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FIND YOUR BEARINGS

SKILLING AHEAD
for a Future-Ready Workforce

SKILLSfuture SG

ANNUAL REPORT 2021/22

Skills mastery is achieved with **knowledge, application and experience.**

It is honed by challenging oneself to strive for excellence, and to adapt to new situations. It goes beyond paper qualifications and being good at what you do currently.

CONTENTS

PREPARING OUR WORKFORCE FOR NEW OPPORTUNITIES

The aim is to build a market responsive lifelong learning ecosystem, that provides relevant, high quality and accessible adult learning for all workers.

FOREWORD

By Chairman & Chief Executive

2021 was a watershed year for SkillsFuture Singapore.

First, the message seems to have hit home – that the vaccine to constant change is constant upskilling. 660,000 individuals and 24,000 companies participated in our programmes and initiatives in 2021 – figures which significantly surpassed those in 2020. It is heartening that many workers and employers have internalised the need for upskilling and reskilling.

Second, more enterprises are actively contributing to the upskilling of the workforce. With enterprises on board, workers gain confidence that the skills they acquire are relevant to work; that their workplace enables them to learn; and that their bosses recognise the acquisition and demonstration of these skills.

In 2021, the National Centre of Excellence for Workplace Learning (NACE) supported more than 960 enterprises in raising their workplace learning capabilities. Our SkillsFuture Queen Bee companies reached out to help 500 enterprises train their employees and raise capabilities.

Third, we have begun to forge a shared view and understanding of the "skills that matter", with the launch of the inaugural *Skills Demand for the Future Economy Report*. With this shared understanding across the ecosystem, our learners, employers, and training providers are better able to collectively respond to skills gaps and prepare for the future.

The report received great interest and generated good feedback from the industry, academic partners, training providers and members of the public.

These milestones were achieved even as we dealt with the challenges of the pandemic.

We extended the SGUnited Skills Programme and SGUnited Mid-Career Pathways Programme (Company Training) to 31 March 2022. These are COVID-19 response programmes, to help Singaporeans and companies through the tough time. The programmes benefitted over 12,000 mid-careerists in 2021 and helped them pick up industry-relevant skills for career opportunities in growing sectors.

Similarly, the Enhanced Training Support Package initiative was extended till 31 December 2021 to provide continued support for badly affected companies. This enabled them to make good use of the downtime to upskill their employees and be better positioned for economic recovery. A total of 91,000 training places were taken up in 2021.

The SkillsFuture Career Transition Programme, rolled out since April 2022, will succeed the SGUnited Skills and SGUnited Mid-Career Pathways programmes. This Programme is a mainstream initiative that extends beyond the pandemic. It is a train-and-place programme to improve mid-careerists' career versatility and help them switch to job roles in growth sectors. Classroom lessons will be integrated with industry projects or attachments. Employment facilitation and career coaching are also provided.

SSG must build on these achievements.

We will continue to adjust our regulation and funding to enable innovation and responsiveness. We will raise the quality of adult education, through partnership with the Institute of Adult Learning. We will engage learners, enterprises, and training partners closely so that there is a tight and closed loop between policy, Continuing Education and Training (CET) provision and the outcomes felt by individuals and enterprises. We also recognise the need to build up our own organisational capabilities, such as deepening our analytical abilities to guide the nation on the skills that matter; and strengthening our partnerships across the ecosystem, to aggregate the demands of industry transformation and job redesign.

The aim is to build a market responsive lifelong learning ecosystem, that provides relevant, high quality and accessible adult learning for all workers. Such an ecosystem will enable Singaporeans to not just survive but thrive amid rapid changes and disruptions.

We thank our partners for their steadfast support and look forward to working even more closely with you as we co-create the future of lifelong learning for our nation. ■

MR TAN KOK YAM
Chief Executive

MR WONG KIM YIN
Chairman

SUPPORTING SINGAPOREANS THROUGH SKILLS DEVELOPMENT

BOARD MEMBERS

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

1. **MR ALLEN LAW**
Founder,
Park Hotel Group

2. **MR LEONG KENG THAI**
Senior Advisor & Director-General,
International Affairs,
Infocomm Media Development Authority

3. **MR TAN KOK YAM**[1]
Chief Executive,
SkillsFuture Singapore

4. **MR WONG KIM YIN**
Chairman,
SSG Board
Group President & CEO,
Sembcorp Industries

5. **MR TAN CHOON SHIAN**
Chief Executive,
Workforce Singapore

6. **MR RUSSELL THAM**
Joint Head, Enterprise Development
Group, & Head, Strategic Development,
Temasek International

7. **MR SUHAIMI BIN ZAINUL ABIDIN**
Chief Executive Officer,
Quantedge Capital Pte Ltd

8. **MS ADELINE SIM**[2]
Executive Director &
Chief Corporate Officer,
HRnetGroup

9. **MRS DEBORAH ONG**[3]
SSG Board Member

10. **MS SUSAN CHONG**[3]
Chief Executive Officer,
Greenpac (S) Pte Ltd

11. **MS LIM HEE JOO**
Executive Director,
Wah Son Engineering

12. **MS CHARLENE CHANG**
Group Director,
Ageing Planning Office,
Ministry of Health

NOT IN PICTURE

13. **MS JAN CHUA**
Coordinating Divisional Director,
Higher Education Group,
Ministry of Education

14. **MR ABDUL SAMAD BIN ABDUL WAHAB**
Vice President,
NTUC Central Committee
General Secretary,
Union of Power and Gas Employees

RETIRED BOARD MEMBERS

1. **MR ONG TZE CHIN**[4]
Chief Executive,
SkillsFuture Singapore
Deputy Secretary (SkillsFuture),
Ministry of Education

2. **MR YUEN KUAN MOON**[5]
Group Chief Executive Officer,
Singtel

[1] Appointed 1 Nov 2021-31 Oct 2023
[2] Appointed 1 Oct 2021-30 Sep 2024
[3] Appointed 1 Oct 2019-30 Sep 2022
[4] Retired from 31 Oct 2021
[5] Retired from 14 Apr 2022

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 (till 13 Apr 2022)	Member
Ms Jan Chua (from 20 Apr 2022)	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

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

Functions of the SSG Board

The SSG Board provides guidance and advice to 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. 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 among its own members or other persons, to support its work. These 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:

1. **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 set-up of the internal audit function. Internal and external auditors are also engaged to conduct audit reports on SSG's work, processes, and financial statements.

2. **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 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.

3. **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, as well as fund allocation for SSG administered funds. It also approves funding proposals that are within budgetary values specified by the SSG Board.

