(10,528,221)	(23,725,851)	(34,254,072)
Maintenance expenses		(9,157,188)	(10,727,175)	(19,884,363)	(8,406,312)	(9,498,326)	(17,904,638)
Supplies and materials		(462,251)	(60,081)	(522,332)	(638,789)	(272,960)	(911,749)
Public relations		(950,081)	(635,868)	(1,585,949)	(3,303,545)	(147,625)	(3,451,170)
Travel expenses		(384,072)	(5,839)	(389,911)	(314,965)	(9,416)	(324,381)
GST expenses		(1,780,957)	(1,717,163)	(3,498,120)	(1,514,397)	(2,587,918)	(4,102,315)
Temporary staff costs		(1,934,121)	(225,236)	(2,159,357)	(480,609)	(392,495)	(873,104)
Course-related trainers' fees		(125,960)	–	(125,960)	(70,000)	–	(70,000)
Others		(4,777)	(259,680)	(264,457)	(358,440)	(183,432)	(541,872)
Total expenditure		(71,485,324)	(186,930,812)	(258,416,136)	(72,427,066)	(143,113,170)	(215,540,236)
Deficit for the year before grants and contribution to consolidated fund	19	(70,688,789)	(186,852,628)	(257,541,417)	(70,929,051)	(142,997,263)	(213,926,314)

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

Statement of comprehensive income (continued)
Year ended 31 March 2019

	Note	2019			2018		
		General funds	Restricted funds	Total	General funds	Restricted funds	Total
		\$	\$	\$	\$	\$	\$
Grants							
Grants from government	16	76,422,116	184,514,674	260,936,790	75,055,148	140,724,946	215,780,094
Deferred capital grants amortised	13	166,788	2,337,954	2,504,742	388,611	2,272,317	2,660,928
		<u>76,588,904</u>	<u>186,852,628</u>	<u>263,441,532</u>	<u>75,443,759</u>	<u>142,997,263</u>	<u>218,441,022</u>
Surplus for the year before contribution to consolidated fund		5,900,115	–	5,900,115	4,514,708	–	4,514,708
Contribution to consolidated fund	15	(1,003,019)	–	(1,003,019)	(767,500)	–	(767,500)
Net surplus for the year, representing total comprehensive income for the year		<u>4,897,096</u>	<u>–</u>	<u>4,897,096</u>	<u>3,747,208</u>	<u>–</u>	<u>3,747,208</u>

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

Statement of changes in equity
Year ended 31 March 2019

	Capital account \$	Share capital \$	Accumulated surplus		Total \$
			General fund \$	Restricted fund \$	
At 1 April 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
Net surplus for the year, representing total comprehensive income for the year	–	–	4,897,096	–	4,897,096
Balance at 31 March 2019	7,872,073	1,000	19,989,674	1,132,448	28,995,195

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

Statement of cash flows
Year ended 31 March 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Deficit for the year before grants and contribution to consolidated fund		(257,541,417)	(213,926,314)
Adjustments for:			
Depreciation of property, plant and equipment	5	588,542	372,840
Amortisation of intangible assets	6	2,063,484	2,057,971
Interest income	18	(689,412)	(573,401)
Allowance for impairment loss (reversed)/made on other receivables	19	(234)	330
Reversal of overprovision for reinstatement costs		(154,113)	(206,731)
Loss on property, plant and equipment and intangible assets disposed/written off	19	–	320,933
		(255,733,150)	(211,954,372)
Changes in working capital:			
Deposits and prepayments		(1,299,170)	(164,891)
Other receivables		984,478	52,336,165
Other payables		(15,041,364)	(42,364,344)
Cash used in operations		(271,089,206)	(202,147,442)
Provision for reinstatement costs utilised		–	(69,855)
Contribution to consolidated fund		(767,500)	(63,507)
Net cash used in operating activities		(271,856,706)	(202,280,804)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(481,457)	(2,910,692)
Interest received		478,892	755,192
Net cash used in investing activities		(2,565)	(2,155,500)
Cash flows from financing activity			
Grants received from government		260,765,125	209,397,250
Net cash from financing activity		260,765,125	209,397,250
Net (decrease)/increase in cash and cash equivalents		(11,094,146)	4,960,946
Cash and cash equivalents at beginning of year		87,431,632	82,470,686
Cash and cash equivalents at end of year	7	76,337,486	87,431,632

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 2 August 2019.

