Building Strategic Skills for the New Economy

ANNUAL
REPORT
2020/2021

SKILLSfuture SG

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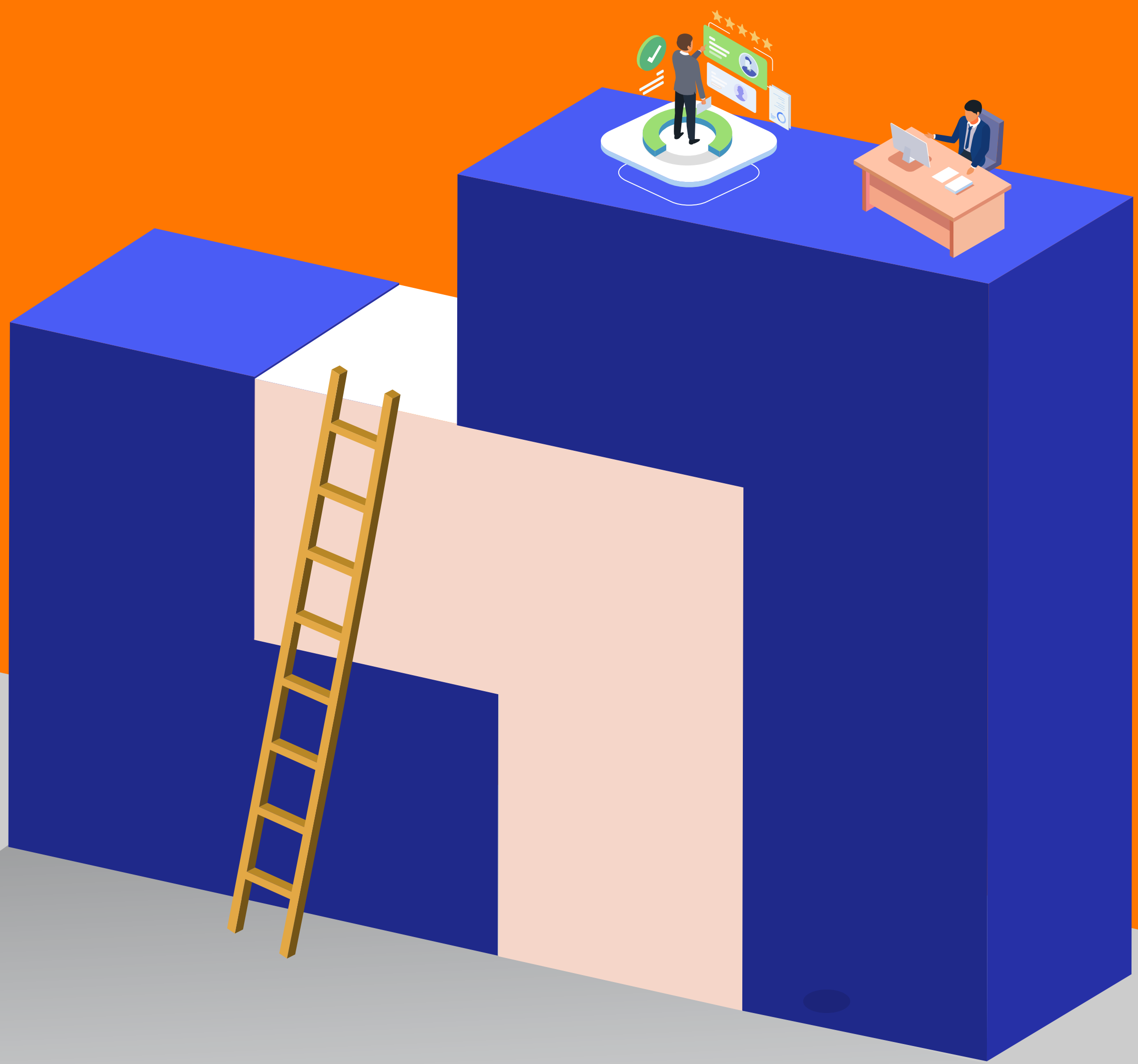


Chairman
MR WONG KIM YIN

Chief Executive
MR ONG TZE-CH'IN

Overview

2020 was an extraordinary year for SkillsFuture Singapore (SSG). We introduced the Next Bound of SkillsFuture in February 2020, with enhanced focus on the role that enterprises play in skills development and on mature individuals in their 40s and 50s. Even as we embarked on rolling out new initiatives under the Next Bound, we were faced by economic disruptions compounded by the pandemic.

In such times, the role of SkillsFuture becomes even more critical in equipping Singaporeans and enterprises with the relevant skills to respond to the trends accelerated by COVID-19. We have built up a robust and sizable Continuing Education and Training ecosystem over the years. This long-term investment provided us with the strong base from which to respond rapidly in these extraordinary times, to help our workers and enterprises.

We are heartened that 540,000 individuals and 14,000 enterprises benefitted from SSG-supported programmes in 2020. Despite the challenges, the training participation rate in 2020 for the resident labour force aged 15 to 64 remained similar to that of 2019 at 49%.

COVID-19 Response Measures

Not long after COVID-19 hit Singapore's shores, we helped enterprises in severely affected sectors through the Enhanced Training Support Package. This was rolled out in March 2020 to provide enhanced absentee payroll support and enhanced course subsidies. As of December 2020, about 155,000 training places had been taken up.

As the jobs situation worsened, we launched the SGUnited Skills and SGUnited Mid-Career Pathways (Company Training) programmes under the SGUnited Jobs and Skills Package in July 2020. This was designed to prepare displaced Singaporeans for jobs in growing industries. The two programmes offered training opportunities for 30,000 jobseekers and 4,000 traineeships for mid-career job seekers respectively. We are encouraged that 9,800 individuals had enrolled into the programmes by the end of 2020, marking SSG's largest Train-and-Place effort in our history.

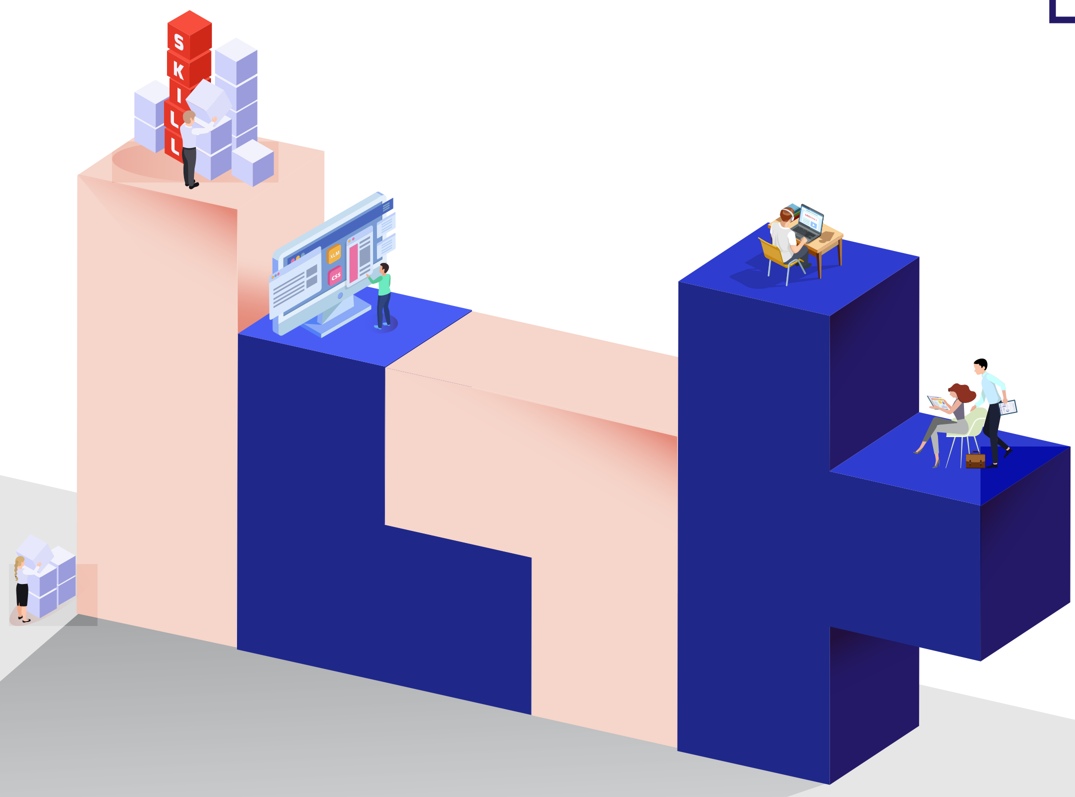
Next Bound of SkillsFuture

Even as we responded to the COVID-19 economic downturn, we remained focused on our long-term plan in the Next Bound of SkillsFuture. To further help individuals, SSG introduced the Skills and Training Advisory services in July 2020. The initiative offered one-to-one customised support to over 5,700 individuals on their learning and upskilling needs. A total of 91% of surveyed participants said that they were clearer and more confident of making training decisions as a result of the help rendered.

We also brought forward the disbursement of the SkillsFuture Credit top-ups. Originally slated for October 2020, it was made available earlier in April 2020 for advance use on over 8,000 courses offered by the Institutes of Higher Learning and NTUC LearningHub. This allowed individuals to immediately use them to learn industry relevant skills to enhance their employability amid the downturn.

To offer more upgrading pathways for young Singaporeans, SSG continued its efforts to expand SkillsFuture Work-Study Programmes. In 2020, we launched 26 new programmes, which saw 1,700 participants from ITE, Polytechnics and Autonomous Universities, in partnership with strong support from 600 companies despite the weaker economic outlook.

COVID-19 accelerated the pace of technological transformation among companies. We are glad that 36,000 individuals enrolled in courses under the SkillsFuture Series in 2020 to equip themselves with emerging skills such as data analytics, digital media, entrepreneurship and tech-enabled services. Additionally, about 37,000 individuals participated in the SkillsFuture for Digital Workplace programme to build digital foundational skills.



CHAIRMAN AND CHIEF EXECUTIVE'S FOREWORD

Catalysing involvement of enterprises in skills development

Companies play a pivotal role in developing a skilled workforce. SSG continued to provide funding support to help companies upskill and reskill their employees. About 3,400 companies benefitted from the SkillsFuture Enterprise Credit, newly introduced in 2020.

SSG also partnered anchor companies as SkillsFuture Queen Bees, to champion skills development in organisations, particularly Small and Medium Enterprises (SMEs). About 250 enterprises tapped on the expertise of SkillsFuture Queen Bees such as Prudential, Kwong Wai Shiu Hospital and Microsoft, to enhance their employees' skills and workplace learning capabilities.

> **"The economic impact of COVID-19 has accelerated economic disruptions and increased the impetus for the Next Bound of SkillsFuture."**

To help more SMEs build workplace learning capabilities, we launched NACE@SIT, which is the first workplace learning centre set up in an Autonomous University. Our first centre was established by Nanyang Polytechnic in 2018 and more centres will be launched at Institutes of Higher Learning. About 180 enterprises per year had participated in the programme to implement or enhance their workplace learning processes.

Combating fraud and abuse

Along the way, we remained vigilant against fraud and abuse of SSG funding. In 2020, we strengthened in-house processes and capabilities, leveraging on risk mitigation strategies and technologies such as anomaly detection and fraud analytics tools. SSG took actions against 38 training providers and companies in 2020 for abusing SSG's funding and breaching our funding terms and conditions.

Looking ahead

The economic impact of COVID-19 has accelerated economic disruptions and increased the impetus for the Next Bound of SkillsFuture. Even as Singapore recovers, we will intensify our efforts to support Singaporeans to develop to their fullest potential throughout life and transformation of enterprises through the skills development of their employees.

We want to thank all our partners for standing together with us in these challenging times. Together, we will help Singaporeans and Singapore companies emerge stronger in the years ahead.

SSG Board Members and Committees, Corporate Governance, Management Team

Current Board Members

(1 Oct 2020 – 30 Sep 2022)

1. **Mr Wong Kim Yin**
   Chairman, SSG Board

   Group President & CEO,
   Sembcorp Industries

2. **Mr Abdul Samad Bin Abdul Wahab**
   Vice President, Central Committee,
   National Trades Union Congress

3. **Mr Allen Law**
   Founder,
   Park Hotel Group

4. **Ms Charlene Chang**
   Group Director (Ageing Planning Office),
   Ministry of Health

5. **Mrs Deborah Ong***
   SSG Board member

6. **Ms Jan Chua**
   Coordinating Divisional Director,
   Higher Education Group,
   Ministry of Education

7. **Mr Leong Keng Thai**
   Senior Advisor and Director
   General (International Affairs),
   Info-communications Media Development
   Authority of Singapore

8. **Ms Lim Hee Joo**
   Executive Director,
   Wah Son Engineering

9. **Mr Ong Tze-Ch'in**
   Chief Executive Officer,
   SkillsFuture Singapore

   Deputy Secretary (SkillsFuture),
   Ministry of Education

10. **Mr Russell Tham**
    Joint Head,
    Enterprise Development Group &
    Joint Head,
    Strategic Development
    Temasek International

11. **Mr Suhaimi Bin Zainul Abidin**
    Chief Executive,
    Quantedge Capital Pte Ltd

12. **Ms Susan Chong***
    Chief Executive Officer,
    Greenpac (S) Pte Ltd

13. **Mr Tan Choon Shian**
    Chief Executive Officer,
    Workforce Singapore

14. **Mr Yuen Kuan Moon**
    Group Chief Executive Officer,
    Singtel

* appointed from 1 Oct 2019 – 30 Sep 2022

Retired Board Members

1. **Mr Benjamin Tang Chun Wai**
   President, Port Officers' Union
   Central Committee Member,
   National Trades Union Congress

2. **Mr Lee Chee Koon**
   President & Group CEO,
   CapitaLand Group

3. **Mr Mohamad Saiful Saroni**
   Partner,
   PricewaterhouseCoopers LLP
   Singapore

4. **Prof Pang Hwee Hwa**
   Dean,
   School of Information Systems,
   Singapore Management University

SSG BOARD COMMITTEES

(Term of appointment: 1 Oct 2020 – 30 Sep 2022)

Audit and Risk Committee

Mrs Deborah Ong*	Chairman
Ms Susan Chong	Member
Mr Yuen Kuan Moon	Member

Grants Committee

Mr Wong Kim Yin	Chairman
Mr Russell Tham	Member
Mr Tan Choon Shian	Member

Remuneration Committee

Mr Allen Law	Chairman
Mr Abdul Samad Bin Abdul Wahab	Member
Ms Lim Hee Joo	Member

Committee for Private Education

Mr Leong Keng Thai	Chairman
Ms Jan Chua	Member
Mr Edric Pan	Co-opted member
Mr Ervin Yeo	Co-opted member
Ms Hui Mei San	Co-opted member
Mr Ted Tan	Co-opted member
Mr Wan Aik Chye	Co-opted member

* appointed from 1 Oct 2019 – 30 Sep 2022

SSG BOARD MEMBERS AND COMMITTEES, CORPORATE GOVERNANCE, MANAGEMENT TEAM

RISK MANAGEMENT PRACTICE AND INTERNAL CONTROLS

Risk Management

SSG's Enterprise Risk Management (ERM) framework provides the agency with a systematic approach on risk management to effectively identify, assess and manage key risks across the agency. SSG has a set of risk appetite statements that provides the nature and extent of the risks that SSG is willing to accept to achieve the organisation's mission and strategic objectives. The SSG Board, through the Audit and Risk Committee and ERM Steering Committee, oversees the agency's risk management framework and risk profile. SSG Management is responsible for implementing adequate and effective risk mitigating measures in response to the current and emerging risks identified throughout the risk management process.

Internal Audit

The Internal Audit & Risk Advisory Division (IARAD) seeks to improve the effectiveness of SSG's governance, risk management and internal controls through its evaluation of the adequacy and effectiveness of internal controls, and compliance with established policies, procedures and regulatory requirements.

External Audit

The external auditor performs the annual statutory audit and its audit observations (if any) are reported to the Audit and Risk Committee. SSG is also subject to regular external audits by the Auditor-General's Office.

CORPORATE GOVERNANCE

The SSG Board and Management are committed to high standards of corporate governance.

Functions of the SSG Board

The SSG Board provides guidance and advice to the SSG Management on all matters under SSG's purview, including its policy, regulatory and promotional roles. It also reviews and approves the strategic plans and budgets of SSG. The SSG Board members come from diverse backgrounds such as unions, and private and public sectors. This allows SSG to tap on their varied experiences and perspectives.

The SSG Board Committees

The SSG Act 2016 empowers the SSG Board to form committees, from among its own members or other persons, to support the SSG Board's work. The SSG Board Committees guide the development of specific areas of SSG, and perform the necessary due diligence and reporting to the SSG Board. Each committee is headed by a designated member and abides by its terms of reference.

The SSG Board Committees are:

a. Audit and Risk Committee

The Audit and Risk Committee ensures that SSG has a rigorous and robust system of internal controls. It reviews SSG's risk assessment and management systems, as well as the setup of the internal audit function. Internal and external auditors are also engaged to conduct audit reports on SSG's work, processes, and financial statements.

b. Committee for Private Education

The Committee for Private Education exercises the functions of SSG under the Private Education Act. It is the approving authority for key decisions to be made under the Enhanced Registration Framework and the EduTrust Certification regime. It also institutes systems for process benchmarking, oversees regular reviews of regulatory frameworks, and provides guidance for consumer education initiatives and student support services.

c. Grants Committee

The Grants Committee ensures that SSG has a robust financial system to fulfil SSG's mission. It provides advice on funding principles and grant policies, and fund allocation for SSG administered funds. It also approves funding proposals that are within budgetary values specified by the SSG Board.

d. Remuneration Committee

The Remuneration Committee sets human resource management and development policies, which include approving staff remuneration policies, major changes to schemes of service, early retirement and early release schemes, the appointment, promotion and performance bonuses for SSG senior management (i.e. Director and above), as well as to review and deliberate on staff appeals related to personnel matters. It also endorses SSG's corporate performance grade and recommends it for SSG Board's approval.