4. **Remuneration Committee**
   The Remuneration Committee sets human resource management and development policies. Its role includes 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. for director level and above), as well as reviewing and deliberating on staff appeals related to personnel matters. It also endorses and recommends SSG's corporate performance grade for SSG Board's approval. ■

SSG BOARD MEETING ATTENDANCE

Number of Board Meetings Held in FY2021	4
Current Board Members 1 Oct 2020- 30 Sep 2022	**Board Meeting Attendance**
Mr Wong Kim Yin	4
Mr Abdul Samad Bin Abdul Wahab	2
Ms Adeline Sim[1]	2
Mr Allen Law	3
Ms Charlene Chang	4
Mrs Deborah Ong[2]	4
Ms Jan Chua	4
Mr Leong Keng Thai	4
Ms Lim Hee Joo	3
Mr Russell Tham	4
Mr Suhaimi Bin Zainul Abidin	3
Ms Susan Chong[2]	3
Mr Tan Choon Shian	4
Mr Tan Kok Yam[3]	2
Retired Board Members	**Number of Board Meeting Attended**
Mr Ong Tze Chin[4]	2
Mr Yuen Kuan Moon[5]	3

[1] Appointed 1 Oct 2021-30 Sep 2024
[2] Appointed 1 Oct 2019-30 Sep 2022
[3] Appointed 1 Nov 2021-31 Oct 2023
[4] Retired from 31 Oct 2021
[5] Retired from 14 Apr 2022

MANAGEMENT TEAM

CE's Office and Skills Development Group

Sitting (from left)
Mr Tan Wee Beng
Mr Tan Kok Yam

Standing (from left)
Dr Gog Soon Joo
Ms Xu Wenshan
Ms Ong Ai Ming

Not in picture
Ms Chelvin Loh
Ms Yeo Siew Peng

Business Services Group, and Regulation, Fraud and Enforcement Group

Sitting (from left)
Mr Pang Tong Wee
Mr Tan Wee Beng
Ms Sharon Chia

Standing (from left)
Ms Emily Low
Ms Angela Tan
Ms Hui Mei San
Ms Angelina Soh

Business Technology Group

Sitting (from left)
Mr Kelvin Goh
Ms Pang Poh Cheng

Standing (from left)
Ms Karen Chiah
Mr Lai Yew Meng
Mr Hor Cheong Wai

Training Partners Group

Standing (from left)
Ms Tracy Lee
Mr Foo Piao Zhou
Ms Loh Gek Khim
Mr Remy Choo

Not in picture
Ms Jessica Methodius
Ms Tan May Ling

Planning Group, Communications and Engagement Group, and SSG Subsidiaries

Sitting (from left)
Ms Pao Jia Yu
Ms Patricia Woo
Ms Peggy Lim

Standing (from left)
Mr Andrew Ho
Mr Tan Tow Koon
Mr Bruce Poh
Mr Azzli Jamain
Mr Kevin Lee

Not in picture
Mr Kelvin Ng
Mr Toh Swee Chien

ORGANISATION CHART

(As of 1 July 2022)

Tan Kok Yam
Chief Executive (CE)

CE'S OFFICE

Human Resource Div (HRD)
Ong Ai Ming
Director

Internal Audit & Risk Advisory Div (IARAD)
Yeo Siew Peng
Director

Tan Wee Beng
Deputy Chief Executive (Operations and Regulation)

Training Partners Group (TPG)

Foo Piao Zhou
Group Director

- **Planning & Programmes Div (PPD)** — Remy Choo, Director
- **Training Grant System Unit (PPD-TGS)** — Foo Piao Zhou, 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
- **Manpower & Infra Planning Div (MIPD)** — Jessica Methodius, Director

Business Services Group (BSG)

Tan Wee Beng
Group Director

- **Corporate Services Div (CSVD)** — Emily Low, Director, Chief Records Officer
- **Integrated Business Services Div (IBSD)** — Angelina Soh, Director
- **Shared Services Management Div (SSMD)** — Emily Low, Director

Business Technology Group (BTG)

Pang Poh Cheng
Group Director

- **Digital Planning & Data Div (DPDD)** — Kelvin Goh, Director
- **Digital Enablement & Operations Div (Training Partners/ Individuals) (D@TI)** — Lai Yew Meng, Director
- **Digital Enablement & Operations Div (Enterprise/Corporate) (D@EC)** — Hor Cheong Wai, Director
- **Cyber Security & Infrastructure Div (CSID)** — Karen Chiah, Director

Regulation, Fraud & Enforcement Group (RFEG)

Hui Mei San
Group Director
Director General (Private Education)

- **Planning & Analytics Office (PAO)** — Sharon Chia, Director
- **Fraud & Enforcement Div (FED)** — Pang Tong Wee, Director, Chief Investigator
- **Regulation Div (RD)** — Angela Tan, Director

Planning Group (PG)

Pao Jia Yu
Group Director
Chief Data Officer

- **Strategic Planning Div (SPD)** — Kevin Lee, Director
- **Resources Planning Div (RPD)** — Azzli Jamain, Director

Skills Development Group (SDG)

Dr Gog Soon Joo
Chief Skills Officer
Chief Innovation Officer

- **Job-Skills Insights Div (JSID)** — Chelvin Loh, Director
- **Skills Intelligence & Planning Div (SIPD)** — Xu Wenshan, Director

Communications & Engagement Group (CEG)

Tan Tow Koon
Group Director

- **Corporate Marketing & Communications Div (CMCD)** — Patricia Woo, Director
- **Public Engagement Div (PED)** — Toh Swee Chien, Director
- **Enterprise Engagement Office (EEO)** — Peggy Lim, Director

SSG Subsidiaries

Learning Gateway

Lifelong Learning Institute (LLI)

- **Lifelong Learning** — Andrew Ho, Director
- **WorldSkills Singapore Office (WSO)** — Bruce Poh, Senior Advisor; Kelvin Ng, Director

EMPOWERING SINGAPOREANS TO ATTAIN MASTERY OF SKILLS

2021 YEAR-IN-REVIEW

In 2021, about 660,000 individuals and 24,000 enterprises benefitted from SSG-supported programmes.