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

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

The principal activities of WSG are:

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

- (f) to cooperate and collaborate with SSG in the discharge of its functions under the SkillsFuture Singapore Agency Act 2016;
- (g) to encourage, promote and facilitate the development of the human resources industry in Singapore;
- (h) to promote or undertake research in Singapore into matters relating to the Singapore workforce;
- (i) to provide financial support by way of grants, loans or otherwise so as to give effect to the functions and objects of WSG;
- (j) to undertake, direct and support the analysis and dissemination of labour market information and trends to the public;
- (k) to represent the Government internationally in respect of matters relating to adult continuing education and training and public employment services; and
- (l) to carry out such other functions as are imposed upon WSG by or under the Act or any other written law.

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

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SB-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.

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

Changes in accounting policies

The Company has applied the following SB-FRS, amendments to and interpretations of SB-FRS for the first time for the annual period beginning on 1 April 2018:

- SB-FRS 115 Revenue from Contracts with Customers
- Clarifications to SB-FRS 115 Revenue from Contracts with Customers (Amendments to SB-FRS 115)
- SB-FRS 109 Financial Instruments

The application of the above standards and interpretations did not have a material effect on the financial statements.

FRS 109 Financial Instruments

Classification of financial assets and financial liabilities

Under SB-FRS 109, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under SB-FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SB-FRS 109 eliminates the previous SB-FRS 39 categories of held-to-maturity, loan and receivables and available for sale.

For an explanation of how WSG classifies and measures financial assets and related gains and losses under SB-FRS109, see note 3.3.

The following table and the accompanying note below explain the original measurement categories under SB-FRS 39 and the new measurement categories under SB-FRS 109 for each class of WSG's financial assets and financial liabilities as at 1 April 2018.

1 April 2018				
	Original classification under SB-FRS 39	New classification under SB-FRS 109	Original carrying amount under SB-FRS 39 \$	New carrying amount under FRS SB-109 \$
Financial assets				
Deposits	Loans and receivables	Amortised cost	956,615	956,615
Other receivables	Loans and receivables	Amortised cost	3,210,962	3,210,962
Cash and cash equivalents	Loans and receivables	Amortised cost	76,337,786	76,337,786
Total financial assets			<u>80,505,363</u>	<u>80,505,363</u>
Financial liability				
Other payables	Other financial liabilities	Other financial liabilities	(47,016,806)	(47,016,806)
Total financial liability			<u>(47,016,806)</u>	<u>(47,016,806)</u>

The adoption of other SB-FRS, amendments to standards and interpretations did not have any significant impact on the current or prior period and is not likely to affect future periods.

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.

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
Mechanical and electrical equipment	10 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
-------------------	--------------

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

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

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

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment – Policy applicable from 1 April 2018

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

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

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

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

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

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

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

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

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at amortised cost

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

Non-derivative financial assets – Policy applicable before 1 April 2018

WSG classified non-derivative financial assets into the loans and receivables category.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018

Loans and receivables

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

Loans and receivables comprised deposits, other receivables, and cash and cash equivalents.

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

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 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.

(iii) **Derecognition**

Financial assets

WSG derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of 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 it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by WSG is recognised as a separate asset or liability.

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

Financial liabilities

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

(iv) **Offsetting**

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

(v) **Cash and cash equivalents**

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

(vi) **Share capital**

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

3.4 Impairment

(i) **Non-derivative financial assets**

Policy applicable from 1 April 2018

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

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

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

Simplified approach

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

General approach

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

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

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

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

WSG considers a financial asset to be in default when:

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

Policy applicable before 1 April 2018

A financial asset not carried at fair value through profit or loss was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event had occurred after the initial recognition of the asset, and that the loss event had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included 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 would enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

WSG considered evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables were assessed for specific impairment.

All individually significant receivables found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Loans and receivables that were not individually significant were collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, WSG used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost was 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 were 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 considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs 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 a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in 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.

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 funds

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

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 from services rendered in the ordinary course of WSG's operations is recognised when WSG satisfies a performance obligation ("PO") to the customer.

Workers' assessment fees

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

Application fees

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

Course fees

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

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.

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 Contribution to consolidated fund

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

3.13 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, WSG has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SB-FRSs, interpretations and amendments to SB-FRSs are effective for annual periods beginning after 1 April 2019:

Applicable to 2020 financial statements

- SB-FRS 116 Leases

WSG's preliminary assessment of the impact on adoption of SB-FRS 116, is as described below.