SSG Board Meeting Attendance

Number of Board meetings held in FY2020	4

Current Board Members (1 Oct 2020 – 30 Sep 2022)	**Member**
Mr Wong Kim Yin	4
Mr Abdul Samad Bin Abdul Wahab*	2
Mr Allen Law	4
Ms Charlene Chang	3
Mrs Deborah Ong	3
Ms Jan Chua*	2
Mr Leong Keng Thai	4
Ms Lim Hee Joo*	2
Mr Ong Tze Chin	4
Mr Russell Tham	4
Mr Suhaimi Bin Zainul Abidin	4
Ms Susan Chong	4
Mr Tan Choon Shian	4
Mr Yuen Kuan Moon	3

Retired Board Members#	**Board Meeting Attendance**
Mr Tang Chun Wai Benjamin	1
Mr Lee Chee Koon	2
Mr Mohamad Saiful Saroni	1
Prof Pang Hwee Hwa	2

* Appointed from 1 Oct 2020 – 30 Sep 2022.
# Retired from Board with effect from 1 Oct 2020.

SSG BOARD MEMBERS AND COMMITTEES, CORPORATE GOVERNANCE, MANAGEMENT TEAM

ORGANISATION CHART

Ong Tze-Ch'in
Chief Executive

- **Dr Michael Fung** – Deputy Chief Executive (Industry); Training Partners Group (TPG); Chief HR Officer; Chief Data Officer
  - Planning & Programmes Div (PPD) – **Toh Swee Chien**, Director
  - Training Grant System Unit (PPD-TGS) – **Foo Piao Zhou**, Director
  - Enterprise Engagement Office (EEO) – **Peggy Lim**, Director
  - Industry Development Div 1 (IDD 1) – **Loh Gek Khim**, Director
  - Industry Development Div 2 (IDD 2) – **Tracy Lee**, Director
  - Quality Management Div (QMD) – **Tan May Ling**, Director

- **Tan Wee Beng** – Deputy Chief Executive (Operations and Regulation)
  - Business Services Group (BSG) Training; Manpower & Infrastructure Group (TMIG) – **Tan Tow Koon**, Group Director
    - Corporate Services Div (CSVD) – **Michael Lim**, Director; Chief Records Officer
    - Integrated Business Services Div (IBSD) – **Angelina Soh**, Director
    - Shared Services Management Div (SSMD) – **Emily Low**, Director
    - Manpower & Infra Planning Div (MIPD) – **Jessica Methodius**, Director
  - Business Technology Group (BTG) – **Pang Poh Cheng**, Group Director
    - Digital Planning & Data Div (DPDD) – **Koh Kian Wee**, Director
    - Digital Enablement and Operations Div (Training Partners/ Individuals) (D@TI) – **Richard Lee**, Director
    - Digital Enablement and Operations Div (Enterprise/ Corporate) (D@EC) – **Hor Cheong Wai**, Director
    - Cyber Security and Infrastructure Div (CSID) – **Jasmine Lim**, Director
  - Regulation, Fraud & Enforcement Group (RFEG) – **Hui Mei San**, Group Director; Director General (Private Education)
    - Planning & Analytics Office (PAO) – **Hui Mei San**, Group Director
    - Fraud & Enforcement Div (FED) – **Pang Tong Wee**, Director; Chief Investigator
    - Regulation Div (RD) – **Remy Choo**, Director

- Planning Group (PG) – **Pao Jia Yu**, Group Director
  - Strategic Planning Div (SPD) – **Angela Tan**, Director
  - Resource Planning Div (RPD) – **Azzli Jamain**, Director

- Skills Development Group (SDG) – **Dr Gog Soon Joo**, Chief Skills Officer
  - Job-Skills Insights Div (JSID) – **Chelvin Loh**, Director
  - Skills Intelligence and Planning Div (SIPD) – **Xu Wenshan**, Director

- CE's Office
  - Corporate Marketing & Communications Div (CMCD) – **Patricia Woo**, Director
  - Human Resource Div (HRD) – **Ong Ai Ming**, Director
  - Internal Audit & Risk Advisory Div (IARAD) – **Yeo Siew Peng**, Director
  - Public Engagement Div (PED) – **Toh Swee Chien**, Director

- SSG Subsidiaries
  - Learning Gateway
  - Lifelong Learning Institute (LLI) – **Andrew Ho**, Director
  - WorldSkills Singapore Office (WSO) – **Bruce Poh**, Executive Deputy Chairman; **Kelvin Ng**, Director

As of 5 Apr 2021

Key Achievements for FY20

YEAR-IN-REVIEW 2020

540,000 individuals and 14,000 enterprises benefitted from **SSG programmes** in 2020.

About **87%** surveyed in 2020 indicated that they were able to perform their work better after undergoing SSG-funded training compared to 86% in 2019.

NEXT BOUND OF SKILLSFUTURE FOR INDIVIDUALS

188,000 individuals utilised their **SkillsFuture Credit**.

5,700 individuals benefitted from **Skills and Training Advisory**.

22,000 individuals participated in **SkillsFuture Advice**.

36,000 individuals enrolled in **SkillsFuture Series**.

37,000 individuals enrolled in **SkillsFuture for Digital Workplace**.

NEXT BOUND OF SKILLSFUTURE FOR ENTERPRISES

250 enterprises benefitted from **SkillsFuture Queen Bee partnerships**.

3,400 enterprises utilised the **SkillsFuture Enterprise Credit** to send their employees for training.

590 enterprises participated in **SkillsFuture Work-Study Programmes**, providing placements for 1,700 individuals.

180 enterprises per year participated in the **National Centre of Excellence for Workplace Learning**.

COVID-19 SUPPORT MEASURES

7,200 individuals enrolled in **SGUnited Skills Programme**.

2,600 individuals enrolled in **SGUnited Mid-Career Pathways Programme - Company Training**.

72,000 employees across **1,300 enterprises** benefitted from the **Enhanced Training Support Package**.

Statistics from 1 Jan to 31 Dec 2020

KEY ACHIEVEMENTS

3 Jul 2020

Inaugural SGUnited Jobs and Skills Fair

More than 16,000 jobs, traineeship and training places were offered to help displaced Singaporeans at the inaugural SGUnited Jobs and Skills Fair at the Devan Nair Institute of Employment and Employability (e2i).

17 Jul 2020

SkillsFuture Month 2020

SkillsFuture Month 2020, held from 17 July to 16 August, attracted about 296,000 participants in over 320 activities. Key events included a SkillsFuture Forum, and Jobs and Skills Fairs.

12 Aug 2020

Launch of new SkillsFuture Work-Study Programmes

Four new programmes were introduced by Institutes of Higher Learning in emerging and growth sectors, offering more than 140 places to eligible Singaporeans over the next two years.

22 July 2020

Collaboration with Bosch Rexroth to develop a future-ready workforce

An Industry 4.0 programme was launched to train technicians and engineers for the factory of the future, through the Bosch Rexroth Training Centres. As a SkillsFuture Queen Bee company, Bosch Rexroth also supports other companies, especially SMEs, in their transformation efforts.

13 Aug 2020

Digitalisation of the Training and Adult Education (TAE) sector

The TAE Industry Digitalisation Plan, by SSG, Infocomm Media Authority and the Institute of Adult Learning, was introduced to help SMEs grow through digitalisation.

20 Aug 2020

Presentation of Singapore's highest skills awards

A total of 18 Singaporeans and 22 employers received the SkillsFuture Fellowships and SkillsFuture Employer Awards respectively. Presented by the President, the accolades recognised Singaporeans and companies for their commitment towards skills mastery and skills development.

1 Sep 2020

Enhanced training support for Aerospace sector

The Enhanced Training Support Package (ETSP) was extended to the Aerospace sector, to help affected companies mitigate the impact of the pandemic and to ensure their workers remain skilled and prepared for recovery. Over 13,000 highly subsidised training places were offered.

25 Sep 2020

Greater support on skills and jobs for residents

SSG, Community Development Councils, and the e2i signed a Memorandum of Understanding to extend the SkillsFuture Advice initiative and to further reach out to additional 120,000 individuals by 2023 through workshops and outreach activities.

22 Sep 2020

New programme to train mid-careerists in Artificial Intelligence and Cybersecurity

IBM and SSG introduced the "i.am-vitalize" programme, as part of the company training track under the SGUnited Mid-Career Pathways programme. Delivered by IBM Skills Academy, about 800 individuals will be trained on topics that include cloud computing, data science and blockchain.

5 Oct 2020

Enhanced training support for Marine & Offshore sector

The ETSP was extended to the Marine & Offshore sector by SSG and Singapore Economic Development Board, as part of the COVID-19 response. Besides enhanced absentee payroll, companies also receive enhanced course subsidies on relevant courses.

KEY ACHIEVEMENTS

20 Oct 2020

Partnerships to build a future-ready workforce for Advanced Manufacturing

SSG partnered leading companies in Industry 4.0 technology, such as PBA Robotics and Siemens, to roll out about 2,300 training opportunities to support individuals for advanced manufacturing under the SGUnited Jobs and Skills Package. Supported by SSG, Singapore Polytechnic and Asian Development Bank also launched the Global Technology Village to develop Singapore as an innovative Industry 4.0 hub for technology and knowledge transfer.

22 Oct 2020

Opportunities for more Singaporeans to join Maritime sector

About 1,000 training opportunities, traineeships and company attachments are offered in new growth areas, such as automation, digitalisation and supply chain integration, under the SGUnited Jobs and Skills Package.

13 Nov 2020

Collaboration to build capabilities in the Community Care sector

The National Centre of Excellence for Workplace Learning at SIT – the first in an Autonomous University – was officially launched to support companies in the Community Care sector to build their workplace learning systems and capabilities. Kwong Wai Shiu Hospital was also appointed as the first SkillsFuture Queen Bee partner for the Community Care sector to build the capabilities of 100 enterprises over the next three years.

26 Nov 2020

New SGUnited Mid-Career Pathways Programme - Company Training courses launched

Three new courses - Financial Accounting, Management Accounting, and Data & Predictive Analytics - were introduced by SSG, SAP and Temasek Polytechnic, to meet growing demand for these critical skills.

30 Nov 2020

New skills support programme to accelerate SMEs' business transformation and growth

SSG partnered Prudential Singapore under the SkillsFuture Queen Bee initiative to run the SME Skills Accelerator programme. A Skills Manager together with Prudential's financial consultants, will engage SMEs and support them in identifying their skills needs and gaps.

10 Dec 2020

New training opportunities for tech-related job roles

Three new courses under company training track of the SGUnited Mid-Career Pathways Programme, were rolled out by Microsoft, together with Generation, SSG and Temasek Polytechnic. Participants will be trained in job roles such as Junior Full-Stack Developer, Cloud Support and DevOps.

11 Jan 2021

New course pathway to encourage hawker entrants introduced

The Work-Study Post-Diploma (Certificate in Hawkerpreneurship), targeted at recent graduates from the five polytechnics and the Institute of Technical Education, was launched by National Environment Agency, SSG and Temasek Polytechnic to encourage aspiring hawkers into the trade.

22 Jan 2021

Developing talents in the Social Service sector

As part of the SGUnited Skills Programme, Singapore Pools and Singapore Polytechnic partnered SSG to launch the SgPools Academy-SP Connexion Programme (Connexion) to equip mid-career jobseekers with in-demand skills for roles in the Social Service sector.

28 Jan 2021

Transformational skills development programme for SMEs in the Design sector

As the first SkillsFuture Queen Bee in the Design sector and supported by SSG and DesignSingapore Council, Tribal Worldwide will uplift the capabilities of SMEs in the sector by helping them in skills development efforts and fostering a community of learning.

8 Feb 2021

Maximising employability of mid-career job seekers

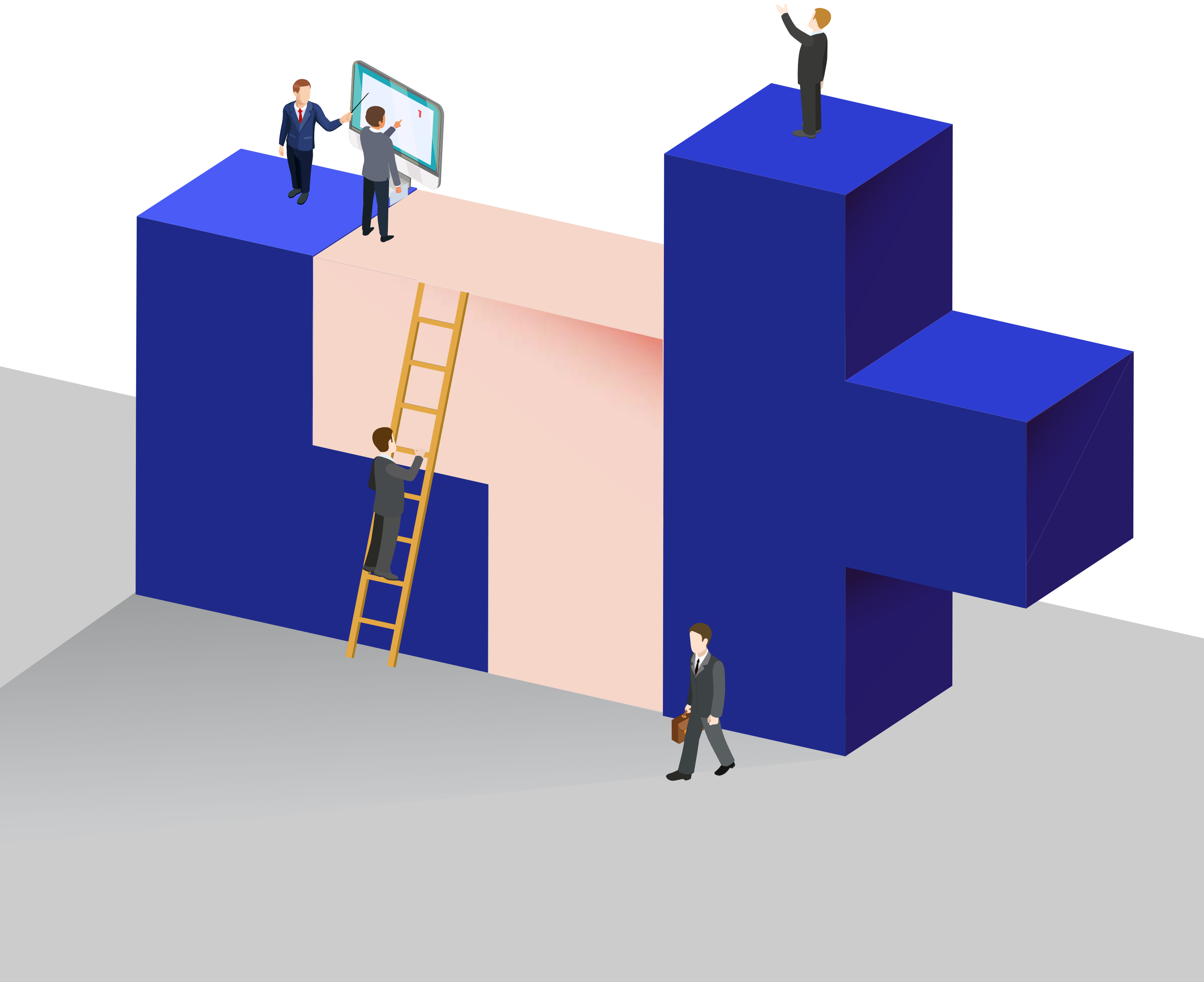
SSG and Boston Consulting Group launched the Rapid & Immersive Skill Enhancement (RISE) programme to reskill more than 1,000 PMETs. The programme, which is part of SGUnited Mid-Career Pathways Programme – Company Training, focuses on key digital job domains to equip trainees with in-demand 'biztech' skills.

9 Feb 2021

Shopee partners SSG to uplift e-commerce skills capabilities in SMEs

SMEs can tap on SSG's partnership with Shopee to pick up the knowledge and skills relevant to operating and excelling in e-commerce. Shopee is also SSG's first e-commerce SkillsFuture Queen Bee partner.

Lifelong Learners and Skill Masters



Fong's Engineering and Manufacturing Pte Ltd

Fong's Engineering focuses on building a strong organisational learning culture, advocating continuous learning as a key strategy to support enterprise transformation. Using the Skills Framework to determine future desired skillsets, the company initiated a team of master trainers to develop On-The-Job Training (OJT) curriculum and to build a talent pool of OJT instructors. Fong's Engineering actively sends their employees for SkillsFuture Advice workshops, supports various SkillsFuture Work-Study programmes, and uplifts the industry by sharing their transformation experiences through learning journeys.

Crimsonlogic Pte Ltd

CrimsonLogic believes that people are their key asset. They organise learning opportunities such as the Digital Transformation Festival 2019 and bi-annual CrimsonXchange Live sessions, and commissioned My Skills Bank, an in-house capability development platform to facilitate career and development for technical staff. The Skills Framework for Infocomm Technology is used to analyse skills gaps and incorporated into a company-wide training plan. CrimsonLogic also supports the growth of the talent pipeline through the SkillsFuture Work-Study Diploma, Global Technology Internship Programme and more.