SkillsFuture Initiatives

SkillsFuture Advice
›28,000 individuals participated

SkillsFuture for Digital Workplace
›22,000 individuals enrolled

National Centre of Excellence for Workplace Learning
›960 enterprises participated

SkillsFuture Work-Study Programmes
About 650 participating enterprises provided placements for close to 1,700 individuals

SkillsFuture Credit
›247,000 individuals utilised their credit

SkillsFuture Enterprise Credit
›10,000 enterprises sent employees for SSG-supported training

Skills Training and Advisory
About 7,200 individuals benefitted

SkillsFuture Series
›30,000 individuals participated

SkillsFuture Queen Bee
About 500 enterprises benefitted

Combating Fraud and Abuse
Actions taken against 93 training providers and companies

COVID-19 Support Measures

SGUnited Skills Programme and SGUnited Mid-Career Pathways Programme - Company Training
›12,000 individuals enrolled

Individuals and organisations were given the opportunity to upgrade during the pandemic. With these SSG programmes to help upskill and reskill, individuals were able to boost their employability, gain meaningful experiences and acquire new skillsets.

Enhanced Training Support Package
›91,000 training places taken up

The Enhanced Training Support Package was introduced to support enterprises directly affected by COVID-19. Such enterprises include tourism, air transport, retail, food and beverage, point-to-point transport and private hire bus transport, arts & culture, aerospace and marine & offshore.

KEY ACHIEVEMENTS FOR FY2021

29 Apr 2021

Focus placed on funding efforts to deliver stronger employment outcomes

Two key measures will be progressively implemented to prioritise SSG's resources as part of SSG's continual review of schemes and funding. Revisions will be made to SkillsFuture course fee funding and Absentee Payroll funding. The SkillsFuture Qualification Award was also phased out to focus funding efforts on training schemes capable of delivering stronger employment outcomes.

6 May 2021

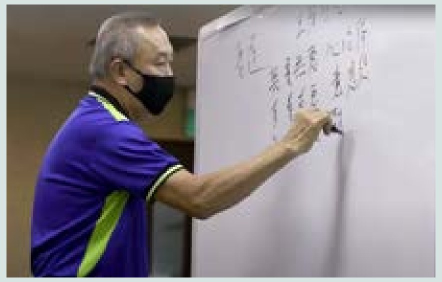
Certification aims to close skills gap, enhance workforce performance and improve staff retention.

A new certification, the National Workplace Learning Certification, was launched to help Singapore-based companies implement progressive workplace learning practices and capabilities. The certification process helps companies identify and close gaps in their workplace learning processes. It also aims to enhance workforce performance and improve staff retention rates.

15 Jun 2021

Collaboration with Sheng Siong to accelerate digitalisation in the retail sector

SSG has partnered Sheng Siong, one of Singapore's largest supermarket chains, under the SkillsFuture Queen Bee programme. This programme supports small and medium enterprises, and suppliers in identifying skills gaps, focusing on four main aspects: people, process, technology and data. Sheng Siong is the first SkillsFuture Queen Bee for the retail sector.



8 Jul 2021

SkillsFuture Month 2021

The annual learning event offered more than 300 activities to over 100,000 keen participants across key events such as the SkillsFuture Month Forum, SkillsFuture @ Singapore Institute of Technology and SkillsFuture Work-Study Fair. The wide range of learning activities involved more than 100 partners and were specially designed to meet the needs of different workforce segments, students and enterprises.

23 Jul 2021

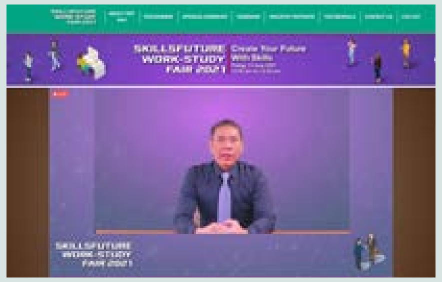
More training opportunities for mid-careerists through the SGUS and SGUP-CT programmes

To create more industry-relevant training opportunities for mid-career jobseekers, SSG partnered with Johnson Controls and Ngee Ann Polytechnic to launch the first course in the built environment sector under the SGUnited Mid-Career Pathways – Company Training (SGUP-CT) Programme. SSG and Ngee Ann Polytechnic also rolled out the Global Tech Talent Programme under the SGUnited Skills (SGUS) Programme. This aims to develop a local talent pipeline for roles such as software engineers and full-stack developers.

13 Aug 2021

New offerings for the work-study programme

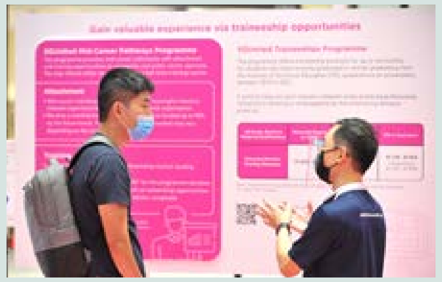
Ngee Ann Polytechnic, Republic Polytechnic and Temasek Polytechnic launched new Work-Study programmes, bringing the total number to 187 programmes covering 37 different sectors. The SkillsFuture Work-Study programmes have benefited over 7,000 individuals and more than 1,600 companies since their launch in 2015.

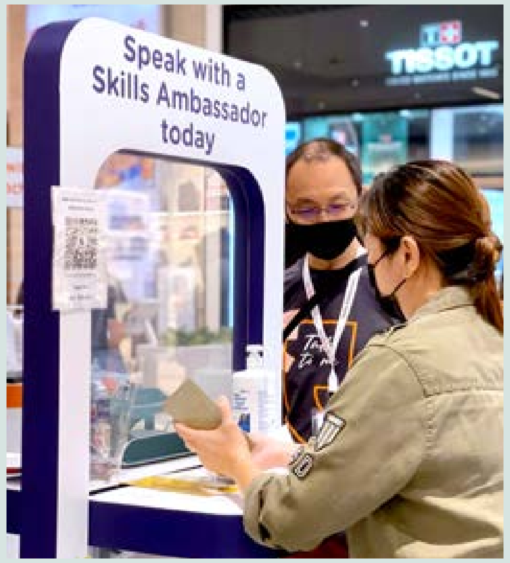


20 Aug 2021

SkillsFuture Credit now usable on digital learning platforms

SSG partnered with NTUC LearningHub, Gnowbe and ZilLearn on a two-year pilot to allow users to tap on their SkillsFuture Credit for subscriptions to online courses on their respective digital platforms. These platforms offer packages for a diverse range of micro-learning courses curated for Singaporeans to learn and pick up new skills anytime, anywhere.