SB-FRS 116 Leases

SB-FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SB-FRS 116 replaces existing lease accounting guidance, including SB-FRS 17 Leases, SB-FRS 104 Determining whether an Arrangement contains a Lease and SB-FRS-15 Operating Leases – Incentives. The standard is effective for annual periods beginning on or after 1 April 2019, with early adoption permitted.

(i) **WSG as lessee**

WSG expects to measure lease liabilities by applying a single discount rate to its portfolio of leases. Furthermore, WSG is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 April 2019. For lease contracts that contain the option to renew, WSG is expected to use hindsight in determining the lease term.

WSG expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SB-FRS 116.

As at 1 April 2019, WSG expects an increase of \$1,360,159 in ROU assets and lease liabilities. The nature of expenses related to those leases will change as SB-FRS 116 replaces the straight-line operating leases expenses with depreciation charge for ROU assets and interest expense on lease liabilities.

(ii) **Transition**

WSG plans to apply SB-FRS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effects of adopting SB-FRS 116 will be recognised as an adjustment to the opening balance of accumulated surplus at 1 April 2019, with no restatement of comparative information. WSG plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply SB-FRS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with SB-FRS 17 and SB-FRS 104.

4 Deposits and prepayments

	2019 \$	2018 \$
Deposits	956,615	996,707
Prepayments	1,898,445	559,183
	<u>2,855,060</u>	<u>1,555,890</u>
Represented by:		
Non-current portion	112,839	988,732
Current portion	2,742,221	567,158
	<u>2,855,060</u>	<u>1,555,890</u>

5 Property, plant and equipment

	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Mechanical and electrical equipment \$	Work-in- progress \$	Total \$
Cost						
At 1 April 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
Additions	237,456	67,714	98,973	99,880	–	504,023
Transfer	250,490	29,494	72,239	–	(352,223)	–
Written off	(161,220)	–	–	–	–	(161,220)
At 31 March 2019	<u>2,340,619</u>	<u>705,724</u>	<u>212,983</u>	<u>205,942</u>	<u>–</u>	<u>3,465,268</u>
Accumulated depreciation						
At 1 April 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
Depreciation for the year	372,900	138,710	56,338	20,594	–	588,542
Written off	(161,220)	–	–	–	–	(161,220)
At 31 March 2019	<u>817,484</u>	<u>325,280</u>	<u>89,213</u>	<u>29,433</u>	<u>–</u>	<u>1,261,410</u>
Carrying amounts						
At 1 April 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
At 31 March 2019	<u>1,523,135</u>	<u>380,444</u>	<u>123,770</u>	<u>176,509</u>	<u>–</u>	<u>2,203,858</u>

6 Intangible assets

	Computer software \$
Cost	
At 1 April 2017	11,609,588
Additions	1,324,415
Written off	(1,917,224)
At 31 March 2018	11,016,779
Additions	144,574
Written off	–
At 31 March 2019	11,161,353
Accumulated amortisation	
At 1 April 2017	6,227,243
Amortisation for the year	2,057,971
Written off	(1,664,656)
At 31 March 2018	6,620,558
Amortisation for the year	2,063,484
Written off	–
At 31 March 2019	8,684,042
Carrying amounts	
At 1 April 2017	5,382,345
At 31 March 2018	4,396,221
At 31 March 2019	2,477,311

7 Cash and cash equivalents

	2019 \$	2018 \$
Centralised Liquidity Management (“CLM”) deposits held with AGD ⁽ⁱ⁾	76,337,486	87,431,582
Cash at bank or on hand	–	50
	<u>76,337,486</u>	<u>87,431,632</u>

(i) With effect from financial year 2009/2010, Statutory Boards are to participate in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to the statutory board upon request and earns interest at the average rate of 1.76% (2018: 1.23%) per annum.

8 Other receivables

	Note	2019 \$	2018 \$
Other receivables		870,796	1,134,251
Less: Allowance for impairment losses		(96)	(330)
Net other receivables		870,700	1,133,921
Amount due from MOM - RF	16	640,594	–
Amount due from SSG		661,918	416,440
Amount due from SDF	23	–	755,981
Amount due from LLEF	24	1,037,750	–
		<u>3,210,962</u>	<u>2,306,342</u>

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

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

	2019 Number of shares	2018 Number of shares	2019 \$	2018 \$
Issued and fully paid with no par value				
At beginning and end of year	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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