Feature Individual

Mohamed Saleem S/O Abdul Hadi

Director
BlacSpice Media Pte Ltd

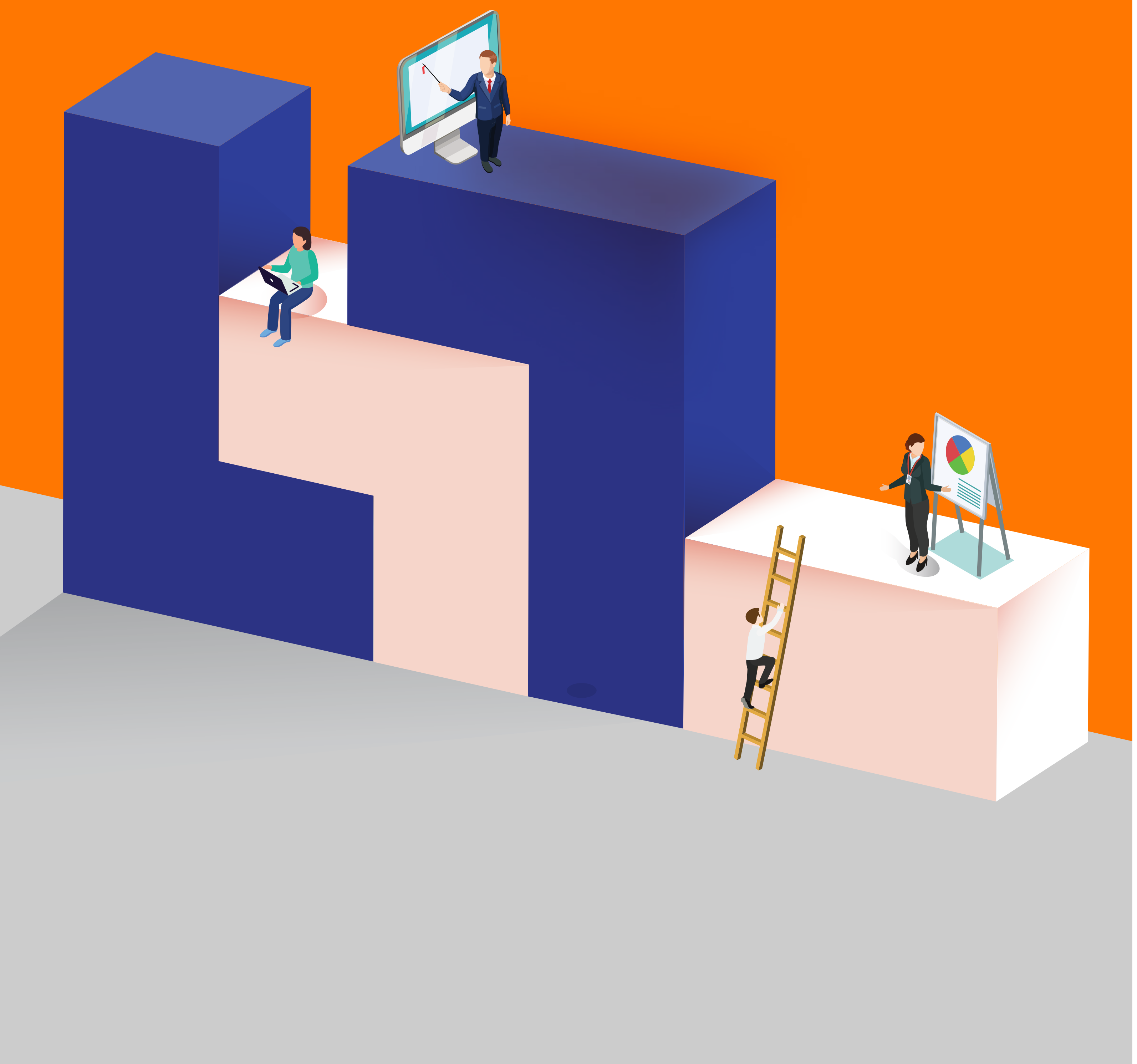
Saleem Hadi is a talented film and theatre practitioner, with numerous accolades including one from Reel Cannes Studio. He hones his visual story-telling skills constantly by learning the different facets of filmmaking. Saleem has been contributing to the arts and media industries for 18 years, conducting filmmaking classes and theatre workshops to equip youths and adults with storytelling skills. He also organises free workshops and other activities through the non-profit organisation, the Singapore Indian Theatre & Film Explorers (SITFE) Ltd.

Florence Cheong Wai Fong

Senior Principal Occupational Therapist and Head of Department
Tan Tock Seng Hospital

Florence joined Tan Tock Seng Hospital in 1998. An avid learner, she undertook part-time postgraduate studies and her deep skills were recognised with the Inspiring Occupational Therapist Award 2019. Florence mentors and champions her staff's learning and participated in developing the Skills Framework for Healthcare. She is a current member of the MOH-SIT Steering Committee to facilitate the upskilling needs of allied health professionals and intends to run "Learn-a-Skill" workshops to build clinical skills within the sector.

SkillsFuture Singapore Agency and its subsidiaries



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SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

STATEMENT BY THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY

In our opinion:

(a) the accompanying financial statements of SkillsFuture Singapore Agency ("SSG") and its subsidiaries (the "Group"), set out on pages 31 to 95 are properly drawn up in accordance with the provisions of SkillsFuture Singapore Agency Act, Chapter [No. 24 of 2016] ('the Act'), and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and SSG as at 31 March 2021, and the financial performance and changes in equity of the Group and SSG and cash flows of the Group for the financial year ended on that date;

(b) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by SSG during the financial year have been in accordance with the provisions of the Act; and

(c) proper accounting and other records have been kept, including records of all assets of SSG and of those subsidiaries incorporated in Singapore, whether purchased, donated or otherwise, in accordance with the provisions of the Act.

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

On behalf of the Board of Directors

Wong Kim Yin
Chairman

Ong Tze-Ch'in
Chief Executive

2 August 2021

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

MEMBERS OF SSG
SKILLSFUTURE SINGAPORE AGENCY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SkillsFuture Singapore Agency ("SSG") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of SSG as at 31 March 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, the statement of comprehensive income and statement of changes in equity of SSG for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 31 to 95.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of SSG are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the 'PSG Act'), SkillsFuture Singapore Agency Act, Chapter [No. 24 of 2016] ('the Act'), and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and SSG as at 31 March 2021 and the results and changes in equity of the Group and SSG and cash flows of the Group 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 SSG in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code')* together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF SSG
SKILLSFUTURE SINGAPORE AGENCY

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing SSG'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 SSG or for SSG to cease operations.

Those charged with governance are responsible for overseeing SSG'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.

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INDEPENDENT AUDITORS' REPORT
MEMBERS OF SSG
SKILLSFUTURE SINGAPORE AGENCY

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by SSG during the year are, in all material respects, in accordance with the provisions of the PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by SSG; and

(b) proper accounting and other records have been kept, including records of all assets of SSG and of those subsidiaries incorporated in Singapore of which we are the auditors, whether purchased, donated or otherwise.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF SSG

SKILLSFUTURE SINGAPORE AGENCY

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 SSG 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 PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board. 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' responsibility 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 PSG Act, the Act and the requirements of any other written law applicable to moneys of or managed by SSG.

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

KPMG LLP

Public Accountants and

Chartered Accountants

Singapore

2 August 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		Group		SSG	
	Note	**2021**	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
Non-current assets					
Property, plant and equipment	5	195,655	216,037	195,437	215,763
Intangible assets	6	53,036	55,227	53,036	55,227
Deferred tax assets	7	55	–	–	–
Investment in subsidiaries	8	–	–	–	–
		248,746	271,264	248,473	270,990
Current assets					
Trade and other receivables	9	23,118	41,048	72,162	69,352
Cash and cash equivalents	10	220,278	90,065	163,295	33,369
Deposits and prepayments	11	5,881	6,635	5,857	6,503
		249,277	137,748	241,314	109,224
Total assets		498,023	409,012	489,787	380,214
Equity attributable to shareholders of SSG					
Share capital	12	4,145	4,145	4,145	4,145
Capital reserves	13	17,678	17,678	18,028	18,028
Accumulated surplus:					
General Fund		38,076	38,101	37,805	24,239
Restricted Funds	14	3,413	4,166	–	–
Total equity		63,312	64,090	59,978	46,412
Non-current liabilities					
Lease liabilities	15	6,250	10,549	6,245	10,540
Provision for reinstatement costs	16	3,859	2,466	3,859	2,466
Deferred capital grants	17	239,425	249,683	239,425	249,683
		249,534	262,698	249,529	262,689
Current liabilities					
Lease liabilities	15	5,392	9,471	5,342	9,410
Other payables	18	123,337	42,680	120,499	35,765
Provision for contribution to consolidated fund	19	2,779	654	2,779	654
Income tax payable		20	118	–	–
Provision for reinstatement costs	16	1,642	1,497	1,642	1,497
Government grants received in advance	20	52,007	27,804	50,018	23,787
		185,177	82,224	180,280	71,113
Total liabilities		434,711	344,922	429,809	333,802
Total equity and liabilities		498,023	409,012	489,787	380,214
Net assets/(liabilities) of trust and agency funds					
Skills Development Fund	21	1,299,028	1,241,964	1,299,028	1,241,964
Lifelong Learning Endowment Fund	22	308	265	308	265
National Productivity Fund	23	(5,418)	25,862	(5,418)	25,862
SkillsFuture Jubilee Fund	24	20,638	20,535	20,638	20,535

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	General Fund 2021 $'000	General Fund 2020 $'000	Restricted Funds 2021 $'000	Restricted Funds 2020 $'000	Total 2021 $'000	Total 2020 $'000
Group							
Operating income	25	2,044	2,397	–	–	2,044	2,397
Other income	26	5,742	4,437	13,265	17,400	19,007	21,837
Other (losses)/gains	27	(3,374)	63	–	–	(3,374)	63
		4,412	6,897	13,265	17,400	17,677	24,297
Expenditure							
Amortisation of intangible assets	6	(11,207)	(30,778)	(10,890)	(260)	(22,097)	(31,038)
Depreciation expense	5	(14,730)	(13,041)	(9,833)	(10,055)	(24,563)	(23,096)
Staff costs	28	(56,798)	(49,832)	(3,941)	(5,109)	(60,739)	(54,941)
Grant disbursements		(39,087)	(34,259)	(192,294)	(33,719)	(231,381)	(67,978)
Rental of office premises and property taxes		(1,683)	(1,450)	(110)	(314)	(1,793)	(1,764)
Professional services		(21,118)	(24,250)	(3,913)	(11,291)	(25,031)	(35,541)
Maintenance expenses		(23,768)	(19,572)	(21,389)	(16,892)	(45,157)	(36,464)
Public relations		(11,246)	(11,870)	(44)	(1,894)	(11,290)	(13,764)
Others		(12,540)	(10,927)	(3,657)	(2,881)	(16,197)	(13,808)
		(192,177)	(195,979)	(246,071)	(82,415)	(438,248)	(278,394)
Deficit before government grant		(187,765)	(189,082)	(232,806)	(65,015)	(420,571)	(254,097)
Add							
Grants from government	20	171,170	170,443	211,543	42,971	382,713	213,414
Deferred capital grants amortised	17	19,349	36,040	20,502	10,132	39,851	46,172
		190,519	206,483	232,045	53,103	422,564	259,586
Surplus/(Deficit) before contribution to consolidated fund		2,754	17,401	(761)	(11,912)	1,993	5,489
Contribution to consolidated fund	19	(2,779)	(654)	–	–	(2,779)	(654)
Income tax expense/(credit)	29	–	–	8	(111)	8	(111)
Net (deficit)/surplus, representing total comprehensive income for the year		(25)	16,747	(753)	(12,023)	(778)	4,724

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	General Fund 2021 $'000	General Fund 2020 $'000	Restricted Funds 2021 $'000	Restricted Funds 2020 $'000	Total 2021 $'000	Total 2020 $'000
SSG							
Operating income	25	2,044	2,397	–	–	2,044	2,397
Other income	26	6,877	6,227	8,724	12,722	15,601	18,949
Other (losses)/gains	27	(3,374)	63	–	–	(3,374)	63
		5,547	8,687	8,724	12,722	14,271	21,409
Expenditure							
Amortisation of intangible assets	6	(11,207)	(30,778)	(10,890)	(260)	(22,097)	(31,038)
Depreciation expense	5	(14,718)	(13,041)	(9,729)	(9,956)	(24,447)	(22,997)
Staff costs	28	(53,204)	(49,836)	(3,111)	(766)	(56,315)	(50,602)
Grant disbursements		(31,289)	(51,625)	(192,543)	(34,795)	(223,832)	(86,420)
Rental of office premises and property taxes		(2,091)	(1,646)	–	–	(2,091)	(1,646)
Professional services		(20,940)	(24,467)	(3,521)	(2,415)	(24,461)	(26,882)
Maintenance expenses		(23,422)	(20,675)	(18,440)	(12,622)	(41,862)	(33,297)
Public relations		(10,718)	(11,874)	(6)	(9)	(10,724)	(11,883)
Others		(12,132)	(11,205)	(2,502)	(1,177)	(14,634)	(12,382)
		(179,721)	(215,147)	(240,742)	(62,000)	(420,463)	(277,147)
Deficit before government grant		(174,174)	(206,460)	(232,018)	(49,278)	(406,192)	(255,738)
Add							
Grants from government	20	171,170	174,268	211,516	39,146	382,686	213,414
Deferred capital grants amortised	17	19,349	36,040	20,502	10,132	39,851	46,172
		190,519	210,308	232,018	49,278	422,537	259,586
Surplus before contribution to consolidated fund		16,345	3,848	–	–	16,345	3,848
Contribution to consolidated fund	19	(2,779)	(654)	–	–	(2,779)	(654)
Income tax expense/(credit)	29	–	–	–	–	–	–
Net surplus, representing total comprehensive income for the year		13,566	3,194	–	–	13,566	3,194

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Share capital	Capital reserve	Accumulated surplus: General fund	Accumulated surplus: Restricted fund	Total
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 April 2019	4,145	17,678	21,354	16,189	59,366
Net surplus/(deficit) for the year, representing total comprehensive income for the year	–	–	16,747	(12,023)	4,724
At 31 March 2020	4,145	17,678	38,101	4,166	64,090
At 1 April 2020	4,145	17,678	38,101	4,166	64,090
Net deficit for the year, representing total comprehensive income for the year	–	–	(25)	(753)	(778)
At 31 March 2021	4,145	17,678	38,076	3,413	63,312
SSG					
At 1 April 2019	4,145	18,028	21,045	–	43,218
Net surplus for the year, representing total comprehensive income for the year	–	–	3,194	–	3,194
At 31 March 2020	4,145	18,028	24,239	–	46,412
At 1 April 2020	4,145	18,028	24,239	–	46,412
Net surplus for the year, representing total comprehensive income for the year	–	–	13,566	–	13,566
At 31 March 2021	4,145	18,028	37,805	–	59,978

The accompanying notes form an integral part of these financial statements

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		$'000	$'000
Cash flows from operating activities			
Deficit before government grant		(420,571)	(254,097)
Adjustments for:			
Amortisation and depreciation		46,660	54,134
Loss on disposal of property, plant and equipment and intangible assets		3,618	128
Transfer of plant and equipment to a related party		1,362	–
Interest expenses		541	445
Interest income		(993)	(1,549)
Changes in provision for reinstatement costs		(119)	(437)
		(369,502)	(201,376)
Changes in:			
Trade and other receivables		20,352	67,808
Deposits and prepayments		(1,668)	(1,869)
Other payables		80,623	(68,858)
Cash used in operations		(270,195)	(204,295)
Contribution to consolidated fund		(654)	(2,775)
Interest paid		(541)	(308)
Income tax paid		(145)	(59)
Net cash used in operating activities		(271,535)	(207,437)
Cash flows from investing activities			
Purchase of property, plant and equipment (Note B)		(5,412)	(3,969)
Purchase of intangible assets (Note B)		(14,662)	(17,811)
Proceeds from disposal of property, plant and equipment		–	2,936
Interest received		993	1,587
Net cash used in investing activities		(19,081)	(17,257)
Cash flows from financing activities			
Grants received from government	20	430,264	238,738
Payment of lease liabilities		(9,435)	(6,564)
Decrease in cash set aside for restricted funds		753	12,023
Net cash from financing activities		421,582	244,197
Net increase in cash and cash equivalents		130,966	19,503
Cash and cash equivalents at beginning of the year		85,899	66,396
Cash and cash equivalents at end of the year (Note A)		216,865	85,899

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021 $'000	2020 $'000
Note A			
Centralised Liquidity Management ("CLM") deposits held with AGD	9	220,278	90,065
Less: Cash set aside for restricted funds	9	(3,413)	(4,166)
		216,865	85,899
Note B			
Addition of property, plant and equipment	5	8,160	17,870
Addition of intangible assets	6	20,907	24,865
Less: Provision for reinstatement cost	16	(1,691)	(374)
Less: Other fixed assets received	17	(6,245)	(7,054)
Less: Non-cash transaction on additions of right-of-use assets	31	(1,057)	(13,527)
		20,074	21,780

NOTES TO THE 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 2021.

1. General

The SkillsFuture Singapore Agency ("SSG") was established in the Republic of Singapore under the SkillsFuture Singapore Agency Act (No. 24 of 2016). The address of the registered office and principal place of operations of the Agency is 1 Paya Lebar Link, #08-08 Paya Lebar Quarter 2, Singapore 408533.

SSG, under the Ministry of Education ("MOE") has been formed to drive and coordinate the implementation of the national SkillsFuture movement, promote a culture and holistic system of lifelong learning through the pursuit of skills mastery, and strengthen the ecosystem of quality education and training in Singapore.

SSG absorbed the Council for Private Education ("CPE"), an existing statutory board under MOE.

The principal activities of the subsidiaries are described in Note 8 to the financial statements.