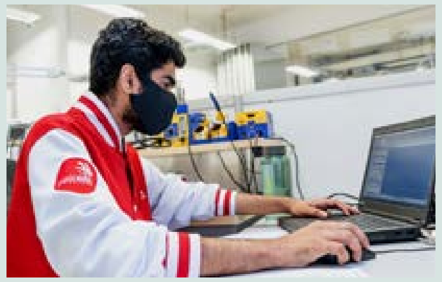


KEY ACHIEVEMENTS FOR FY2021

13 Oct 2021

23 highly skilled youths emerged as Gold Medalists in Worldskills Singapore 2021

A total of 23 young talents emerged as gold medalists in the WorldSkills Singapore 2021, a national competition that celebrates skills mastery amongst youths across 18 skill areas such as mobile robotics and web technologies.



24 Nov 2021

10th SIMTech-SSG Graduation Ceremony

A*STAR's Singapore Institute of Manufacturing Technology (SIMTech) and SSG congratulated more than 900 Continuing Education and Training (CET) graduands – its largest-ever cohort – on equipping themselves with in-demand emerging skills in advanced manufacturing. As of July 2021, SSG and SIMTech's SGUnited Skills Programmes have enabled close to 60 per cent of their enrolled trainees to secure employment. Eight new CET programmes will be introduced to further support Singapore's growing manufacturing sector.

8 Dec 2021

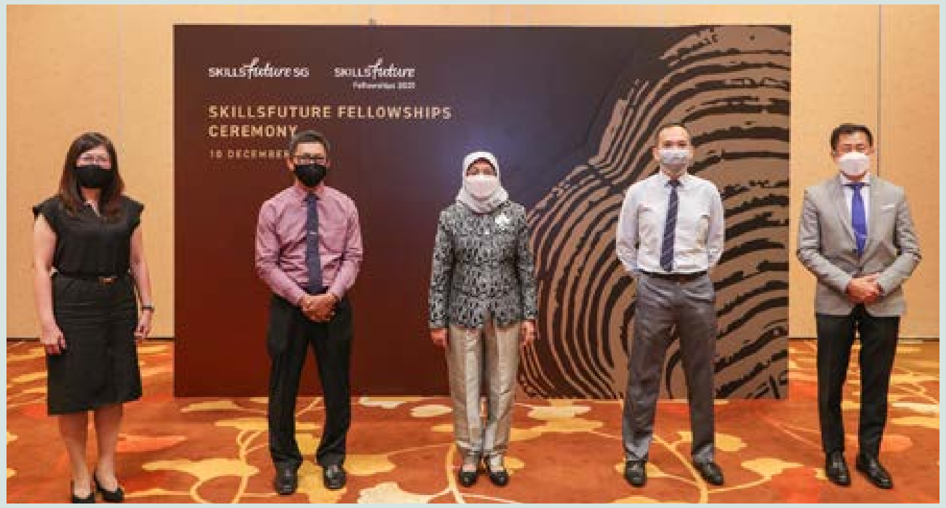
Launch of the national skills report

The inaugural *Skills Demand for the Future Economy Report* was launched by Minister of Education, Chan Chun Sing. The report provides the Singapore workforce with timely and relevant insights into three key economic growth areas: the Digital Economy, the Green Economy and the Care Economy. By spotlighting the increasing opportunities in these growth areas, the report identifies priority skills to guide Singaporeans in their skills development journey.

10 Dec 2021

2021 awards recognise commitment to lifelong learning

18 Singaporeans and 11 employers received the nation's highest accolade for skills mastery and dedication to championing skills development at the SkillsFuture Fellowships and SkillsFuture Employer Awards 2021. President Halimah Yacob graced the award ceremonies as the guest-of-honour and Patron of the Awards, and together with Minister of Education, Chan Chun Sing, recognised the commitment that the recipients have demonstrated towards lifelong learning.



20 Dec 2021

Collaboration with Boustead Projects to drive skills capability in the built environment sector

SSG partnered Boustead Projects, a leading provider of innovative eco-sustainable real estate solutions, under the SkillsFuture Queen Bee programme to advance the SkillsFuture movement. Boustead Projects will support small and medium enterprises in their skills needs by helping to map out their training plans and journeying with them on the road to digital transformation.

7 Mar 2022

New train-and-place programme for mid-careerists

The new SkillsFuture Career Transition Programme (SCTP) was announced to better support mid-careerists acquire industry-relevant skills and move into new sectors or new roles. Available in a part-time or full-time format, the programme offers attachment opportunities and employment facilitation support on top of training to boost the employability of mid-career individuals.

22 Mar 2022

Commune Lifestyle partners with SSG to level up the furniture industry

Homegrown furniture design and lifestyle company, Commune Lifestyle, has joined SSG as a SkillsFuture Queen Bee. As a strong advocate of workforce upskilling, Commune Lifestyle is enthusiastic about sharing best practices in areas of digitalisation, branding, and internationalisation with the small and medium enterprise community, and aims to help the furniture industry reach greater heights.

ENCOURAGING SINGAPOREANS TO EMBRACE LIFELONG LEARNING

LIFELONG LEARNERS & SKILL MASTERS

FEATURE ORGANISATIONS

SINGAPORE GENERAL HOSPITAL (SGH)

Singapore General Hospital
SingHealth

SGH strongly believes in the importance of staff development, as an academic healthcare institution and the bedrock of medical education. It continually refreshes its Skills and Competencies Framework to stay relevant and aligned to the Skills Framework. Its achievements include the SGH Mentoring Programme, where leaders share and learn from one another, and its job redesign project to reskill staff to take on advanced clinical nursing tasks that led to a 34% increase in nursing support staff. SGH also supports the SkillsFuture Work-Study Diploma Programme and Career Conversion Programme to attract new talent for the healthcare industry. ■

SYNERGY FINANCIAL ADVISERS PTE. LTD.