Capital management

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

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

11 Statement of comprehensive income – Restricted funds

	CES		RF		WTS		Operations funded by SDF		Operations funded by LLEF		NPF		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Income														
Operating income	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest and other income	–	–	(2)	5	9	–	11	23	60	88	–	–	78	116
Expenditure														
Amortisation of intangible assets	–	–	(68)	(68)	(34)	(34)	–	–	(1,941)	(1,862)	–	–	(2,043)	(1,964)
Depreciation of property, plant and equipment	–	–	(47)	(50)	–	–	–	–	(293)	(252)	–	–	(340)	(302)
Staff costs	–	–	(2,275)	(4,559)	–	–	219	7	15	21	(2,382)	–	(4,423)	(4,531)
Grant disbursements	–	–	(7,815)	–	(141,170)	(98,857)	–	–	–	–	(1,000)	–	(149,985)	(98,857)
Operating leases expenses	–	–	(362)	(616)	–	–	–	–	–	(25)	(288)	–	(650)	(641)
Professional services	–	–	(1,804)	(4)	(2,518)	–	(2,692)	(6,821)	(8,845)	(16,901)	–	–	(15,859)	(23,726)
Maintenance expenses	–	–	(3,597)	(260)	(798)	(773)	(4,462)	(6,638)	(1,724)	(1,827)	(146)	–	(10,727)	(9,498)
Suppliers and materials	–	–	(53)	(181)	(2)	(1)	–	2	–	(94)	(5)	–	(60)	(274)
Public relations	–	–	(631)	(80)	(5)	–	–	–	–	(68)	–	–	(636)	(148)
Travel expenses	–	–	(5)	(9)	–	–	–	–	–	(1)	(1)	–	(6)	(10)
GST expenses	–	–	(410)	(93)	(152)	(63)	(525)	(812)	(596)	(1,620)	(35)	–	(1,718)	(2,588)
Temporary staff costs	–	–	(147)	(260)	(23)	(28)	–	–	–	(104)	(55)	–	(225)	(392)
Others	–	–	(14)	45	(245)	(278)	–	–	–	50	–	–	(259)	(183)
Total expenditure	–	–	(17,228)	(6,135)	(144,947)	(100,034)	(7,460)	(14,262)	(13,384)	(22,683)	(3,912)	–	(186,931)	(143,114)
Deficit for the year before grants and contribution to consolidated fund	–	–	(17,230)	(6,130)	(144,938)	(100,034)	(7,449)	(14,239)	(13,324)	(22,595)	(3,912)	–	(186,853)	(142,998)
Grants from government	–	–	17,160	6,062	144,904	100,000	7,449	14,239	11,090	20,425	3,912	–	184,515	140,726
Deferred capital grants amortised	–	–	70	68	34	34	–	–	2,234	2,170	–	–	2,338	2,272
	–	–	17,230	6,130	144,938	100,034	7,449	14,239	13,324	22,595	3,912	–	186,853	142,998

11 Statement of comprehensive income – Restricted funds (continued)

	CES		RF		WTS		Operations funded by SDF		Operations funded by LLEF		NPF		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
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

12 Provision for reinstatement costs

	2019 \$	2018 \$
At beginning of the year	468,928	620,483
Provision made during the year	167,140	125,031
Reversal of overprovision for reinstatement costs	(154,113)	(206,731)
Reinstatement costs utilised	–	(69,855)
At end of the year	481,955	468,928
Represented by:		
Non-current portion	112,710	468,928
Current portion	369,245	–
	481,955	468,928

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

13 Deferred capital grants

	Note	2019 \$	2018 \$
At beginning of the year		6,599,900	6,350,136
Amounts transferred from government grants received in advance	16	481,458	2,910,692
		7,081,358	9,260,828
Amortisation of deferred capital grants		(2,504,742)	(2,660,928)
At end of the year		4,576,616	6,599,900
Represented by:			
Non-current portion		2,466,345	4,224,717
Current portion		2,110,271	2,375,183
		4,576,616	6,599,900

14 Other payables

	Note	2019 \$	2018 \$
Other payables			
- Related parties		3,016,940	1,767,859
- Third parties		1,177,914	1,799,627
Accrued operating expenses		10,210,142	12,254,212
Advance receipts		40	125,736
Amount due to SSG		32,580,027	44,204,669
Amounts due to LLEF	24	31,743	1,906,067
		<u>47,016,806</u>	<u>62,058,170</u>

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

15 Contribution to consolidated fund

	2019 \$	2018 \$
Surplus for the year before contribution to consolidated fund	<u>5,900,115</u>	<u>4,514,708</u>
Contribution to consolidated fund at 17% (2018: 17%) as presented in the statement of financial position and statement of comprehensive income	<u>1,003,019</u>	<u>767,500</u>