The principal activities of SSG are:

(a) to plan and develop policies, programs and services that provide, or support the provision, of adult education and further education;

(b) to promote, facilitate and assist in the identification, development and upgrading of skills and competencies for the current, emerging and future needs of the Singapore workforce;

(c) to develop, in consultation with employers and relevant representatives of commerce or industry, models for the provision of adult education or further education for the purposes of developing skills;

(d) to promote a national approach to the provision of adult education and further education through collaboration and cooperation between universities, public sector post-secondary education institutions and other providers of adult education or further education;

(e) to provide funding for the provision of, or taking part in, adult education and further education (wherever held) that is responsive to the needs of commerce or industry or employers;

(f) to promote public awareness in Singapore of the importance of adult education and further education and encourage enthusiasm for lifelong learning;

(g) to collect, compile and analyse data about the provision of adult education or further education;

(h) to accredit, or facilitate accreditation by others in Singapore, of providers of or courses in adult education or further education (even if the course is developed outside Singapore).

NOTES TO THE FINANCIAL STATEMENTS

(i) to facilitate the improvement of quality of courses in adult education or further education provided in Singapore, including the standard of teachers and trainers in Singapore of these courses;

(j) to promote or undertake research in Singapore into matters relating to adult education and further education;

(k) to facilitate public availability of meaningful and accurate information relating to the quality of courses in adult education or further education provided in Singapore (even if the course is developed outside Singapore);

(l) to provide career guidance services and facilities to assist students prepare to enter the labour market and to other people;

(m) to administer the Private Education Act (Cap. 247A) in accordance with that Act and the Skills Development Fund in accordance with the Skills Development Levy Act (Cap. 306);

(n) to cooperate and collaborate with the Workforce Singapore Agency ("WSG") in the discharge of its functions under the Workforce Singapore Agency Act (Cap. 305D); and

(o) to perform such other functions as may be conferred on the Agency by any other Act.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared 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 dollar, which is SSG's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.4 Changes in accounting policies

The Company has early adopted *Covid-19-Related Rent Concessions (Amendment to SB-FRS 116)* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Company is a lease – i.e. for leases to which the Company applies the practical expedient, the Company is not required to assess whether eligible rent concessions that are direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Company has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 April 2020.

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

New standards and amendments

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

- *Amendments to References to the Conceptual Framework in SB-FRS Standards*
- *Definition of a Business* (Amendments to SB-FRS 103)
- *Definition of Material* (Amendments to SB-FRS 1-1 and 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SB-FRS 109, SB-FRS 1-39 and SB-FRS 7)

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

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.4, which addresses changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiaries are stated in SSG's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS

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

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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 FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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

The Group 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 portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales 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 the Group's continuing recognition of the assets.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group'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.

NOTES TO THE FINANCIAL STATEMENTS

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

Financial assets at amortised cost

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

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

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised other payables.

(iii) Derecognition

Financial assets

The Group 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 in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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

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

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

(iv) Offsetting

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

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(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances with the Accountant-General Department which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise deposits held with AGD excluding cash set aside for restricted funds.

(vi) Share capital

Ordinary 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 Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

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 (calculated as the difference between the net proceeds from disposal with the carrying amount of the item) is recognised in profit or loss.

(ii) 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 the Group, 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.

(iii) 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. No depreciation is recognised on freehold land and renovation in-progress.

Depreciation is recognised from the date that the property, plant and equipment are installed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

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

Furniture and fittings	8 years
Office equipment	5 years
Computer equipment	3 to 5 years
Leasehold land	25 years
Mechanical and electrical equipment	10 years
Building	25 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.5 Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

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.

(iii) Amortisation

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 years are as follows:

Computer software	3 to 5 years

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs;

Loss allowances of the Group 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 or contract asset.

Simplified approach

The Group 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

The Group 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, the Group 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, the Group 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 the Group'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.

The Group considers a financial asset to be in default when:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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 the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group 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 borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower 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 and contract assets 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 the Group 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 the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

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.

3.7 Provisions

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

Provision for restoration cost

A provision for site restoration is recognised when there is a projected cost of dismantlement, removal or restoration as a consequence of using a leased property during a particular period. The provision is measured at the present value of the restoration cost expected to be paid upon termination of the lease agreement.

3.8 Government grants

The Group receives various types of grants to meet its operating and development expenditure.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income 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.

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

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3.9 Trust and agency funds

Trust and agency funds are set up to account for funds held in trust where SSG is not the owner and beneficiary of the funds received from the Government and other organisations. The receipts and expenditure in respect of agency funds are taken directly to the funds accounts and the net assets relating to the funds are shown as a separate line item in the statement of financial position.

Trust funds include Skills Development Fund ("SDF"), Lifelong Learning Endowment Fund ("LLEF"), National Productivity Fund ("NPF") and SkillsFuture Jubilee Fund ("SFJF").

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

3.10 Restricted funds

These are funds earmarked for specific purposes and for which separate disclosure is necessary as these funds are material. There are legal and other restrictions on the ability of SSG 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 accrual basis. They are accounted for separately in the Statements of Comprehensive Income and the assets and liabilities are disclosed separately in Note 14 of the financial statements.

3.11 Revenue recognition

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

(i) Workers' assessment fees

Income from workers' assessment fees are recognised at a point in time following the satisfaction of the PO, when the assessment tests are undertaken.

(ii) Course fees

Income from course fees are recognised over time, over the duration of the respective courses, attended by the participants.

(iii) Application fees

Income from application fees are recognised at a point in time when the application for Singapore Workforce Skills Qualifications (WSQ) credential have been approved.

(iv) Annual fees

Income from annual fees are recognised over time, being the period (2 years) over which the EduTrust Certificates issued to Private Education Institutes are applicable.

(v) Income from rendering of services

Income from rendering of services are recognised at a point in time when the e-certificates are awarded to the Approved Training Organisations.

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3.12 Interest income

Interest income comprises interest income on deposits held with Accountant-General's Department ("AGD"). Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

3.13 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 pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group 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 entitlement

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

3.14 Contribution to consolidated fund

In lieu of income tax, SSG is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of SSG for each of the financial period at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided for on an accrual basis.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

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

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

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

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

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

The Group determines its incremental borrowing rate by obtaining interest rates from comparable financing sources and periods to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise of the fixed payments, including in-substance fixed payments.

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

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

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

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

COVID-19 related rent concessions

The Company has applied *Covid-19 Related Rent Concessions (Amendment to SB-FRS 116).* The Company applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

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(ii) *As a lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SB-FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from operating leases of office premises as income on a straight-line basis over the lease term as part of 'other income'.

3.17 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 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SB-FRSs, interpretations and amendments to SB-FRSs are not expected to have a significant impact on the Group's consolidated financial statements and SSG's statement of financial position.

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

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3.18 Measurement of fair values

A number of the Group'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, the Group uses market observable 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 or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); 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 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).

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

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5. Property, plant and equipment

	Furniture and fittings $'000	Office equipment $'000	Computer equipment $'000	Leasehold land $'000	Mechanical and electrical equipment $'000	Building $'000	Construction-in-progress $'000	Total $'000
Group								
Cost								
At 1 April 2019	14,534	2,371	28,208	31,951	2,715	189,080	1,187	270,046
Additions	62	213	2,358	–	–	13,527	1,710	17,870
Transfers/ reclassification	2,118	488	–	(3,023)	–	3,023	(2,606)	–
Disposal/write-off	(2,317)	(165)	(3,006)	–	–	(219)	–	(5,707)
At 31 March 2020	14,397	2,907	27,560	28,928	2,715	205,411	291	282,209
At 1 April 2020	14,397	2,907	27,560	28,928	2,715	205,411	291	282,209
Additions	2,547	13	606	940	–	117	3,937	8,160
Transfers/ reclassification	2,361	47	–	–	1,783	–	(4,191)	–
Disposal/write-off	(4,536)	(344)	(12,311)	–	(737)	(1,377)	–	(19,305)
At 31 March 2021	14,769	2,623	15,855	29,868	3,761	204,151	37	271,064
Accumulated depreciation								
At 1 April 2019	5,763	1,130	18,680	3,157	741	16,320	–	45,791
Depreciation	1,956	551	4,506	865	312	14,906	–	23,096
Disposal/write-off	(1,234)	(100)	(1,373)	–	–	(8)	–	(2,715)
At 31 March 2020	6,485	1,581	21,813	4,022	1,053	31,218	–	66,172
At 1 April 2020	6,485	1,581	21,813	4,022	1,053	31,218	–	66,172
Depreciation	2,936	487	2,427	1,182	353	17,178	–	24,563
Disposal/write-off	(2,392)	(266)	(10,983)	–	(308)	(1,377)	–	(15,326)
At 31 March 2021	7,029	1,802	13,257	5,204	1,098	47,019	–	75,409
Carrying amounts								
At 1 April 2019	8,771	1,226	9,528	28,794	1,974	159,855	1,187	211,335
At 31 March 2020	7,912	1,326	5,747	24,906	1,662	174,193	291	216,037
At 31 March 2021	7,740	821	2,598	24,664	2,663	157,132	37	195,655

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	Furniture and fittings	Office equipment	Computer equipment	Leasehold land	Mechanical and electrical equipment	Building	Construction-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
SSG								
Cost								
At 1 April 2019	14,534	2,265	28,189	31,951	2,683	188,967	1,187	269,776
Additions	62	116	2,305	–	–	13,527	1,710	17,720
Transfers/ reclassification	2,118	488	–	(3,023)	–	3,023	(2,606)	–
Disposal/write-off	(2,317)	(162)	(3,006)	–	–	(219)	–	(5,704)
At 31 March 2020	14,397	2,707	27,488	28,928	2,683	205,298	291	281,792
At 1 April 2020	14,397	2,707	27,488	28,928	2,683	205,298	291	281,792
Additions	2,547	–	606	940	–	70	3,937	8,100
Transfers/ reclassification	2,361	47	–	–	1,783	–	(4,191)	–
Disposal/write-off	(4,536)	(344)	(12,311)	–	(737)	(1,377)	–	(19,305)
At 31 March 2021	14,769	2,410	15,783	29,868	3,729	203,991	37	270,587
Accumulated depreciation								
At 1 April 2019	5,763	1,109	18,671	3,157	725	16,320	–	45,745
Depreciation	1,956	526	4,496	865	305	14,849	–	22,997
Disposal/write-off	(1,234)	(98)	(1,374)	–	–	(7)	–	(2,713)
At 31 March 2020	6,485	1,537	21,793	4,022	1,030	31,162	–	66,029
At 1 April 2020	6,485	1,537	21,793	4,022	1,030	31,162	–	66,029
Depreciation	2,936	450	2,408	1,182	350	17,121	–	24,447
Disposal/write-off	(2,392)	(266)	(10,983)	–	(308)	(1,377)	–	(15,326)
At 31 March 2021	7,029	1,721	13,218	5,204	1,072	46,906	–	75,150
Carrying amounts								
At 1 April 2019	8,771	1,156	9,518	28,794	1,958	159,855	1,187	211,239
At 31 March 2020	7,912	1,170	5,695	24,906	1,653	174,136	291	215,763
At 31 March 2021	7,740	689	2,565	24,664	2,657	157,085	37	195,437

Included in the disposal of property, plant and equipment of the Group and the Company with carrying amounts of $1,362,000 (2020: Nil) was transferred to a related party.

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6. Intangible assets

	Group and SSG		
	Computer software	Assets under development	Total
	$'000	$'000	$'000
Cost			
At 1 April 2019	117,749	2,787	120,536
Additions	15,040	9,825	24,865
Transfer	9,333	(9,333)	–
Disposals	(253)	–	(253)
At 31 March 2020	141,869	3,279	145,148
Additions	14,502	6,405	20,907
Transfer	8,428	(8,428)	–
Disposals	(4,669)	–	(4,669)
At 31 March 2021	160,130	1,256	161,386
Accumulated amortisation			
At 1 April 2019	59,064	–	59,064
Amortisation	31,038	–	31,038
Disposals	(181)	–	(181)
At 31 March 2020	89,921	–	89,921
Amortisation	22,097	–	22,097
Disposals	(3,668)	–	(3,668)
At 31 March 2021	108,350	–	108,350
Carrying amounts			
At 1 April 2019	58,685	2,787	61,472
At 31 March 2020	51,948	3,279	55,227
At 31 March 2021	51,780	1,256	53,036

7. Deferred tax assets

Movement in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	Group		
	At 1 April 2020	Recognised in profit or loss	At 31 March 2021
	$'000	$'000	$'000
Property, plant and equipment	–	(12)	(12)
Right-of-use assets	–	25	25
Provisions	–	42	42
	–	55	55

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

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Deferred tax assets in respect of deductible temporary differences have been recognised because management assessed that it is probable that future taxable profit will be available against which the Group can utilise these benefits. The deductible temporary differences do not expire under current tax legislation.

8. Investments in subsidiaries

	SSG	
	2021	2020
	$'000	$'000
Equity investments at cost	–	–

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ Country of incorporation	Effective equity held by SSG	
		2021	2020
		%	%
Held by SSG			
Learning Gateway Ltd ("LG") (i)	Singapore	100	100
Held by LG			
Lifelong Learning Institute Pte Ltd ("LLI") (ii)	Singapore	100	100

(i) LG was incorporated on 17 May 2013 as a board limited by guarantee, with no share capital.
(ii) LLI is a wholly-owned subsidiary of LG, incorporated on 12 August 2013.

SSG has provided a commitment for financial support of $892,000 (2020: $928,000) to a subsidiary for a period of twelve months from the end of the reporting period so as to enable the subsidiary to continue to operate as a going concern and meet its contractual obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

9. Trade and other receivables

	Group		SSG	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables	839	2,258	479	718
Other receivables	1,959	4,406	375	888
Amount due from WSG	12,115	23,564	12,115	23,564
Amount due from NPF	3,883	3,002	3,883	3,002
Amount due from SDF	–	5,197	–	5,197
Amount due from MOE	1,900	2,621	1,900	2,621
Amount due from subsidiaries	–	–	42,967	33,362
Grants disbursed in advance	2,422	–	10,443	–
	23,118	41,048	72,162	69,352

The credit period on rendering of services is 30 days (2020: 30 days).

The amount due from subsidiaries and related parties are unsecured, interest-free and repayable within a credit period of 30 days.

Credit risks and impairment losses

The Group and SSG's exposure to credit risks, and impairment losses for trade and other receivables, are disclosed in Note 33.

10. Cash and cash equivalents

	Group		SSG	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Centralised Liquidity Management ("CLM") deposits held with AGD	220,278	90,065	163,295	33,369

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 Boards upon request and earns interest at the average rate of 0.74% (2020: 1.94%) per annum.

Cash and cash equivalents include an amount of $3,413,000 (2020: $4,166,000) set aside for restricted funds.

NOTES TO THE FINANCIAL STATEMENTS

11. Deposits and prepayments

	Group		SSG	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deposits	3,105	3,131	3,030	3,049
Prepayments	2,776	3,504	2,827	3,454
	5,881	6,635	5,857	6,503

12. Share capital

	2021		2020	
	Number of shares		Number of shares	
	$'000	$'000	$'000	$'000
Issued and fully-paid:				
Ordinary shares				
At beginning and end of the year	4,145	4,145	4,145	4,145

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.

13. Capital reserves

Capital reserves represents the carrying amount of the net value of assets and liabilities transferred from the former Singapore Workforce Development Agency ("WDA") and Council for Private Education ("CPE") when SSG was established on 3 October 2016.

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

14. Restricted funds

	MOE - TGS	MOE - ATB	Operations funded by SDF	Operations funded by LLEF	Operations funded by NPF	MOE - SATB	Total
	2021	**2021**	**2021**	**2021**	**2021**	**2021**	**2021**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
Income							
Other income	–	–	13,259	–	6	–	13,265
Expenditure							
Amortisation of intangible assets	(835)	–	–	–	(9,714)	(341)	(10,890)
Depreciation expense	–	–	(9,833)	–	–	–	(9,833)
Staff costs	(1,013)	–	(486)	–	(479)	(1,963)	(3,941)
Grant disbursements	–	(60,190)	(615)	–	–	(131,489)	(192,294)
Rental expenses on operating leases	–	–	(55)	–	–	(55)	(110)
Professional services	(29)	–	(73)	–	(3,492)	(319)	(3,913)
Maintenance expenses	(2,074)	–	(2,842)	–	(16,366)	(107)	(21,389)
Public relations	–	–	(14)	–	(6)	(24)	(44)
Others	(512)	–	(1,215)	–	(1,813)	(117)	(3,657)
Total expenditure	(4,463)	(60,190)	(15,133)	–	(31,870)	(134,415)	(246,071)
Deficit before government grant	(4,463)	(60,190)	(1,874)	–	(31,864)	(134,415)	(232,806)
Add							
Grants from/(Refund to) government	3,628	60,190	(8,499)	–	22,150	134,074	211,543
Deferred capital grants amortised	835	–	9,612	–	9,714	341	20,502
	4,463	60,190	1,113	–	31,864	134,415	232,045
Deficit before contribution	–	–	(761)	–	–	–	(761)
Income tax credit	–	–	8	–	–	–	8
Net deficit for the year	–	–	(753)	–	–	–	(753)
Accumulated (deficit)/surplus at the beginning of the year	–	–	(15,208)	19,374	–	–	4,166
Accumulated (deficit)/surplus at the end of the year *	–	–	(15,961)	19,374	–	–	3,413