SYNERGY
Financial Advisers

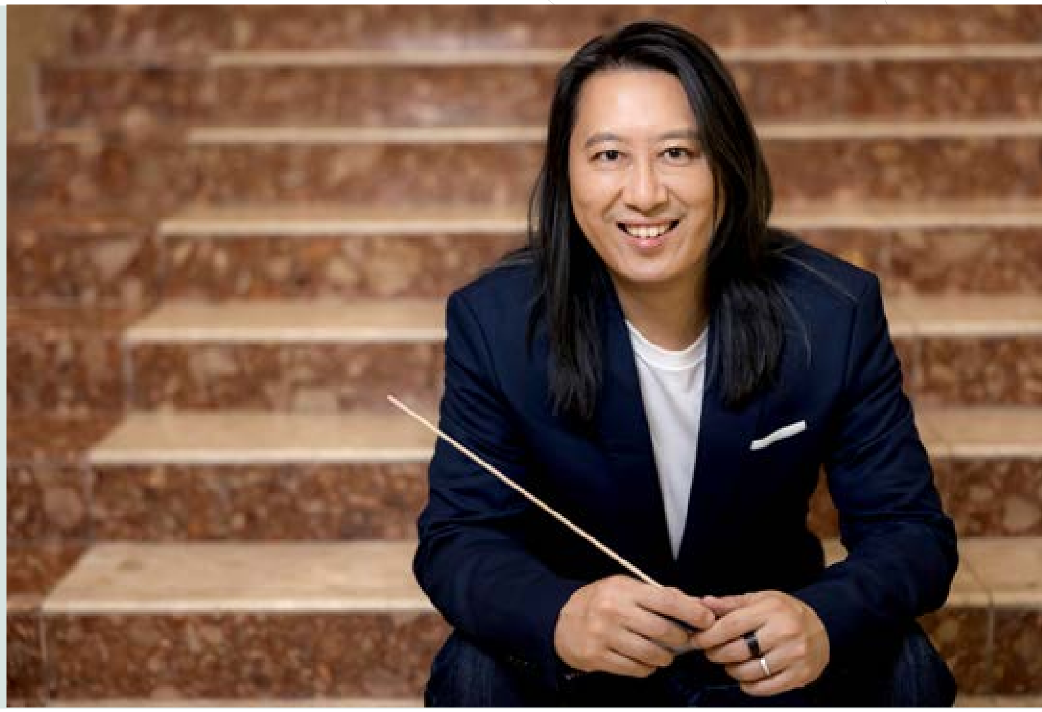
SYNERGY places a strong emphasis on staff development and adopts a skills-based hiring and career progression framework. The company ensures that its staff receive regular training to update their technical skills, with most trained in areas such as Project Management and Mastering Mergers & Acquisitions. SYNERGY also responded quickly to the circuit breaker by training its advisers to conduct online advisory sessions to continue their business operations amid the lockdown. To help build a talent pipeline for the sector, SYNERGY has also participated in Government initiatives such as the SGUnited Traineeships Programme and P-Max. ■

FEATURE INDIVIDUALS

Alex To

Film Composer
White Noise Music Pte Ltd

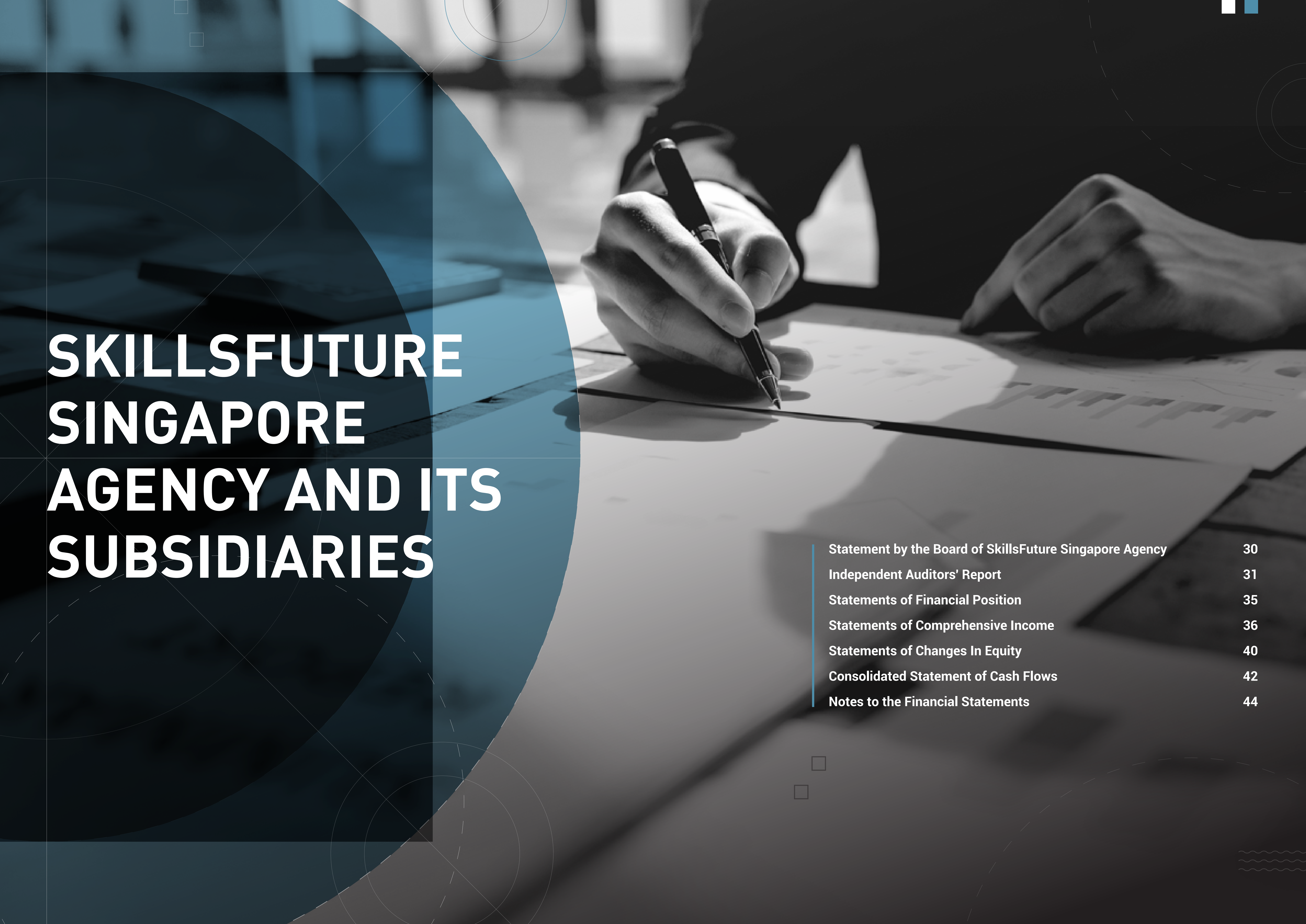
Alex started learning music at the age of four, attaining a Licentiate in classical piano when he was 20, and moving on to score 24 feature films globally. Winning the 'Top Local Soundtrack' award at the 22nd Composers and Authors Society of Singapore (COMPASS) Awards Presentation 2017 was a testament to his skills. Alex continued pursuing further training in the arts and plans to attend more courses, including the Los Angeles Film Conducting Intensive and Hollywood Music Workshop. He is also devoted to guiding others, and regularly conducts masterclasses and workshops on film scoring to uplift the industry's capabilities. ■



SERI RAHAYU BINTE ARIFF

Executive Principal
PCF Sparkletots

Seri is an avid learner and an empowering educator whom her staff look up to as a role model. She places great importance on her staff's growth and maps out their professional development plan together with her centre leaders. She also walks the talk by constantly upgrading herself through relevant courses. As an Early Childhood Development Agency (ECDA) Fellow, Seri also proactively contributes back to the industry. Apart from conducting workshops, she has also been working with another ECDA fellow on the Inquiry-Based Action Plan since 2018, to help leaders in the sector build capabilities. ■



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 35 to 97 are properly drawn up in accordance with the provisions of SkillsFuture Singapore Agency Act 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 2022, 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

Tan Kok Yam (Chen Guyan)
Chief Executive

15 August 2022

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 2022, 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 35 to 97.