16 Government grants received in advance

	Note	CES ⁽ⁱ⁾ \$	RF ⁽ⁱⁱ⁾ \$	WTS ⁽ⁱⁱⁱ⁾ \$	NPF ^(iv) \$	Operations funded by SDF ^(v) \$	Operations funded by LLEF ^(v) \$	Operating grants \$	Total \$
At 1 April 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
Grants received during the financial year		–	16,305,204	145,000,000	3,912,000	6,843,207	11,943,662	76,761,052	260,765,125
		2,462,888	16,528,000	145,000,000	3,912,000	7,553,500	12,533,550	76,761,052	264,750,990
Grants receivable in the next financial year	8	–	640,594	–	–	–	1,037,750	–	1,678,344
Transfer to income or expenditure		–	(17,159,209)	(144,904,186)	(3,912,000)	(7,449,439)	(11,089,840)	(76,422,116)	(260,936,790)
Transfer to deferred capital grants	13	–	(9,385)	–	–	–	(133,137)	(338,936)	(481,458)
At 31 March 2019		2,462,888	–	95,814	–	104,061	2,348,323	–	5,011,086

(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) **National Productivity Fund**

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

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

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

17 Operating income

	2019 \$	2018 \$
Workers' assessment fees	8,628	1,033,517
Application fees	4,680	–
Course fees	169,769	–
	<u>183,077</u>	<u>1,033,517</u>

18 Interest and other income

	2019 \$	2018 \$
Interest income from:		
- Short-term bank deposits	3	12
- CLM deposits held with AGD	689,409	573,389
Others	2,230	7,004
	<u>691,642</u>	<u>580,405</u>

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

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

	2019 \$	2018 \$
Allowance for impairment loss reversed/(made) on other receivables	234	(330)
Loss on property, plant and equipment and intangible assets written off	–	(320,933)
Net foreign exchange (loss)/gain	<u>(3,020)</u>	<u>956</u>

20 Staff costs

	2019 \$	2018 \$
Wages and salaries	39,469,272	38,183,335
Contributions to defined contribution plans	4,919,810	5,716,613
Staff training and benefits	2,779,126	2,659,843
Skills development levy	46,187	47,762
	<u>47,214,395</u>	<u>46,607,553</u>

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.

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 other receivables. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position.

Expected credit loss assessment as at 1 April 2018 and 31 March 2019

Other receivables

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

	Gross 2019 \$	Loss allowance 2019 \$	Gross 2018 \$	Impairment losses 2018 \$
Not past due	3,168,176	–	2,228,973	–
Past due 1 – 90 days	42,786	–	77,369	–
Past due more than 90 days	96	96	330	330
	3,211,058	96	2,306,672	330

The credit period on rendering of services is 30 days (2018: 30 days). No interest is charged on the other receivables and no collateral is held by WSG over the other receivables.

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

	2019 \$	2018 \$
Balance at beginning of the year	330	–
(Reversal)/Charge to income or expenditure	(234)	330
Balance at end of the year	96	330

WSG's impaired other receivables at 31 March 2019 had a gross carrying amount of \$3,211,058 (2018: \$2,306,672). In determining the recoverability of a receivable, WSG considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. Credit risk is limited due to management's on-going evaluation of the creditworthiness of WSG's customers and that majority of WSG's other receivables are within their expected cash collection cycle.

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

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

Cash and cash equivalents

WSG held cash and cash equivalents of \$76,337,486 at 31 March 2019 (2018: \$87,431,632).

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

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

Liquidity risk

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

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

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

		Cash flows		
	Carrying amount \$	Contractual cash flows \$	Within 1 year \$	Between 2 to 5 years \$
31 March 2019				
Non-derivative financial liability				
Other payables	47,016,806	(47,016,806)	(47,016,806)	–
31 March 2018				
Non-derivative financial liability				
Other payables	62,058,170	(62,058,170)	(62,058,170)	–