* The above balances predominantly comprise cash balances and accruals

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	MOE - TGS	MOE - ATB	Operations funded by SDF	Operations funded by LLEF	Operations funded by NPF	MOE - SATB	Total
	2020	**2020**	**2020**	**2020**	**2020**	**2020**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
Income							
Other income	–	4	16,557	1	838	–	17,400
Less: Expenditure							
Amortisation of intangible assets	(260)	–	–	–	–	–	(260)
Depreciation expense	–	–	(10,055)	–	–	–	(10,055)
Staff costs	(766)	–	(4,343)	–	–	–	(5,109)
Grant disbursements	–	(34,795)	1,076	–	–	–	(33,719)
Rental expenses on operating leases	–	–	(314)	–	–	–	(314)
Professional services	–	–	(8,876)	–	(2,415)	–	(11,291)
Maintenance expenses	(317)	–	(4,606)	–	(11,969)	–	(16,892)
Public relations	–	–	(1,885)	–	(9)	–	(1,894)
Others	(258)	–	(1,828)	–	(795)	–	(2,881)
Total expenditure	(1,601)	(34,795)	(30,831)	–	(15,188)	–	(82,415)
Deficit before government grant	(1,601)	(34,791)	(14,274)	1	(14,350)	–	(65,015)
Add							
Grants from/(Refund to) government	1,341	34,791	(7,510)	(1)	14,350	–	42,971
Deferred capital grants amortised	260	–	9,872	–	–	–	10,132
	1,601	34,791	2,362	(1)	14,350	–	53,103
Deficit before contribution	–	–	(11,912)	–	–	–	(11,912)
Income tax credit	–	–	(111)	–	–	–	(111)
Net deficit for the year	–	–	(12,023)	–	–	–	(12,023)
Accumulated (deficit)/surplus at the beginning of the year	–	–	(3,185)	19,374	–	–	16,189
Accumulated (deficit)/surplus at the end of the year *	–	–	(15,208)	19,374	–	–	4,166

* The above balances predominantly comprise cash balances and accruals

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	MOE - TGS	MOE - ATB	Operations funded by SDF	Operations funded by LLEF	Operations funded by NPF	MOE - SATB	Total
	2021	2021	2021	2021	2021	2021	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
SSG							
Income							
Other income	–	–	8,718	–	6	–	8,724
Less: Expenditure							
Amortisation of intangible assets	(835)	–	–	–	(9,714)	(341)	(10,890)
Depreciation expense	–	–	(9,729)	–	–	–	(9,729)
Staff costs	(1,013)	–	–	–	(479)	(1,619)	(3,111)
Grant disbursements	–	(60,190)	–	–	–	(132,353)	(192,543)
Professional services	(29)	–	–	–	(3,492)	–	(3,521)
Maintenance expenses	(2,074)	–	–	–	(16,366)	–	(18,440)
Public relations	–	–	–	–	(6)	–	(6)
Others	(512)	–	(75)	–	(1,813)	(102)	(2,502)
Total expenditure	(4,463)	(60,190)	(9,804)	–	(31,870)	(134,415)	(240,742)
Deficit before government grant	(4,463)	(60,190)	(1,086)	–	(31,864)	(134,415)	(232,018)
Add							
Grants from/(Refund to) government	3,628	60,190	(8,526)	–	22,150	134,074	211,516
Deferred capital grants amortised	835	–	9,612	–	9,714	341	20,502
	4,463	60,190	1,086	–	31,864	134,415	232,018
Surplus before contribution	–	–	–	–	–	–	–
Income tax expense	–	–	–	–	–	–	–
Net surplus for the year	–	–	–	–	–	–	–
Accumulated surplus at the beginning of the year	–	–	–	–	–	–	–
Accumulated surplus at the end of the year *	–	–	–	–	–	–	–

* The above balances predominantly comprise cash balances and accruals

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SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

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	MOE - TGS	MOE - ATB	Operations funded by SDF	Operations funded by LLEF	Operations funded by NPF	MOE - SATB	Total
	2020	2020	2020	2020	2020	2020	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
SSG							
Income							
Other income	–	4	11,879	1	838	–	12,722
Less: Expenditure							
Amortisation of intangible assets	(260)	–	–	–	–	–	(260)
Depreciation expense	–	–	(9,956)	–	–	–	(9,956)
Staff costs	(766)	–	–	–	–	–	(766)
Grant disbursements	–	(34,795)	–	–	–	–	(34,795)
Professional services	–	–	–	–	(2,415)	–	(2,415)
Maintenance expenses	(317)	–	(336)	–	(11,969)	–	(12,622)
Public relations	–	–	–	–	(9)	–	(9)
Others	(258)	–	(124)	–	(795)	–	(1,177)
	(1,601)	(34,795)	(10,416)	–	(15,188)	–	(62,000)
Deficit before government grant	(1,601)	(34,791)	1,463	1	(14,350)	–	(49,278)
Add							
Grants from/(Return to) government	1,341	34,791	(11,335)	(1)	14,350	–	39,146
Deferred capital grants amortised	260	–	9,872	–	–	–	10,132
	1,601	34,791	(1,463)	(1)	14,350	–	49,278
Surplus before contribution	–	–	–	–	–	–	–
Income tax expense	–	–	–	–	–	–	–
Net surplus for the year	–	–	–	–	–	–	–
Accumulated surplus at the beginning of the year	–	–	–	–	–	–	–
Accumulated surplus at the end of the year *	–	–	–	–	–	–	–

* The above balances predominantly comprise cash balances and accruals

NOTES TO THE FINANCIAL STATEMENTS

15. Lease liabilities

	Group 2021 $'000	Group 2020 $'000	SSG 2021 $'000	SSG 2020 $'000
Non-current				
Lease liabilities	6,250	10,549	6,245	10,540
Current				
Lease liabilities	5,392	9,471	5,342	9,410

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Effective interest rate %	Year of maturity	2021 Face value $'000	2021 Carrying amount $'000	2020 Face value $'000	2020 Carrying amount $'000
Group						
Lease liabilities	3.2%	2021 - 2023	12,183	11,642	20,829	20,020
SSG						
Lease liabilities	3.2%	2021 - 2023	12,127	11,587	20,757	19,950

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

	Group Lease liabilities $'000
Adjusted balance as at 1 April 2019	12,920
Changes from financing cash flows	
New leases	13,527
Payment of lease liabilities	(6,564)
Interest paid	(308)
Total changes from financing cash flows	6,655
Other changes	
Interest expense	445
Total liability-related charges	445
Balance as at 31 March 2020	20,020

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NOTES TO THE FINANCIAL STATEMENTS

	Group Lease liabilities $'000
Balance as at 1 April 2020	20,020
Changes from financing cash flows	
Payment of lease liabilities	(9,435)
Interest paid	(541)
Total changes from financing cash flows	(9,976)
Other changes	
Lease additions	1,057
Interest expense	541
Total liability-related charges	1,598
Balance as at 31 March 2021	11,642

16. Provision for reinstatement costs

	Group and SSG $'000
At 1 April 2019	4,653
Provision made during the year	374
Utilisation	(231)
Reversal due to overprovision (Note 27)	(63)
Reversal due to disposal	(886)
Unwinding of discount	116
At 31 March 2020	3,963
Provision made during the year	1,691
Utilisation	(34)
Reversal due to disposal (Note 27)	(244)
Unwinding of discount	125
At 31 March 2021	5,501

	2021 $'000	2020 $'000
Represented by:		
Current portion	1,642	1,497
Non-current portion	3,859	2,466
	5,501	3,963

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

NOTES TO THE FINANCIAL STATEMENTS

17. Deferred capital grants

	Group and SSG $'000
At 1 April 2019	269,854
Amounts transferred from government grants	22,003
Amounts paid by National Productivity Fund	7,054
Amortisation of deferred capital grants	(46,172)
Transfer of unutilised deferred capital grants to grant payable	(3,056)
At 31 March 2020	249,683
Amounts transferred from government grants	23,348
Amounts paid by National Productivity Fund	6,245
Amortisation of deferred capital grants	(39,851)
At 31 March 2021	239,425

18. Other payables

	Group 2021 $'000	Group 2020 $'000	SSG 2021 $'000	SSG 2020 $'000
Other payables				
Related parties	20,742	13,893	22,105	15,732
Third parties	60,119	7,875	57,851	2,780
Amount due to SDF	25,078	5	25,078	5
Amount due to LLEF	2,651	2,725	2,651	2,725
Accruals	12,241	12,950	11,056	12,133
Deferred revenue	2,506	5,232	1,758	2,390
	123,337	42,680	120,499	35,765

The amount due to SDF and LLEF are unsecured, interest-free and repayable within a credit period of 30 days.

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19. Contribution to consolidated fund

The total contribution for the year can be reconciled to the net surplus as follows:

	Group and SSG 2021 $'000	Group and SSG 2020 $'000
Surplus of SSG before contribution to consolidated fund	16,345	3,848
Contribution at 17% (2020: 17%)	2,779	654

NOTES TO THE FINANCIAL STATEMENTS

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20. Government grants received in advance

	MOE - RF [i]	Operations funded by SDF [ii]	Operations funded by LLEF [ii]	Operations funded by NPF [iii]	MOE - TGS [iv]	MOE - ATB [v]	MOE - SATB [vi]	Operating grant	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
At 1 April 2019	639	17,058	953	–	–	–	–	5,833	24,483
Grants (refunded)/received during the financial year, net	(142)	(562)	(113)	14,350	4,440	34,799	–	185,966	238,738
Transfer to Statement of comprehensive income	–	7,509	1	(14,350)	(1,340)	(34,791)	–	(170,443)	(213,414)
Transfer to deferred capital grants (Note 17)	–	(1,255)	–	–	(3,216)	–	–	(17,532)	(22,003)
At 31 March 2020	497	22,750	841	–	(116)	8	–	3,824	27,804
Grants (refunded)/received during the financial year, net	(497)	(28,501)	(841)	22,150	9,573	70,000	176,876	181,504	430,264
Transfer to Statement of comprehensive income	–	8,499	–	(22,150)	(3,628)	(60,190)	(134,074)	(171,170)	(382,713)
Transfer to deferred capital grants (Note 17)	–	(759)	–	–	(6,439)	–	(1,768)	(14,382)	(23,348)
At 31 March 2021	–	1,989	–	–	(610)	9,818	41,034	(224)	52,007
SSG									
At 1 April 2019	639	14,152	953	–	–	–	–	5,833	21,577
Grants received during the financial year	(142)	(1,673)	(113)	14,350	4,440	34,799	–	185,966	237,627
Transfer to statement of comprehensive income	–	11,334	1	(14,350)	(1,340)	(34,791)	–	(174,268)	(213,414)
Transfer to deferred capital grants (Note 17)	–	(1,256)	–	–	(3,216)	–	–	(17,531)	(22,003)
At 31 March 2020	497	22,557	841	–	(116)	8	–	–	23,787
Grants (refunded)/received during the financial year, net	(497)	(30,324)	(841)	22,150	9,573	70,000	176,876	185,328	432,265
Transfer to statement of comprehensive income	–	8,526	–	(22,150)	(3,628)	(60,190)	(134,074)	(171,170)	(382,686)
Transfer to deferred capital grants (Note 17)	–	(759)	–	–	(6,439)	–	(1,768)	(14,382)	(23,348)
At 31 March 2021	–	–	–	–	(610)	9,818	41,034	(224)	50,018

NOTES TO THE FINANCIAL STATEMENTS

(i) MOE - Reinvestment Funds

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

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

In areas permissible, SSG taps on the SDF and LLEF to meet the increasing demands and needs of SSG's workforce development efforts. These expenditures pertain to manpower and operating overheads related to the delivery of specific CET programmes.

(iii) Operations funded by NPF

National Productivity Fund ("NPF") is a government fund administered by Productivity Fund Administration Board ("PFAB") to fund initiatives related to productivity enhancement and continuing education.

SSG taps on the NPF to deliver SkillsFuture initiatives limited to specific projects approved by PFAB.

(iv) MOE - Training Grant System ("MOE - TGS")

Co-funding between Smart Nation and Digital Government Office and MOE to support the development of Whole-Of-Government-Training Grant System.

(v) MOE - Above-The-Block ("MOE - ATB")

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

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

(vi) MOE – Special Above-The-Block ("MOE - SATB")

Special Above-The-Block are provided by MOF through MOE to support the expenditures on training allowances, placement incentive and provision for skills and training advisory service, arising from the following programs:

a. Enhanced Training Support Package;
b. SG United Skills Programme; and
c. SG United Mid-Career Pathways Programme-Company Training.

NOTES TO THE FINANCIAL STATEMENTS

21. 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. The administration of the SDF was transferred from WDA to SkillsFuture Singapore Agency ("SSG") with effect from 3 October 2016.

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

The 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 re-joining 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 following financial information represents SDF as presented below, are prepared on an accrual basis.

	Group and SSG	
	2021	**2020**
	$'000	**$'000**
Income		
Operating income	266,933	274,902
Other income	10,196	15,850
Fair value gain	32,821	5,626
	309,950	296,378
Expenditure		
Net disbursements	(252,065)	(279,879)
(Allowance for)/Reversal of impairment loss on receivables	(825)	847
Others	4	(286)
	(252,886)	(279,318)
Surplus for the year	57,064	17,060
Accumulated surplus at the beginning of the year	370,825	353,765
Accumulated surplus at the end the year	427,889	370,825

NOTES TO THE FINANCIAL STATEMENTS

	Group and SSG	
	2021	2020
	$'000	$'000
Represented by:		
Current assets		
Cash and cash equivalents	2,748,816	736,806
Levy and other receivables	86,393	56,177
Grants disbursed in advance	619	2,131
Financial assets at amortised cost	30,755	11,257
Financial assets, at fair value through profit or loss	449,362	416,541
	3,315,945	1,222,912
Non-current asset		
Financial assets at amortised cost	30,321	61,833
Current liabilities		
Payables	(47,238)	(42,781)
Grants received in advance	(33,440)	–
	(80,678)	(42,781)
Non-current liability		
Grants received in advance	(1,966,560)	–
Capital account	(871,139)	(871,139)
Accumulated surplus at the end of the year	(427,889)	(370,825)
Net assets	(1,299,028)	(1,241,964)

NOTES TO THE FINANCIAL STATEMENTS

22. Net assets of Lifelong Learning Endowment Fund

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

The financial statements of LLEF, as presented below, are prepared by MOE on a cash basis.

	Group and SSG	
	2021	2020
	$'000	$'000
Receipts		
Refund of unused grant from programme manager	3,286	4,502
Interest income	394	341
	3,680	4,843
Expenditure		
Grants disbursed	(68,936)	(73,975)
Grants received	65,299	67,275
Surplus/(Deficit) for the year	43	(1,857)
Accumulated surplus at the beginning of the year	265	2,122
Accumulated surplus at the end the year	308	265
Represented by:		
Current assets		
Cash and cash equivalents	20,030	10,165
Amount due from related parties	–	280
	20,030	10,445
Current liabilities		
Amount due to related parties	(19,722)	(10,180)
Net assets	308	265

NOTES TO THE FINANCIAL STATEMENTS

23. Net assets of National Productivity Fund

Singapore Workforce Development Agency ("WDA") administers the National Productivity Fund ("NPF") on behalf of Productivity Fund Administration Board. The administration of NPF was transferred from WDA to SSG with effect from 3 October 2016. NPF provides funding initiatives endorsed by the Future Economy Council ("FEC"), which could include sector-specific Industry transformation Maps ("ITM") to uplift productivity as well as initiatives and programmes supporting lifelong learning.

The following financial information represents NPF, as presented below, are prepared on an accrual basis.

	Group and SSG	
	2021	**2020**
	$'000	**$'000**
Receipts		
Government grants received	71,919	81,741
Expenditure		
Grants disbursements	(95,510)	(52,170)
Others	(1,444)	(340)
Purchase of plant and equipment (Note 17)	(6,245)	(7,054)
	(103,199)	(59,564)
(Deficit)/Surplus for the year	(31,280)	22,177
Accumulated surplus at the beginning of the year	25,862	3,685
Accumulated (deficit)/surplus at the end the year	(5,418)	25,862
Represented by:		
Current assets		
Cash and bank balances	13,143	34,303
Trade and other receivables	15,039	285
	28,182	34,588
Current liabilities		
Current payables	(33,297)	(5,807)
Accruals	(303)	(2,919)
	(33,600)	(8,726)
Net assets	(5,418)	25,862

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

24. Net assets of SkillsFuture Jubilee Fund

The SkillsFuture Jubilee Fund ("SFJF") was established in the Republic of Singapore as part of the Skills Development Fund ("SDF") established under section 5 of the Skills Development Levy Act (Chapter 306). SFJF was approved by the Cabinet on 11 February 2015 and was administered by Singapore Workforce Development Agency ("WDA") from 11 February 2015 to 2 October 2016. The administration of the SFJF was transferred from WDA to SkillsFuture Singapore Agency ("SSG") with effect from 3 October 2016.

The financial statements of SFJF, as presented below, are prepared on an accrual basis:

	Group and SSG	
	2021	**2020**
	$'000	**$'000**
Income		
Interest income	193	394
Expenditure		
Grants disbursements	(90)	(280)
Surplus for the year	103	114
Accumulated surplus at the beginning of the year	20,535	20,421
Accumulated surplus at the end the year	20,638	20,535
Represented by:		
Current assets		
Cash and cash equivalents	20,592	20,289
Interest receivables	46	246
	20,638	20,535
Net assets	20,638	20,535

NOTES TO THE FINANCIAL STATEMENTS

25. Operating income

	Group and SSG	
	2021	2020
	$'000	$'000
Workers' assessment fees	–	588
Application fees	1,278	821
Course fees	–	37
Income from rendering of services	622	799
Annual fees	144	152
	2,044	2,397

Operating income is generated in Singapore.