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 (the 'PSG Act'), SkillsFuture Singapore Agency Act 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 2022 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.

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.

- 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

Opinion

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.

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.

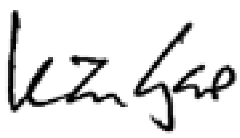
Responsibilities of management for compliance with legal and regulatory requirements

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
15 August 2022

Statements of financial position
As at 31 March 2022

	Note	Group 2022 $'000	Group 2021 $'000	SSG 2022 $'000	SSG 2021 $'000
Non-current assets					
Property, plant and equipment	5	179,204	195,655	179,089	195,437
Intangible assets	6	38,544	53,036	38,544	53,036
Deferred tax assets	7	–	55	–	–
Investment in subsidiaries	8	–	–	–	–
		217,748	248,746	217,633	248,473
Current assets					
Trade and other receivables	9	21,297	23,118	71,279	72,162
Cash and cash equivalents	10	212,818	220,278	153,968	163,295
Deposits and prepayments	11	3,817	5,881	3,644	5,857
		237,932	249,277	228,891	241,314
Total assets		455,680	498,023	446,524	489,787
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		47,794	38,076	46,226	37,805
Restricted Funds	14	1,319	3,413	–	–
Total equity		70,936	63,312	68,399	59,978
Non-current liabilities					
Lease liabilities	15	1,700	6,250	1,698	6,245
Provision for reinstatement costs	16	4,866	3,859	4,866	3,859
Deferred capital grants	17	210,463	239,425	210,463	239,425
		217,029	249,534	217,027	249,529
Current liabilities					
Lease liabilities	15	4,621	5,392	4,618	5,342
Other payables	18	76,997	123,337	71,798	120,499
Provision for contribution to consolidated fund	19	2,672	2,779	2,672	2,779
Income tax payable		9	20	–	–
Provision for reinstatement costs	16	–	1,642	–	1,642
Government grants received in advance	20	83,416	52,007	82,010	50,018
		167,715	185,177	161,098	180,280
Total liabilities		384,744	434,711	378,125	429,809
Total equity and liabilities		455,680	498,023	446,524	489,787
Net assets/(liabilities) of trust and agency funds					
Skills Development Fund	21	1,231,070	1,299,028	1,231,070	1,299,028
Lifelong Learning Endowment Fund	22	1,711	308	1,711	308
National Productivity Fund	23	(33,916)	(5,418)	(33,916)	(5,418)
SkillsFuture Jubilee Fund	24	20,587	20,638	20,587	20,638

Statements of comprehensive income
Year ended 31 March 2022

	Note	General Fund 2022 $'000	General Fund 2021 $'000	Restricted Funds 2022 $'000	Restricted Funds 2021 $'000	Total 2022 $'000	Total 2021 $'000
Group							
Operating income	25	2,172	2,044	–	–	2,172	2,044
Other income	26	1,966	5,742	11,779	13,265	13,745	19,007
Other gains/(losses)	27	116	(3,374)	–	–	116	(3,374)
		4,254	4,412	11,779	13,265	16,033	17,677
Expenditure							
Amortisation of intangible assets	6	(9,433)	(11,207)	(13,443)	(10,890)	(22,876)	(22,097)
Depreciation expense	5	(6,167)	(14,730)	(12,468)	(9,833)	(18,635)	(24,563)
Staff costs	28	(62,927)	(56,798)	(4,346)	(3,941)	(67,273)	(60,739)
Grant disbursements		(7,095)	(39,087)	(382,267)	(192,294)	(389,362)	(231,381)
Rental of office premises and property taxes		(1,987)	(1,683)	(67)	(110)	(2,054)	(1,793)
Professional services		(19,038)	(21,118)	(895)	(3,913)	(19,933)	(25,031)
Maintenance expenses		(21,813)	(23,768)	(22,638)	(21,389)	(44,451)	(45,157)
Public relations		(12,443)	(11,246)	(33)	(44)	(12,476)	(11,290)
Others		(11,324)	(12,540)	(2,733)	(3,657)	(14,057)	(16,197)
		(152,227)	(192,177)	(438,890)	(246,071)	(591,117)	(438,248)
Deficit before government grant		(147,973)	(187,765)	(427,111)	(232,806)	(575,084)	(420,571)

Statements of comprehensive income (continued)
Year ended 31 March 2022

		General Fund		Restricted Funds		Total	
	Note	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
Group							
Add							
Grants from government	20	152,949	171,170	399,423	211,543	552,372	382,713
Deferred capital grants amortised	17	12,037	19,349	25,647	20,502	37,684	39,851
		164,986	190,519	425,070	232,045	590,056	422,564
Surplus/(Deficit) before contribution to consolidated fund		17,013	2,754	(2,041)	(761)	14,972	1,993
Contribution to consolidated fund	19	(2,672)	(2,779)	–	–	(2,672)	(2,779)
Income tax (expense)/credit	29	–	–	(53)	8	(53)	8
Net surplus/(deficit), representing total comprehensive income for the year		14,341	(25)	(2,094)	(753)	12,247	(778)