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

Market risk

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

Interest rate risk

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

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

Determination of fair values*Other financial assets and liabilities*

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

Accounting classification and fair values*Fair values versus carrying amounts*

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

	Amortised cost \$	Other financial liabilities \$	Total carrying amount \$	Fair value \$
31 March 2019				
Financial assets not measured at fair value				
Deposits	956,615	–	956,615	956,615
Other receivables	3,210,962	–	3,210,962	3,210,962
Cash and cash equivalents	76,337,486	–	76,337,486	76,337,486
	80,505,063	–	80,505,063	80,505,063
Financial liability not measured at fair value				
Other payables	–	(47,016,806)	(47,016,806)	(47,016,806)
31 March 2018				
Financial assets not measured at fair value				
Deposits	996,707	–	996,707	996,707
Other receivables	2,306,342	–	2,306,342	2,306,342
Cash and cash equivalents	87,431,632	–	87,431,632	87,431,632
	90,734,681	–	90,734,681	90,734,681
Financial liability not measured at fair value				
Other payables	–	(62,058,170)	(62,058,170)	(62,058,170)

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:

	2019 \$	2018 \$
Board of Directors fees	118,125	177,766
Wages and salaries	5,225,546	5,030,246
Employer's contribution to Central Provident Fund	322,213	280,999
	<u>5,665,884</u>	<u>5,489,011</u>

Other related party transactions

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

	Parent Ministry \$	Other Ministries \$	Statutory boards (i) \$
2019			
Operating income	(4,000)	(42,648)	(43,897)
Grant disbursements	14,355,800	1,713	2,250,544
Professional services	–	33,017	23,962,334
Maintenance expenses	–	4,430	18,842,156
Other expenditure	3,632	3,534	7,711,798
2018			
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

- (i) WSG and SSG have the shared goal of helping individuals grow their skills in the course of seeking fulfilling careers, and enabling Singapore's enterprises to develop their workforce to remain globally competitive. SSG provides various services to WSG as the main resource owner, including business process outsourcing, technological and facility services to deliver the shared goal. WSG will reimburse SSG for services rendered during the year amounting to \$43,244,570 (2018: \$52,309,218) (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
- (iii) the provision of financial assistance by grants, loans or otherwise for the above-mentioned purposes.

The financial information of SDF is as follows:

	Note	2019 \$	2018 \$
Income			
Other income		136,732	39,356
Others		10,416	–
		<u>147,148</u>	<u>39,356</u>
Expenditure			
Net disbursements		(72,908,829)	(43,407,655)
Others		–	(11,865)
		<u>(72,908,829)</u>	<u>(43,419,520)</u>
Grants received		<u>72,761,681</u>	<u>43,380,164</u>
Surplus for the year		<u>–</u>	<u>–</u>
<i>Represented by:</i>			
Current assets			
Cash and cash equivalents		2,320,058	5,434,950
Other receivables		116,545	6,575,378
Grants disbursed in advance		814,353	710,293
		<u>3,250,956</u>	<u>12,720,621</u>
Current liabilities			
Payables		(920,927)	(629,047)
Amount due to WSG	8	–	(755,981)
Grants received in advance		(2,330,029)	(11,335,593)
		<u>(3,250,956)</u>	<u>(12,720,621)</u>
Net assets		<u>–</u>	<u>–</u>

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 information of LLEF is as follows:

	Note	2019 \$	2018 \$
Receipts			
Refund of unused grant from programme manager		183,896	4,768,911
Interest income		243,325	335,245
		<u>427,221</u>	<u>5,104,156</u>
Expenditure			
Grants disbursed		(137,548,384)	(124,344,345)
		<u>135,267,179</u>	<u>119,615,936</u>
Grants received			
		<u>135,267,179</u>	<u>119,615,936</u>
(Deficits)/Surplus for the year		(1,853,984)	375,747
Accumulated surplus at the beginning of the year		4,052,940	3,677,193
Accumulated surplus at the end of the year		<u>2,198,956</u>	<u>4,052,940</u>
<i>Represented by:</i>			
Current assets			
Cash and cash equivalents		3,302,308	5,560,227
Other assets		2,000	–
Amount due from WSG	14	31,743	1,906,067
		<u>3,336,051</u>	<u>7,466,294</u>
Current liabilities			
Other payables		(99,345)	(3,413,354)
Amount due to WSG	8	(1,037,750)	–
		<u>(1,137,095)</u>	<u>(3,413,354)</u>
Net assets		<u>2,198,956</u>	<u>4,052,940</u>

25 Operating leases

As lessee

WSG leases office premises and equipment under non-cancellable operating lease arrangements. The leases typically run for 1 to 3 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:

	2019 \$	2018 \$
Within one year	1,972,947	1,809,301
After one year but within five years	380,592	1,733,088
	<u>2,353,539</u>	<u>3,542,389</u>

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:

	2019 \$	2018 \$
Commitments for the acquisition of:		
Property, plant and equipment	<u>–</u>	<u>278,902</u>