26. Other income

	Group		SSG	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Interest income from:				
- CLM deposits held with AGD	993	1,549	944	1,527
Rental and service income	12,584	15,744	8,313	11,709
Others	5,430	4,544	6,344	5,713
	19,007	21,837	15,601	18,949

27. Other (losses)/gains

	Group and SSG	
	2021	2020
	$'000	$'000
Loss on disposal of property, plant and equipment and intangible assets	(3,618)	–
Reversal of overprovision for reinstatement costs (Note 16)	244	63
	(3,374)	63

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

28. Staff costs

	Group		SSG	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Wages, salaries and staff related costs	51,698	46,383	47,846	42,566
Contributions to defined contribution plans	7,222	6,338	6,706	5,873
Staff training and benefits	1,762	2,170	1,711	2,117
Skills Development Levy	57	50	52	46
	60,739	54,941	56,315	50,602

29. Income tax (credit)/expense

	Group	
	2021	2020
	$'000	$'000
Current tax expense		
Current year	45	135
Over/(Under) provision in prior years	2	(24)
	47	111
Deferred tax credit		
Current year	(55)	–
Tax (credit)/expense	(8)	111
Reconciliation of effective tax rate		
Profit before income tax of subsidiaries	90	907
Tax calculated using Singapore tax rate of 17% (2020: 17%)	15	154
Tax exempt/Non-taxable items	(25)	(19)
Under/(Over) provision in prior years	2	(24)
	(8)	111

NOTES TO THE FINANCIAL STATEMENTS

30. Capital commitments

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

	Group and SSG	
	2021	2020
	$'000	$'000
Commitments for the acquisition of:		
Property, plant and equipment	2,822	4,786
Intangible assets	56,552	66,433
	59,374	71,219

31. Leases

Leases as lessee (SB-FRS 116)

The Group leases office premises and office equipment. The lease of office premises typically run for a period 3 years with no option to extend or renew the lease. Lease payments are renegotiated every three years to reflect market rentals. Previously, these leases were classified as operating leases under SB-FRS 17.

The lease of office equipment typically run for a period of 5 years with auto renewal clause.

The Group leases photocopiers with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased office spaces and office equipment are presented as property, plant and equipment (see Note 5).

NOTES TO THE FINANCIAL STATEMENTS

	Leasehold land	Building	Office equipment	Total
	$'000	$'000	$'000	$'000
2021				
Group				
Cost				
At 1 April	28,928	29,299	15	58,242
Additions to right-of-use assets	940	117	–	1,057
Disposal	–	(1,377)	–	(1,377)
Balance at 31 March	29,868	28,039	15	57,922
Accumulated depreciation				
At 1 April	4,022	8,343	3	12,368
Depreciation charge for the year	1,182	10,616	3	11,801
Disposal/write-off	–	(1,377)	–	(1,377)
Balance at 31 March	5,204	17,582	6	22,792
Carrying amount at 31 March	24,664	10,457	9	35,130
2020				
Group				
Cost				
At 1 April	31,951	12,905	15	44,871
Additions to right-of-use assets	–	13,527	–	13,527
Reclassification	(3,023)	3,023	–	–
Disposal	–	(156)	–	(156)
Balance at 31 March	28,928	29,299	15	58,242
Accumulated depreciation				
At 1 April	3,157	–	–	3,157
Depreciation charge for the year	865	8,343	3	9,211
Balance at 31 March	4,022	8,343	3	12,368
Carrying amount at 31 March	24,906	20,956	12	45,874

NOTES TO THE FINANCIAL STATEMENTS

	Leasehold land $'000	Building $'000	Total $'000
2021			
SSG			
Cost			
At 1 April	28,928	29,186	58,114
Additions to right-of-use assets	940	70	1,010
Disposal	–	(1,377)	(1,377)
Balance at 31 March	29,868	27,879	57,747
Accumulated depreciation			
At 1 April	4,022	8,286	12,308
Depreciation charge for the year	1,182	10,559	11,741
Disposal/write-off	–	(1,377)	(1,377)
Balance at 31 March	5,204	17,468	22,672
Carrying amount at 31 March	24,664	10,411	35,075
2020			
SSG			
Cost			
At 1 April	31,951	12,792	44,743
Additions to right-of-use assets	–	13,527	13,527
Reclassification	(3,023)	3,023	–
Disposal	–	(156)	(156)
Balance at 31 March	28,928	29,186	58,114
Accumulated depreciation			
At 1 April	3,157	–	3,157
Depreciation charge for the year	865	8,286	9,151
Balance at 31 March	4,022	8,286	12,308
Carrying amount at 31 March	24,906	20,900	45,806

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Amounts recognised in profit or loss

	Group $'000	SSG $'000
2021 – Leases under SB-FRS 116		
Interest on lease liabilities	541	540
Expenses relating to short-term leases	261	261
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	263	263
Operating lease income from building	8,581	8,313
2020 – Leases under SB-FRS 116		
Interest on lease liabilities	445	442
Expenses relating to short-term leases	16	16
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	586	586
Operating lease income from building	10,423	11,709

Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	9,976	6,872

NOTES TO THE FINANCIAL STATEMENTS

Leases as lessor

The Group leases out its owned building (see Note 5) and has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Rental income from the building recognised by the Group and SSG during 2021 was $12,584,000 (2020: $10,606,000) and $8,313,000 (2020: $11,709,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	SSG
	$'000	$'000
2021 – Operating leases under SB-FRS 116		
Less than one year	16,813	10,607
One to two years	10,554	6,630
Two to three years	5,949	3,703
Three to four years	3,626	2,065
Four to five years	3,626	2,065
More than five years	8,645	5,013
Total undiscounted lease receivable	49,213	30,083
2020 – Operating leases under SB-FRS 116		
Less than one year	15,792	10,113
One to two years	12,149	7,651
Two to three years	6,357	3,939
Three to four years	2,293	1,340
Four to five years	2,293	1,340
More than five years	7,695	4,543
Total undiscounted lease receivable	46,579	28,926

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

32. Related parties

Some of the Group's transactions and arrangements are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than disclosed in the respective notes to the financial statements, the following transactions took place between SSG and related parties during the year:

	Parent Ministry	Other Ministries	Other Statutory Boards	Total
	$'000	$'000	$'000	$'000
Group and SSG				
2021				
Operating income	–	(3)	(350)	(353)
Grant disbursement	–	–	12,750	12,750
Other expenditure	909	2,511	17,467	20,887
Payments made on behalf of WSG by SSG:				
- Shared services [(1)]	–	–	28,892	28,892
- Other expenditure	–	–	1,210	1,210
Payments made on behalf of SSG by WSG:				
- Shared services [(1)]	–	–	1,444	1,444
- Other expenditure	–	–	1,420	1,420
2020				
Operating income	–	(86)	(247)	(333)
Grant disbursement	2	–	65,124	65,126
Other expenditure	816	4,090	16,456	21,362
Payments made on behalf of WSG by SSG:				
- Shared services [(1)]	–	–	50,382	50,382
- Other expenditure	–	–	227	227
Payments made on behalf of SSG by WSG:				
- Other expenditure	–	–	647	647

[(1)] SSG and WSG 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 and WSG provide various services ("shared services") to each other at cost, including outsourcing, technological and facility services to deliver the shared goal.

Compensation of key management personnel

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

	2021 $'000	2020 $'000
Group and SSG		
Wages and salaries	8,661	8,556
Employers' contribution to Central Provident Fund	544	546
	9,205	9,102

33. Financial instruments

(a) Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management objective seeks to minimise potential adverse effects on its financial performance.

It is the Group's policy not to hold derivative financial instruments for speculative purposes although such instruments may be used for hedging exposure.

The Group 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 Group and periodic reviews are undertaken to ensure that the Group's policy is relevant and complied with.

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

(b) Credit risk

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

At the reporting date, the Group's credit risk is limited as the major classes of financial assets are cash and deposits with AGD and trade and other receivables. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets, except for balances with customers where security deposits are obtained.

Cash and cash equivalents

The Group held cash and cash equivalents of $220,278,000 at 31 March 2021 (2020: $90,065,000). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA- (2020: AA-), based on S&P's ratings as of 31 March 2021.

Impairment on cash and cash equivalents has been measured on the 12-months expected loss basis and reflects the short maturities of the exposures. The loss allowance on cash and cash equivalents is negligible. No forward-looking factors are used in the computation as the balances are measured on the 12-months expected loss basis (i.e. short-term).

Trade receivables

The Group and SSG has applied the simplified approach to measure the loss allowance based on lifetime expected credit losses. The Group and SSG considers the differences between economic conditions during the period over which the probabilities of default are computed mainly based on actual historical credit experience and expected future economic conditions, along with a consideration of the amount of security deposits obtained, if any. The residual outstanding exposure primarily relates to a government agency, with low credit risk. The loss allowance has been determined to be immaterial as at 31 March 2021 and 2020.

Amount due from related parties and subsidiaries

Impairment on amount due from related parties and subsidiaries has been measured on a 12-months expected loss. The Group and SSG considers that the amount due from related parties and subsidiaries have low credit risk based on the credit standing of the counterparties.

Other receivables

The other receivables is not considered to be material and the amount of the allowances on these balances is expected to be insignificant. No forward-looking factors are used in the computation as the balances are measured on the 12-months expected loss basis (i.e. short-term).

(c) Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

The Group manages liquidity risk by receiving grants 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**
	$'000	**$'000**	**$'000**	**$'000**
Group				
31 March 2021				
Non-derivative financial liabilities				
Lease liabilities	11,642	12,105	5,632	6,473
Other payables*	120,831	120,831	120,831	–
	132,473	132,936	126,463	6,473
31 March 2020				
Non-derivative financial liabilities				
Lease liabilities	20,020	27,701	9,961	17,740
Other payables*	37,448	37,448	37,448	–
	57,468	65,149	47,409	17,740
SSG				
31 March 2021				
Non-derivative financial liabilities				
Lease liabilities	11,587	12,100	5,630	6,470
Other payables*	118,741	118,741	118,741	–
	130,328	130,841	124,371	6,470
31 March 2020				
Non-derivative financial liabilities				
Lease liabilities	19,950	27,567	9,899	17,668
Other payables*	35,765	35,765	35,765	–
	55,715	63,332	45,664	17,668

** Excludes deferred revenue*

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

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group'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 the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group has cash balances placed with reputable banks and financial institutions and deposits held with AGD and are variable rate interest-bearing.

Sensitivity analysis

A change of 100 basis points in interest rates would have increased or decreased surplus and deficit by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group and SSG		**Group and SSG**	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Centralised Liquidity Management ("CLM") deposits held with AGD	2,203	901	1,633	334

(e) Determination of fair values

Other financial assets and liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

(f) Accounting classification and fair values

Fair value 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 $'000	Other financial liabilities $'000	Total carrying amount $'000
Group			
31 March 2021			
Financial assets not measured at fair value			
Cash and cash equivalents	220,278	–	220,278
Trade and other receivables	20,696	–	20,696
Deposits	3,105	–	3,105
	244,079	–	244,079
Financial liabilities not measured at fair value			
Other payables*	–	120,831	120,831
31 March 2020			
Financial assets not measured at fair value			
Cash and cash equivalents	90,065	–	90,065
Trade and other receivables	41,048	–	41,048
Deposits	3,131	–	3,131
	134,244	–	134,244
Financial liabilities not measured at fair value			
Other payables*	–	37,448	37,448

* *Excludes deferred revenue*

SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
SSG			
31 March 2021			
Financial assets not measured at fair value			
Cash and cash equivalents	163,295	–	163,295
Trade and other receivables	61,719	–	61,719
Deposits	3,030	–	3,030
	228,044	–	228,044
Financial liabilities not measured at fair value			
Other payables*	–	118,741	118,741
31 March 2020			
Financial assets not measured at fair value			
Cash and cash equivalents	33,369	–	33,369
Trade and other receivables	69,352	–	69,352
Deposits	3,049	–	3,049
	105,770	–	105,770
Financial liabilities not measured at fair value			
Other payables*	–	33,375	33,375

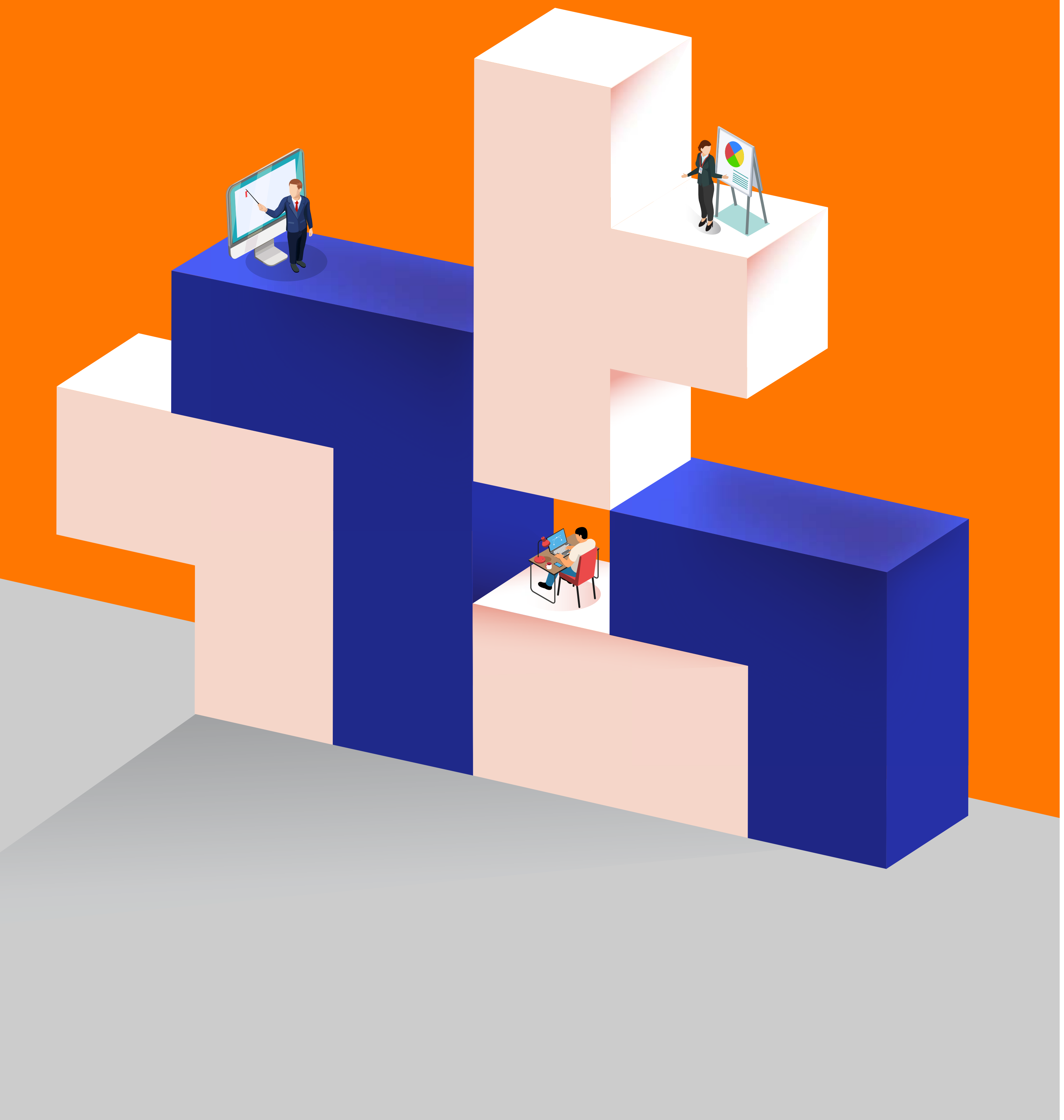
* *Excludes deferred revenue*

(g) Capital management

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

The capital structure of the Group consists of accumulated surplus, capital reserves and share capital. The overall strategy remains unchanged from the previous financial period.

SkillsFuture Jubilee Fund



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STATEMENT BY SKILLSFUTURE SINGAPORE AGENCY

WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

In our opinion:

(a) the accompanying financial statements of SkillsFuture Jubilee Fund ("SFJF"), set out on pages 103 to 119 are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306), Singapore Charities Act (Cap. 37) (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of SFJF as at 31 March 2021, and the financial performance, changes in accumulated surplus, and cash flows of SFJF for the financial year ended on that date;

(b) the receipts, expenditure and investment of moneys of SFJF and the acquisition and disposal of assets by SFJF during the financial year have been in accordance with the provisions of the Skills Development Levy Act (Cap. 306);

(c) the use of donation moneys is in accordance with the objectives of SFJF as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;

(d) SFJF has complied with Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and

(e) proper accounting and other records have been kept in accordance with the provisions of the Acts.

On behalf of the SkillsFuture Singapore Agency, which administers SFJF

Wong Kim Yin
Chairman

Ong Tze-Ch'in
Chief Executive

2 August 2021

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY
WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SkillsFuture Jubilee Fund ("SFJF"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in accumulated surplus 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 103 to 119.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306), Singapore Charities Act (Cap. 37) (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to give a true and fair view of the financial position of SFJF as at 31 March 2021, and the financial performance, changes in accumulated surplus and cash flows of SFJF 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SFJF in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the Statement by SkillsFuture Singapore Agency which administers SFJF, but does not include the financial statements and our auditors' report thereon.

We have obtained all other information 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY
WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act and Regulation 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.

In preparing the financial statements, management is responsible for assessing SFJF'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 management either intends to liquidate SFJF or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

a) 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.

b) Obtain an understanding of internal control 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 SFJF's internal controls.

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

d) 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 SFJF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause SFJF to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY
WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

e) 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 control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by SFJF during the year are, in all material respects, in accordance with the provisions of the Acts; and

(b) proper accounting and other records have been kept in accordance with the provisions of the Acts.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

(a) the Charity has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY
WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of SFJF 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 Requirement

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provision of the Acts applicable to moneys of or managed by SFJF. 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.

Auditor's 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 provision of the Acts applicable to moneys of or managed by SFJF.