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

Statements of comprehensive income (continued)
Year ended 31 March 2022

	Note	General Fund		Restricted Funds		Total	
		2022	2021	2022	2021	2022	2021
		$'000	$'000	$'000	$'000	$'000	$'000
SSG							
Operating income	25	2,172	2,044	–	–	2,172	2,044
Other income	26	3,434	6,877	9,426	8,724	12,860	15,601
Other gains/(losses)	27	116	(3,374)	–	–	116	(3,374)
		5,722	5,547	9,426	8,724	15,148	14,271
Expenditure							
Amortisation of intangible assets	6	(9,433)	(11,207)	(13,443)	(10,890)	(22,876)	(22,097)
Depreciation expense	5	(6,155)	(14,718)	(12,375)	(9,729)	(18,530)	(24,447)
Staff costs	28	(59,044)	(53,204)	(3,373)	(3,111)	(62,417)	(56,315)
Grant disbursements		(16,202)	(31,289)	(383,583)	(192,543)	(399,785)	(223,832)
Rental of office premises and property taxes		(2,689)	(2,091)	–	–	(2,689)	(2,091)
Professional services		(18,740)	(20,940)	(194)	(3,521)	(18,934)	(24,461)
Maintenance expenses		(21,522)	(23,422)	(19,757)	(18,440)	(41,279)	(41,862)
Public relations		(10,025)	(10,718)	–	(6)	(10,025)	(10,724)
Others		(11,182)	(12,132)	(1,797)	(2,502)	(12,979)	(14,634)
		(154,992)	(179,721)	(434,522)	(240,742)	(589,514)	(420,463)
Deficit before government grant		(149,270)	(174,174)	(425,096)	(232,018)	(574,366)	(406,192)

Statements of comprehensive income (continued)
Year ended 31 March 2022

		General Fund		Restricted Funds		Total	
	Note	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
SSG							
Add							
Grants from government	20	152,949	171,170	399,449	211,516	552,398	382,686
Deferred capital grants amortised	17	12,037	19,349	25,647	20,502	37,684	39,851
		164,986	190,519	425,096	232,018	590,082	422,537
Surplus before contribution to consolidated fund		15,716	16,345	–	–	15,716	16,345
Contribution to consolidated fund	19	(2,672)	(2,779)	–	–	(2,672)	(2,779)
Net surplus, representing total comprehensive income for the year		13,044	13,566	–	–	13,044	13,566

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

Statements of changes in equity
Year ended 31 March 2022

	Note	Share capital $'000	Capital reserve $'000	Accumulated surplus General fund $'000	Accumulated surplus Restricted fund $'000	Total $'000
Group						
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
At 1 April 2021		4,145	17,678	38,076	3,413	63,312
Net surplus/(deficit) for the year, representing total comprehensive income for the year		–	–	14,341	(2,094)	12,247
Dividend paid	33	–	–	(4,623)	–	(4,623)
At 31 March 2022		4,145	17,678	47,794	1,319	70,936

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

Statements of changes in equity (continued)
Year ended 31 March 2022

				Accumulated surplus		
	Note	Share capital $'000	Capital reserve $'000	General fund $'000	Restricted fund $'000	Total $'000
SSG						
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
At 1 April 2021		4,145	18,028	37,805	–	59,978
Net surplus for the year, representing total comprehensive income for the year		–	–	13,044	–	13,044
Dividend paid	33	–	–	(4,623)	–	(4,623)
At 31 March 2022		4,145	18,028	46,226	–	68,399

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

Consolidated statement of cash flows
Year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Deficit before government grant		(575,084)	(420,571)
Adjustments for:			
Amortisation and depreciation		41,511	46,660
Loss on disposal of property, plant and equipment and intangible assets	27	7	3,618
Transfer of plant and equipment to a related party		–	1,362
Interest expenses	15	290	541
Interest income	26	(402)	(993)
Changes in provision for reinstatement costs		(9)	(119)
		(533,687)	(369,502)
Changes in:			
Trade and other receivables		1,821	20,352
Deposits and prepayments		2,064	(1,668)
Other payables		(48,086)	80,623
Cash used in operations		(577,888)	(270,195)
Contribution to consolidated fund		(2,779)	(654)
Income tax paid		(9)	(145)
Net cash used in operating activities		(580,676)	(270,994)
Cash flows from investing activities			
Purchase of property, plant and equipment (Note B)		(1,064)	(5,412)
Purchase of intangible assets (Note B)		(6,523)	(14,662)
Interest received	26	402	993
Net cash used in investing activities		(7,185)	(19,081)
Cash flows from financing activities			
Grants received from government	20	590,635	430,264
Payment of lease liabilities	15	(5,321)	(9,435)
Interest paid	15	(290)	(541)
Decrease in cash set aside for restricted funds		2,094	753
Dividend paid	33	(4,623)	–
Net cash from financing activities		582,495	421,041
Net (decrease)/increase in cash and cash equivalents		(5,366)	130,966
Cash and cash equivalents at beginning of the year		216,865	85,899
Cash and cash equivalents at end of the year (Note A)		211,499	216,865

Note A

	Note	2022 $'000	2021 $'000
Centralised Liquidity Management ("CLM") deposits held with AGD	10	212,818	220,278
Less: Cash set aside for restricted funds	10	(1,319)	(3,413)
		211,499	216,865

Consolidated statement of cash flows (continued)
Year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Note B			
Addition of property, plant and equipment	5	2,184	8,160
Addition of intangible assets	6	8,391	20,907
Less: Provision for reinstatement cost	16	(1,120)	(1,691)
Less: Other fixed assets received	17	(1,868)	(6,245)
Less: Non-cash transaction on additions of right-of-use assets		–	(1,057)
		7,587	20,074

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 15 August 2022.

1 General

The SkillsFuture Singapore Agency ("SSG") was established in the Republic of Singapore under the SkillsFuture Singapore Agency Act 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);

(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 2009 in accordance with that Act and the Skills Development Fund in accordance with the Skills Development Levy Act 1979;

(n) to cooperate and collaborate with the Workforce Singapore Agency ("WSG") in the discharge of its functions under the Workforce Singapore Agency Act 2003; 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 the provisions of the Act, and 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

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 2021:

- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SB-FRS 116)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to SB-FRS 109, SB-FRS 39 and SB-FRS 107, SB-FRS 104 and SB-FRS 116)*

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 translated 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.

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 fair value through Profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

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.

Transferred assets are not derecognised when 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.

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.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances with the Accountant-General Department ("AGD") 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 measured 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.

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 at the end of each reporting period and adjusted as appropriate.

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.

3.6 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Loss ("ECL") 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 debtor 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.

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 debtor;
- 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 debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost 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.

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 received

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.

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 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) 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.

(ii) 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.

(iii) 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.

3.12 Interest income

Interest income comprises interest income on deposits held with 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 1989. 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 are 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, measured 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.

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 Grant disbursement

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

3.17 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.

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.

(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'.