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 SFJF'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 2021

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	2021	2020
		$	$
Asset			
Other receivable	4	46,046	245,867
Cash and cash equivalents	5	20,591,733	20,288,918
Current assets		20,637,779	20,534,785
Total current assets representing total assets		20,637,779	20,534,785
Accumulated surplus		20,637,779	20,534,785
Total accumulated surplus		20,637,779	20,534,785

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		$	$
Income			
Interest income		192,994	393,705
Expenditure			
Other expenses	6	(90,000)	(280,000)
Surplus for the year, representing total comprehensive income for the year		102,994	113,705

SKILLSFUTURE JUBILEE FUND

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

YEAR ENDED 31 MARCH 2021

	Accumulated surplus
	$
At 1 April 2019	20,421,080
Net surplus for the year, representing total comprehensive income for the year	113,705
At 31 March 2020/1 April 2020	20,534,785
Net surplus for the year, representing total comprehensive income for the year	102,994
At 31 March 2021	20,637,779

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021	2020
		$	$
Cash flows from operating activities			
Surplus for the year		102,994	113,705
Adjustment for:			
Interest income		(192,994)	(393,705)
Net cash used in operating activities		(90,000)	(280,000)
Cash flows from investing activity			
Interest received		392,815	384,205
Net cash generated from investing activity		392,815	384,205
Net increase in cash and cash equivalents		302,815	104,205
Cash and cash equivalents at beginning of the year	5	20,288,918	20,184,713
Cash and cash equivalents at end of the year	5	20,591,733	20,288,918

NOTES TO THE 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 2021

1. General

The SkillsFuture Jubilee fund (the "SFJF") was established in the Republic of Singapore as part of the Skills Development Fund ("SDF") in accordance with Section 5 of the Skills Development Levy Act (Cap. 306). SFJF was administered by Singapore Workforce Agency ("WDA") from 11 February 2015 to 2 October 2016. The administration of the SFJF was transferred from WDA to SkillsFuture Singapore Agency ("SSG") with effect from 3 October 2016.

As SFJF resides within SDF, in accordance with the objects of the Skills Development Levy Act (Cap. 306), the objects for which moneys of SFJF may be applied are as follows:

a) 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;

b) the retraining of retrenched persons; and

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

The intent for SFJF is to use the moneys to administer SkillsFuture Fellowships and SkillsFuture Employer Awards. These are awards given to:

a) recognise and develop Singaporeans who embody characteristics aligned with the SkillsFuture objectives and support them in developing skills mastery in their respective fields of work; and

b) recognise employers who made significant effort to invest in employee training and supported the SkillsFuture effort to develop structured skills-based career pathways for their employees.

SFJF's registered office and principal place of operations is 1 Paya Lebar Link, #08-08 Paya Lebar Quarter 2, Singapore 408533. SFJF is an Institute of Public Character ("IPC") and registered charity under the Charities Act (Cap. 37). The financial statements are expressed in Singapore dollars.

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the SFJF's functional currency.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with SB-FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 estimate is revised and in any future periods affected.

There are neither critical judgments in applying accounting policies nor assumptions and estimation uncertainties that have significant effect on the amounts recognised in the financial statements.

2.5 Changes in accounting policies

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

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

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

SKILLSFUTURE JUBILEE FUND

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies

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

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Other financial assets and financial liabilities are initially recognised when SFJF 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 FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless SFJF 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.

SFJF does not have non-derivative assets measured at FVOCI and FVTPL.

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.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets: Business model assessment

SFJF 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 portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to SFJF's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales 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 SFJF's continuing recognition of the assets.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, SFJF 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, SFJF considers:

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

NOTES TO THE FINANCIAL STATEMENTS

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.

Subsequent measurement and gains and losses

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

(iii) Derecognition

SFJF 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 in which SFJF neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

SFJF 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.

(iv) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash balances and deposits placed with the Accountant-General's Department ("AGD") and are subject to an insignificant risk of changes in value.

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, SFJF is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with AGD's bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis.

These balances are included in cash and cash equivalents as "Centralised Liquidity Management ("CLM") deposits held with AGD".

NOTES TO THE FINANCIAL STATEMENTS

(v) Impairment

SFJF recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of SFJF 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 or contract asset.

Simplified approach

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

General approach

SFJF 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, SFJF 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, SFJF 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 SFJF'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.

SKILLSFUTURE JUBILEE FUND

NOTES TO THE FINANCIAL STATEMENTS

SFJF considers a financial asset to be in default when:

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

The maximum period considered when estimating ECLs is the maximum contractual period over which SFJF 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 SFJF expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, SFJF 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 borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by SFJF on terms that SFJF would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS

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 SFJF 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 SFJF's procedures for recovery of amounts due.

3.2 Finance income

SFJF's finance income include interest income.

Interest income is recognised using the effective interest method.

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

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

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

3.3 Government grants

SFJF receives government grants to meet its operating and development expenditure.

Government grants are not recognised until there is reasonable assurance that SFJF will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that SFJF should purchase, construct or otherwise acquire non-current assets are recognised as deferred income 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.

Other 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 SFJF with no future related costs are recognised in income or expenses in the period in which they become receivables.

NOTES TO THE FINANCIAL STATEMENTS

3.4 New standards and interpretations not yet adopted

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

4. Other receivable

	2021	2020
	$	$
Interest receivable from Centralised Liquidity Management deposits held with AGD	46,046	245,867

5. Cash and cash equivalents

	2021	2020
	$	$
Centralised Liquidity Management deposits held with AGD (i)	20,591,733	20,288,918

(i) SFJF participates 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 SFJF upon request and earn interest at rates between 0.28% to 1.52% (2020: 1.67% to 2.13%) per annum.

6. Other expenses

Other expenses pertain to disbursements via SkillsFuture Fellowship and SkillsFuture Employer Awards to citizens and employers respectively.

NOTES TO THE FINANCIAL STATEMENTS

7. Financial instruments

Overview

SFJF has exposure to the following risks arising from financial instruments:

- credit risk
- market risk

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

Risk management framework

SFJF has documented financial risk management policies. These policies set out SFJF's overall business strategies and its risk management philosophy. SFJF's overall financial risk management objective seeks to minimise potential adverse effects on its financial performance.

SFJF 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 SFJF and periodic reviews are undertaken to ensure that SFJF's policy is relevant and complied with.

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2021	2020
	$	$
Financial assets at amortised cost		
Other receivable	46,046	245,867
Cash and cash equivalents	20,591,733	20,288,918
	20,637,779	20,534,785

The notional amounts of financial assets with a maturity of less than one year (including other receivable and cash and cash equivalents) are assumed to approximate their fair values because of the short period to maturity.

Other receivable and cash and cash equivalents

SFJF has limited exposure to financial risks as its financial assets consist mainly of interest income receivables from cash and cash equivalents placed with AGD and cash and cash equivalents placed with AGD (Notes 4 and 5).

SFJF maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

Cash and fixed deposits are placed with banks which are regulated. Impairment on interest income receivables, cash and fixed deposits have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The amount of allowances on interest income receivables and cash and cash equivalents were negligible.

(b) Market risk

Interest rate risk

SFJF's exposure to interest rate risk for changes in interest rate environment relates mainly to its interest income from cash and cash equivalents placed with AGD.

NOTES TO THE FINANCIAL STATEMENTS

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2021	2020
	$	$
Fixed rate instruments		
Cash and cash equivalents	20,591,733	20,288,918

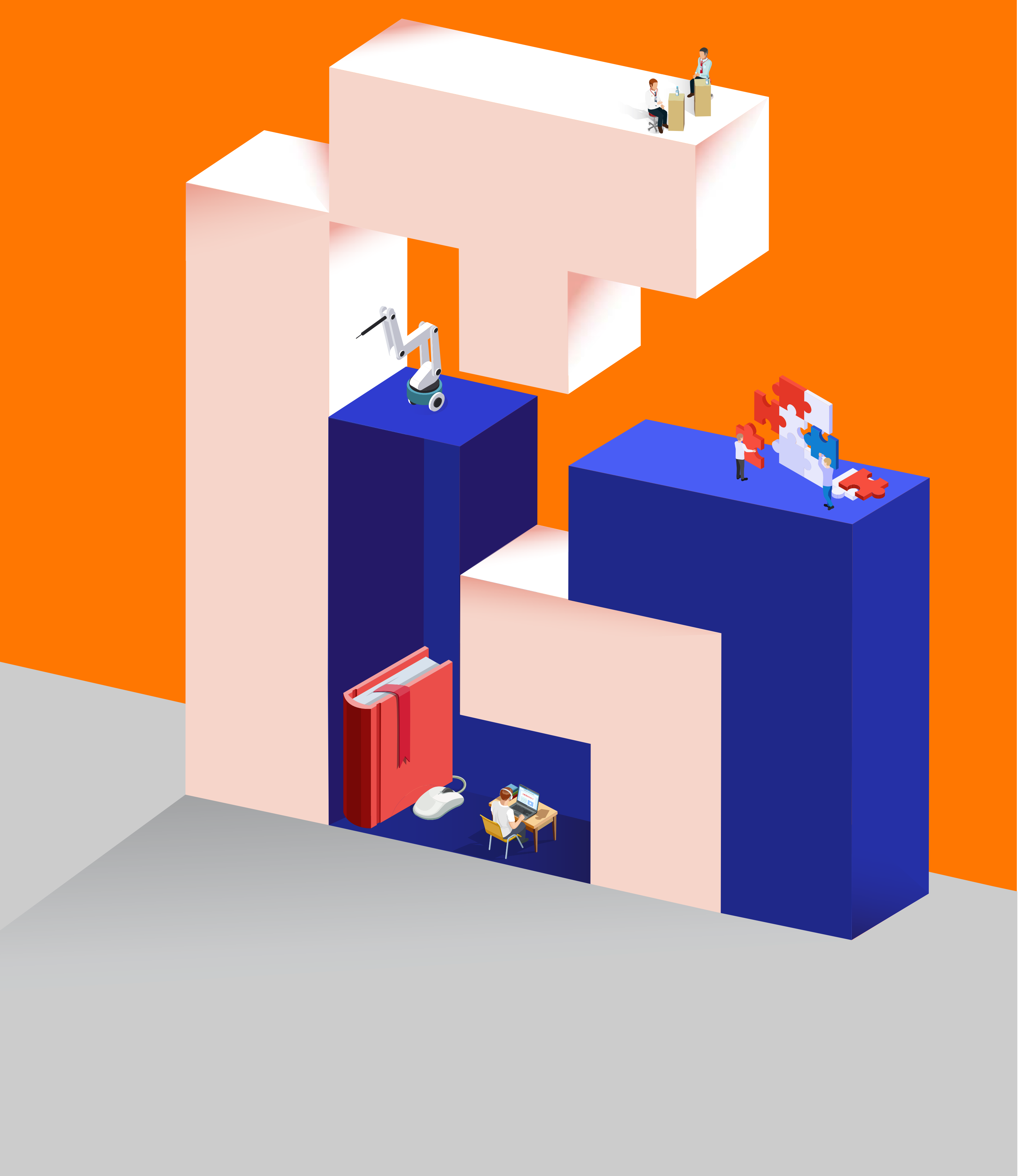
Fair value sensitivity analysis for fixed rate instruments

SFJF does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

8 Key management personnel compensation

SFJF relies on SSG for management and administrative support. Accordingly, SFJF does not have any remuneration paid to key management personnel during the current year and prior year.

Skills Development Fund



Contents

STATEMENT BY SKILLSFUTURE SINGAPORE AGENCY

WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

In our opinion:

(a) the accompanying financial statements of Skills Development Fund ("SDF"), set out on pages 127 to 151 are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of SDF as at 31 March 2021, and the financial performance, changes in equity and cash flows of SDF for the financial year ended on that date;

(b) the receipts, expenditure and investment of moneys of SDF and the acquisition and disposal of assets by SDF during the financial year have been in accordance with the provisions of the Act; and

(c) proper accounting and other records have been kept in accordance with the provisions of the Act.

On behalf of the SkillsFuture Singapore Agency, which administers SDF

Ong Tze-Ch'in
Chief Executive

Tan Wee Beng
Deputy Chief Executive

2 August 2021

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Skills Development Fund ("SDF"), which comprise the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 127 to 151.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of SDF as at 31 March 2021 and the financial performance, changes in equity and cash flows of SDF 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of SDF in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by SkillsFuture Singapore Agency which administers SDF, but does not include the financial statements and our auditors' report thereon.

We have obtained all other information 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.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

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

Responsibilities of Management'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 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.

In preparing the financial statements, management is responsible for assessing SDF'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 management either intends to liquidate SDF or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

- 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 SDF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause SDF 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 control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by SDF during the year are, in all material respects, in accordance with the provisions of the Act; and

(b) proper accounting and other records have been kept, in accordance with the provisions of the Act.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Compliance Audit section of our report. We are independent of SDF 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 Requirement

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provision of the Act applicable to moneys of or managed by SDF. 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.

Auditor's 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 provision of the Act applicable to moneys of or managed by SDF.

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 SDF'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 2021

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	2021 $'000	2020 $'000
Assets			
Financial assets, at amortised cost	4	30,321	61,833
Non-current asset		30,321	61,833
Cash and cash equivalents	5	2,748,816	736,806
Levy and other receivables	6	86,393	56,177
Grants disbursed in advance	7	619	2,131
Financial assets, at amortised cost	4	30,755	11,257
Financial assets, at fair value through profit or loss	8	449,362	416,541
Current assets		3,315,945	1,222,912
Total assets		3,346,266	1,284,745
Equity			
Capital account	9	871,139	871,139
Accumulated profits		427,889	370,825
Total equity		1,299,028	1,241,964
Liabilities			
Grants received in advance	11	1,966,560	–
Non-current liability		1,966,560	–
Trade payables	10	47,238	42,781
Grants received in advance	11	33,440	–
Current liabilities		80,678	42,781
Total liabilities		2,047,238	42,781
Total equity and liabilities		3,346,266	1,284,745

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	2021 $'000	2020 $'000
Operating income	12	266,933	274,902
Interest income	13	10,196	15,850
Fair value gain		32,821	5,626
		309,950	296,378
Expenditure			
Net disbursements		(252,065)	(279,879)
Disbursements		(264,465)	(280,147)
Less: Disbursement refunds		12,400	268
(Allowance for)/Reversal of impairment loss on receivables		(825)	847
Bad debts recovered/(written off)		4	(286)
		(252,886)	(279,318)
Surplus for the year, representing total comprehensive income for the year		57,064	17,060

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Capital account $'000	Accumulated profits $'000	Total $'000
At 1 April 2019	871,139	353,765	1,224,904
Net surplus for the year, representing total comprehensive income for the year	–	17,060	17,060
At 31 March 2020	871,139	370,825	1,241,964
At 1 April 2020	871,139	370,825	1,241,964
Net surplus for the year, representing total comprehensive income for the year	–	57,064	57,064
At 31 March 2021	871,139	427,889	1,299,028

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Surplus for the year		57,064	17,060
Adjustments for:			
(Allowance for)/Reversal of impairment loss on receivables		825	(847)
Bad debts (recover)/written off		(4)	286
Fair value gain		(32,821)	(5,626)
Gain on disposal of financial assets, at amortised cost		(14)	–
Interest income	13	(10,196)	(15,850)
Operating cash flow before movements in working capital		14,854	(4,977)
Changes in:			
Levy and other receivables		(36,725)	(8,851)
Grants disbursed in advance		1,512	12,021
Trade payables		4,457	9,918
Net cash (used in)/generated from operating activities		(15,902)	8,111
Cash flows from investing activities			
Proceeds on maturity of financial assets, at amortised cost		11,250	3,030
Proceeds on disposal of financial assets, at amortised cost		517	–
Interest received		16,145	17,644
Purchase of financial assets, at fair value through profit or loss		–	(100,000)
Net cash generated from/(used in) investing activities		27,912	(79,326)
Cash flows from financing activities			
Grants received from government		2,000,000	–
Net cash generated from financing activities		2,000,000	–
Net increase/(decrease) in cash and cash equivalents		2,012,010	(71,215)
Cash and cash equivalents at beginning of the year	5	736,806	808,021
Cash and cash equivalents at end of the year	5	2,748,816	736,806

NOTES TO THE 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 2021.

1. General

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. The administration of SDF was transferred from WDA to SkillsFuture Singapore Agency ("SSG") with effect from 3 October 2016. The registered office and principal place of operations of SSG, being the administrator of SDF, is 1 Paya Lebar Link, #08-08 Paya Lebar Quarter 2, Singapore 408533.

The SDF was established for the following purposes:

(a) 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;

(b) the retraining of retrenched persons; and

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

SDF is exempted from income tax under Section 13(1)(e) of the Income Tax Act.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the SDF's functional currency. All information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SB-FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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.

2.5 Changes in accounting policies

New standards and amendments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting policies

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

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when SDF 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 FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

Financial assets are not reclassified subsequent to their initial recognition unless SDF 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.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, SDF may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

SDF 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 portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to SDF's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales 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 SDF's continuing recognition of the assets.

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

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

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NOTES TO THE FINANCIAL STATEMENTS

In assessing whether the contractual cash flows are solely payments of principal and interest, SDF 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, SDF considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit SDF's claim to cash flows from specified assets (e.g. non-recourse features).

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

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

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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 liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade payables.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Derecognition

Financial assets

SDF 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 in which SDF neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial liabilities

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

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

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, SDF currently has a legally enforceable right to set off the amounts and it intends either to settle them 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 balances with the Accountant-General Department which are subject to an insignificant risk of changes in value.

3.2 Impairment

(i) Non-derivative financial assets

SDF recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of SDF 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

SKILLS DEVELOPMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

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

Simplified approach

SDF 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

SDF 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, SDF 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, SDF 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 SDF'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.

SDF considers a financial asset to be in default when:

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

SDF considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to SDF in full, without recourse by SDF to actions such as realising security (if any is held).

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

NOTES TO THE FINANCIAL STATEMENTS

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 SDF expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, SDF 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 borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by SDF on terms that SDF would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets 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 SDF 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 SDF's procedures for recovery of amounts due.

(ii) Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

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 (SDF 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.

3.3 Government grant

SDF receives various types of grants to meet its operating and development expenditure.

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 SDF with no future related costs are recognised in income or expenses in the period in which they become receivable.

3.4 Finance income

SDF's finance income comprises interest income on deposits held with Accountant-General Department ("AGD") and financial assets measured at amortised cost. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

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

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

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

3.5 Revenue recognition

Income from Skills Development Levy is recognised on a monthly basis, in accordance to the month that SDL is paid for by the employers.

NOTES TO THE FINANCIAL STATEMENTS

4. Financial assets, at amortised cost

	2021 $'000	2020 $'000
Singapore Government bonds	60,326	60,577
Corporate bonds	750	12,513
	61,076	73,090
Represented by		
Current portion	30,755	11,257
Non-current portion	30,321	61,833
	61,076	73,090

The quoted bonds have fixed interest rates ranging from 2.25% to 3.15% (2020: 2.25% to 3.90%) per annum and have maturity periods ranging from 1 to 17 months (2020: 1 to 29 months).

5. Cash and cash equivalents

	2021 $'000	2020 $'000
Centralised Liquidity Management ("CLM") deposits held with AGD [i]	2,748,816	736,806

[i] SDF participates 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 SDF upon request and earn interest at the average rates of 0.79% (2020: 1.94%) per annum.

6. Levy and other receivables

	2021 $'000	2020 $'000
Levy receivables	2,231	2,382
Interest receivables from bonds & CLM	3,411	9,105
Other receivables from National Productivity Fund	23,454	–
Other receivables from Lifelong Learning Endowment Fund	22,373	10,079
Other receivables from Workforce Singapore Agency	7,074	12,027
Other receivables from SSG	27,850	22,584
	86,393	56,177

The amount due from related parties are unsecured, interest-free and repayable within a credit period of 30 days.

NOTES TO THE FINANCIAL STATEMENTS

Credit risk and impairment losses

SDF's exposure to credit risk and impairment losses for trade receivables, are disclosed in Note 16.

7. Grants disbursed in advance

	2021 $'000	2020 $'000
Third parties	619	2,131

8. Financial assets, at fair value through profit or loss

	2021 $'000	2020 $'000
Fund investments	449,362	416,541

Information about fair value measurement of fund investments is included in Note 16.

9. Capital account

The capital account represents the Singapore Government's capital contribution for the establishment of the Skills Development Fund.

10. Trade payables

	2021 $'000	2020 $'000
Related parties	3,188	7,299
Third parties	44,050	35,482
	47,238	42,781

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

NOTES TO THE FINANCIAL STATEMENTS

11. Grants received in advance

	2021 $'000	2020 $'000
Grants received from Ministry of Finance [i]	2,000,000	–
Classified as		
- Current	33,440	–
- Non-current	1,966,560	–
	2,000,000	–

[i] SDF has obtained a grant from Ministry of Finance to scale up the Jobs and Skills Programmes and SkillsFuture Work-Study Programmes, as part of the Next Bound of SkillsFuture over a period of four years. In areas permissible, SDF taps on the grant to meet the increasing demands and needs of SDF's skills development efforts.

12. Operating income

	2021 $'000	2020 $'000
Skills development levy ("SDL") from:		
- Private sector	243,530	252,315
- Statutory boards	8,833	8,229
- Ministries and Organs of State	14,539	14,335
Others	31	23
	266,933	274,902

SDL contribution is payable by employers for all employees up to the first $4,500 (2020: $4,500) of gross monthly remuneration at the rate of 0.25% or $2 (2020: 0.25% or $2), whichever is higher.

13. Interest income

	2021 $'000	2020 $'000
Interest income from:		
- CLM deposits held with AGD	8,676	14,056
- Financial assets, at amortised cost	1,520	1,794
	10,196	15,850

NOTES TO THE FINANCIAL STATEMENTS

14. Related parties

Other related party transactions

Related companies in these financial statements refer to members of SSG's group of companies for the respective financial periods.

Some of the transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than disclosed in the respective notes to the financial statements, SDF entered into the following significant transactions with its related parties during the year:

	2021 $'000	2020 $'000
Disbursements to related parties	39,614	66,847
Receipts from related parties in relation to payments made on behalf of related parties by SDF	(31,111)	(84,492)

Key management personnel compensation

SDF relies on SSG for management and administrative support. Accordingly, SDF does not have any remuneration paid to key management personnel during the current year and prior year.

15. Commitments

The following represents the training assistance granted by SSG, and funded by the SDF and the grants committed by SDF for the development of CET Campuses at the end of the financial reporting period. The actual disbursement of the training assistance grant commitments are subject to the fulfilment of the agreed conditions by the grant recipients.

	2021 $'000	2020 $'000
Training assistance committed for disbursement	573,711	560,329
CET campuses development committed for disbursement	42,290	42,290
	616,001	602,619

Training assistance grant commitments are administered through Funds Management System and SkillsConnect systems and are derived from gross commitments less disbursements and unutilised grants. Unutilised grants are classified as grants that are more than 120 days from the programme end date and grants that are withdrawn from the system by system users.

NOTES TO THE FINANCIAL STATEMENTS

16. Financial instruments

(a) Financial risk management

Overview

SDF has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Risk management framework

SDF has adopted risk management practices, which set out its general risk management framework as discussed below. In addition, the SSG Board is also involved in formulating investment policies and guidelines, reviewing investment strategy and performance of the fund managers and monitoring the results of the investments. The investment report is also reviewed on a monthly basis by the SSG Chief Executive.

Fund investments

In connection with the funds placed with fund managers, the funds placed with fund managers are exposed to a variety of financial risk: credit risk, liquidity risk and market risk (including fair value interest rate risk, cash flow interest rate risk and price risk).

The fund managers appointed are held responsible in achieving the investment objectives set forth in their respective investment management agreements. All income and realised capital gains are to be reinvested by the fund managers unless otherwise instructed by SSG.

These financial assets are invested through the Accountant General's Department ("AGD") Demand Aggregation Scheme, which consists of funds placements with three fund managers under the AGD panel of approved fund managers. The underlying financial assets of these funds include fixed income instruments, equities and commodities which are of high credit ratings as determined by recognised rating agencies.

NOTES TO THE FINANCIAL STATEMENTS

SDF manages risk via investments with fund managers under the AGD Demand Aggregation Scheme. The investment mandates, which include the investment objective, investment universe, asset allocation and risk tolerance, are set by the AGD, and as such SDF does not have control over these investments. The investment managers are required to submit a monthly report to SDF and ongoing monitoring is undertaken by SDF to ensure that all investment activities are in compliance with the guidelines.

(b) Credit risk

Credit risk is the risk of financial loss to SDF if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from SDF's receivables from customers.

SDF's major classes of financial assets are cash and deposits with AGD, levy and other receivables and financial assets at amortised costs. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position.

Cash and cash equivalents

SDF held cash and cash equivalents of $2,748,816,000 at 31 March 2021 (2020: $736,806,000). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA-, based on S&P's rating as of 31 March 2021.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The amount of allowance on cash and cash equivalents was negligible. No forward-looking factors are used in the computation as the balances are measured on the 12-months expected loss basis (i.e. short-term).

Financial assets at amortised costs

SDF's investments classified as financial assets at amortised costs consist of Singapore government bonds and other corporate bonds which are investment grade institutions. SDF's exposure to credit risk relating to its bonds are classified into AAA- rating (based on public ratings assigned by Standard & Poor's) and bonds in which ratings are not available.

SDF monitors the credit risk of its financial assets at amortised costs by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, SDF supplements this by reviewing changes in the probability of default of the issuers.

Impairment on AAA- rated and bonds that have no available ratings has been measured on the 12-month expected loss basis. SDF considers that its AAA- rated bonds have low credit risk based on the external credit ratings of the counterparties.

Impairment on bonds which have no available ratings are computed mainly based on the historical default rates of individual bond issuers. No significant increase in credit risks in the current financial year were noted. No forward-looking factors are used in the computation as the balances are measured on the 12-month expected loss basis (i.e. short-term) and the loss allowances were assessed to be immaterial as at 31 March 2021 and 2020.

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Levy and other receivables

Exposure to credit risk

SDF's most significant debtor amounts to $27,850,000 (2020: $22,584,000) which pertained to amounts owing by SkillsFuture Agency Singapore as at 31 March 2021.

A breakdown of SDF's levy and other receivables are disclosed under Note 6. Apart from the significant debtor above, SDF believes the concentration of credit risk in levy and other receivables are mitigated.

SDF does not obtain/hold collaterals in respect of levy and other receivables.

Expected credit loss assessment

Levy receivables

For levy receivables, SDF has applied the simplified approach to measure the loss allowance based on lifetime expected credit losses. SDF considers the differences between economic conditions during the period over which the probabilities of default are computed mainly based on actual historical credit experience and expected future economic conditions and has assessed the loss allowance to be immaterial as at 31 March 2020 and 2021.

Other receivables

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Other receivables are considered to have low credit risk as there have been no significant increase in the risk of default on the receivables since initial recognition. The amount of the allowance was assessed to be immaterial.

(c) Liquidity risk

Liquidity risk is the risk that SDF will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. SDF manages liquidity risk by maintaining sufficient funds from collection of SDL to enable it to meet its operational requirements.

The non-derivative financial liabilities of SDF are presented in the statement of financial position. The undiscounted cash flows of SDF's non-derivative financial liabilities (comprising trade payables) at the reporting approximate their carrying amounts and are expected to be settled within the next 12 months and are classified as other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Capital management

SDF's objectives when managing capital are to ensure that it is adequately capitalised and that it fulfils the objects for which moneys of the SDF may be applied under the Skills Development Levy Act (Cap. 306).

SDF is not subject to any capital requirements under the Skills Development Levy Act (Cap. 306) or any other externally imposed capital requirements.

(d) Market risk

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

Price risk

Risk management policy

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate arising from changes in market prices (other than those arising from interest rate risk or currency risk, which are further discussed below), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

SDF is exposed to price risk arising from its investments with fund managers. The management monitors the price fluctuations of the investments and assesses the valuation on a monthly basis.

Sensitivity analysis

Investments at fair value through profit or loss

If prices of fund investments had been 10% higher with all other variables held constant, the fair value of these financial instruments for the year ended 31 March 2021 would have been higher by $44,936,000 (2020: $41,654,000). Correspondingly, the surplus would have been higher by $44,936,000 (2020: $41,654,000). Conversely, if prices of fund investments had been 10% lower with all other variables held constant, the fair value of the financial instruments and the surplus would have been lower by an equal amount.

The 10% represents management's assessment of the possible change in market prices. The sensitivity analysis is for illustrative purposes only. In practice, prices rarely change in isolation and are likely to be interdependent with other market variables. The ongoing outbreak of the COVID-19 pandemic has significant increase in economic uncertainty which may impact the market value of these investments.

NOTES TO THE FINANCIAL STATEMENTS

The uncertainty of the outcome of the current events could result in significant fluctuations in market prices after 31 March 2021. The fluctuations cannot be reasonably determined and disclosed in these financial statements.

Interest rate risk

SDF's fixed rate instruments relate primarily to financial assets at amortised costs, which consist of Singapore Government bonds and other corporate bonds. SDF does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

SDF's exposure to changes in interest rates relates primarily to deposits held with AGD. Surplus funds are placed with Accountant-General Department as disclosed in Note 5.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Carrying amount	
	2021	**2020**
	$'000	**$'000**
Fixed rate instruments		
Financial assets, at amortised cost	61,076	73,090
Centralised Liquidity Management deposits held with AGD	2,748,816	736,806
	2,809,892	809,896

(e) Accounting classifications and fair values

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

NOTES TO THE FINANCIAL STATEMENTS

		Carrying amount				
	Note	**Designated at FVTPL**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total carrying amount**	**Fair value**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
2021						
Financial assets measured at fair value						
Fund investments at FVTPL	8	449,362	–	–	449,362	449,362
Financial assets not measured at fair value						
Financial investments at amortised cost	4	–	61,076	–	61,076	61,960
Cash and cash equivalents	5	–	2,748,816	–	2,748,816	–
Levy and other receivables	6	–	86,393	–	86,393	–
		–	2,896,285	–	2,896,285	61,960
Financial liabilities						
Trade payables	10	–	–	47,238	47,238	–
2020						
Financial assets measured at fair value						
Fund investments at FVTPL	8	416,541	–	–	416,541	416,541
Financial assets not measured at fair value						
Financial investments at amortised cost	4	–	73,090	–	73,090	74,738
Cash and cash equivalents	5	–	736,806	–	736,806	–
Levy and other receivables	6	–	56,177	–	56,177	–
		–	866,073	–	866,073	74,738
Financial liabilities						
Trade payables	10	–	–	42,781	42,781	–

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The following methods and assumptions are made to estimate the fair value of each class of financial instruments (where it is practicable to estimate that value):

Fund investments at FVTPL

SDF's investments at fair value through profit or loss represent financial assets designated as fair value through profit or loss on inception. SDF's investments at fair value through profit or loss are managed externally by professional fund managers within discretion of the investment guidelines mandated by AGD under the Demand Aggregation Scheme. SDF manages and evaluates the performance of such investments on a fair value basis in accordance with the SDF's investment policy and strategies.

The fair values of unquoted fund investments are determined based on the closing quoted market prices on the last market day of the financial year provided by the fund managers.

Financial investments at amortised cost

The fair values of the quoted bonds are based on the last bid prices as at the end of each respective reporting period.

Other financial assets and liabilities

The carrying amounts of levy and other receivables, cash and cash equivalents and trade payables approximate their respective fair values due to the short-term to maturity.

Fair value hierarchy

SDF classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) 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

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

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NOTES TO THE FINANCIAL STATEMENTS

The following table stipulates investments measured at fair value and financial assets and financial liabilities that are not measured at fair value but for which fair values are disclosed:

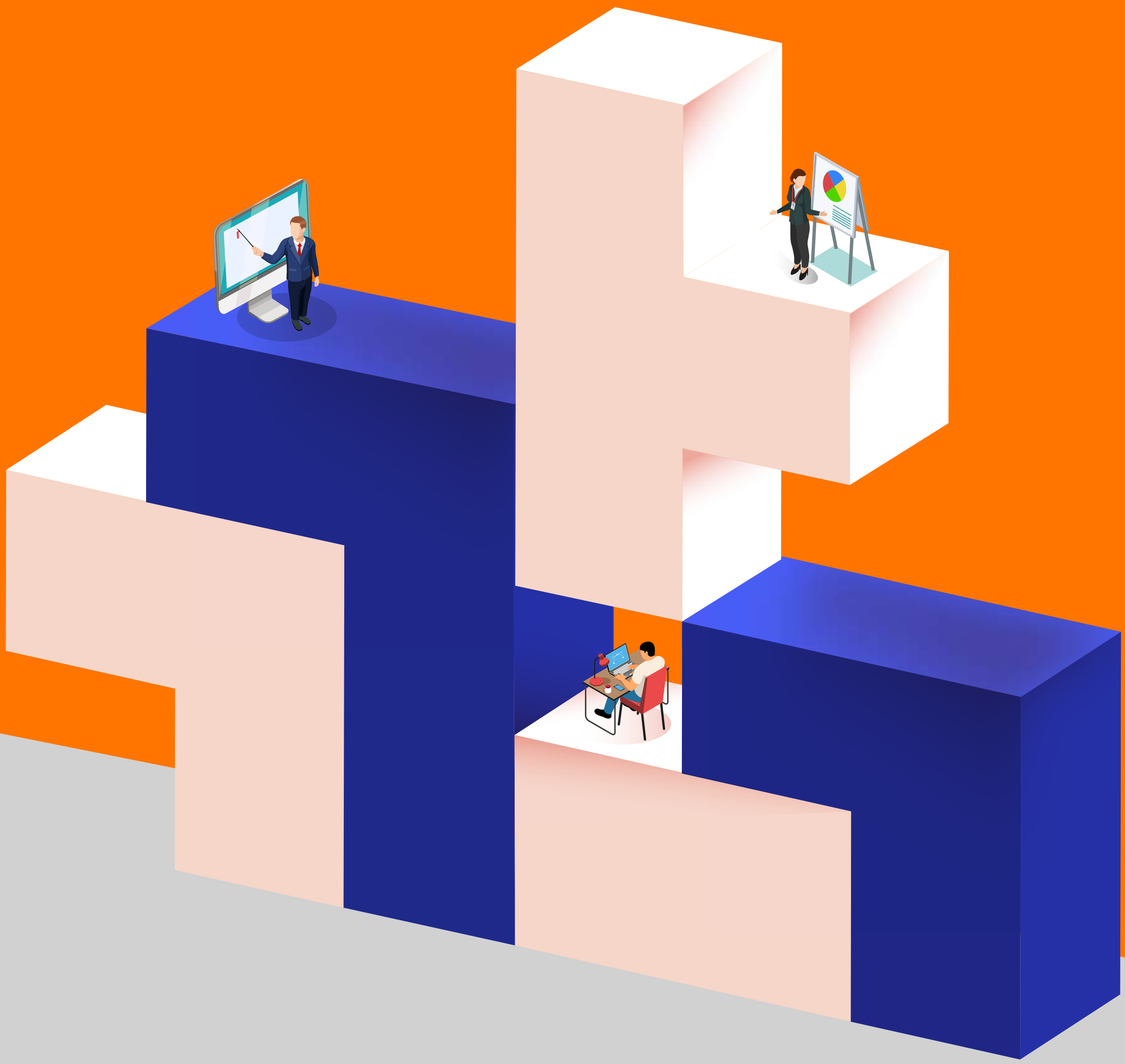
	Level 1 $'000	Level 2 $'000	Total $'000
2021			
Financial investments at amortised cost	61,960	–	61,960
Fund investments at FVTPL	–	449,362	449,362
	61,960	449,362	511,322
2020			
Financial investments at amortised cost	74,738	–	74,738
Fund investments at FVTPL	–	416,541	416,541
	74,738	416,541	491,279

SDF does not have any investments in the Level 3 category and there were no transfers between Level 1 and Level 2 in 2021 and 2020.

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Fund investments at FVTPL	*Market comparison technique:* The fair values of unquoted fund investments are determined based on the closing quoted market prices on the last market day of the financial year provided by the fund managers.	Not applicable



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