3.18 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 2021 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* and amendments to SB-FRS 117 *Insurance Contracts*
- *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 - Cost of Fulfilling a Contract* (Amendments to SB-FRS 37)
- *Classification of Liabilities as Current or Non-current* (Amendments to SB-FRS 1)
- *Annual Improvements to SB-FRSs 2018-2020*
- *Disclosure of Accounting Policies* (Amendments to SB-FRS 1 and SB-FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SB-FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SB-FRS 12)

3.19 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.

Management is of the opinion that there are no critical judgements made in applying Group's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

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 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
At 1 April 2021	14,769	2,623	15,855	29,868	3,761	204,151	37	271,064
Additions	296	298	386	–	84	1,120	–	2,184
Disposal/write-off	(871)	(25)	(3)	–	–	(11,799)	–	(12,698)
At 31 March 2022	14,194	2,896	16,238	29,868	3,845	193,472	37	260,550

Group	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
Accumulated depreciation								
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
At 1 April 2021	7,029	1,802	13,257	5,204	1,098	47,019	–	75,409
Depreciation	2,249	449	1,975	1,194	415	12,353	–	18,635
Disposal/write-off	(871)	(25)	(3)	–	–	(11,799)	–	(12,698)
At 31 March 2022	8,407	2,226	15,229	6,398	1,513	47,573	–	81,346
Carrying amounts								
At 1 April 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
At 31 March 2022	5,787	670	1,009	23,470	2,332	145,899	37	179,204

	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
SSG								
Cost								
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
At 1 April 2021	14,769	2,410	15,783	29,868	3,729	203,991	37	270,587
Additions	296	296	386	–	84	1,120	–	2,182
Disposal/write-off	(871)	(25)	(3)	–	–	(11,799)	–	(12,698)
At 31 March 2022	14,194	2,681	16,166	29,868	3,813	193,312	37	260,071

	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
SSG								
Accumulated depreciation								
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
At 1 April 2021	7,029	1,721	13,218	5,204	1,072	46,906	–	75,150
Depreciation	2,249	409	1,958	1,194	414	12,306	–	18,530
Disposal/write-off	(871)	(25)	(3)	–	–	(11,799)	–	(12,698)
At 31 March 2022	8,407	2,105	15,173	6,398	1,486	47,413	–	80,982
Carrying amounts								
At 1 April 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
At 31 March 2022	5,787	576	993	23,470	2,327	145,899	37	179,089

Included in the disposal of property, plant and equipment of the Group and the Company with carrying amounts of nil (2021: $1,362,000) was transferred to a related party.

6 Intangible assets

	Group and SSG		
	Computer software $'000	Assets under development $'000	Total $'000
Cost			
At 1 April 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
Additions	7,112	1,279	8,391
Transfer	806	(806)	–
Disposals	(2,283)	–	(2,283)
At 31 March 2022	165,765	1,729	167,494
Accumulated amortisation			
At 1 April 2020	89,921	–	89,921
Amortisation	22,097	–	22,097
Disposals	(3,668)	–	(3,668)
At 31 March 2021	108,350	–	108,350
Amortisation	22,876	–	22,876
Disposals	(2,276)	–	(2,276)
At 31 March 2022	128,950	–	128,950
Carrying amounts			
At 1 April 2020	51,948	3,279	55,227
At 31 March 2021	51,780	1,256	53,036
At 31 March 2022	36,815	1,729	38,544

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

		Group	
	At 1 April 2021 $'000	Recognised in profit or loss $'000	At 31 March 2022 $'000
Property, plant and equipment	(12)	12	–
Right-of-use assets	25	(25)	–
Provisions	42	(42)	–
	55	(55)	–

8 Investments in subsidiaries

	SSG	
	2022 $'000	2021 $'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 2022 %	2021 %
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 $864,000 (2021: $892,000) 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.

9 Trade and other receivables

	Group		SSG	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	1,679	839	591	479
Other receivables	2,073	1,959	451	375
Amount due from related parties:				
- WSG	3,241	12,115	3,241	12,115
- NPF	854	3,883	854	3,883
- SDF	10,870	–	10,870	–
- LLEF	439	–	439	–
- MOE	62	1,900	62	1,900
Amount due from subsidiaries	–	–	45,207	42,967
Grants disbursed in advance	2,079	2,422	9,564	10,443
	21,297	23,118	71,279	72,162

The credit period on rendering of services is 30 days (2021: 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 34.

10 Cash and cash equivalents

	Group		SSG	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Centralised Liquidity Management ("CLM") deposits held with AGD	212,818	220,278	153,968	163,295

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 0.30% (2021: 0.79%) per annum.

Cash and cash equivalents include an amount of $1,319,000 (2021: $3,413,000) set aside for restricted funds.

11 Deposits and prepayments

	Group		SSG	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deposits	1,514	3,105	1,441	3,030
Prepayments	2,303	2,776	2,203	2,827
	3,817	5,881	3,644	5,857

12 Share capital

	2022		2021	
	Number of shares '000	$'000	Number of shares '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 1959. 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.

14 Restricted funds

	MOE - TGS 2022 $'000	MOE - ATB 2022 $'000	Operations funded by SDF 2022 $'000	Operations funded by LLEF 2022 $'000	Operations funded by NPF 2022 $'000	MOE - SATB 2022 $'000	Total 2022 $'000
Group							
Income							
Other income	–	–	11,756	–	23	–	11,779
Expenditure							
Amortisation of intangible assets	(1,743)	–	–	–	(10,979)	(721)	(13,443)
Depreciation expense	–	–	(12,468)	–	–	–	(12,468)
Staff costs	(1,079)	–	(514)	–	(428)	(2,325)	(4,346)
Grant disbursements	–	(70,668)	–	–	–	(311,599)	(382,267)
Rental expenses on operating leases	–	–	–	–	–	(67)	(67)
Professional services	(47)	–	(125)	–	(147)	(576)	(895)
Maintenance expenses	(2,899)	–	(2,783)	–	(16,101)	(855)	(22,638)
Public relations	–	–	(13)	–	–	(20)	(33)
Others	(295)	–	(959)	–	(1,295)	(184)	(2,733)
Total expenditure	(6,063)	(70,668)	(16,862)	–	(28,950)	(316,347)	(438,890)
Deficit before government grant	(6,063)	(70,668)	(5,106)	–	(28,927)	(316,347)	(427,111)

	MOE - TGS 2022 $'000	MOE - ATB 2022 $'000	Operations funded by SDF 2022 $'000	Operations funded by LLEF 2022 $'000	Operations funded by NPF 2022 $'000	MOE - SATB 2022 $'000	Total 2022 $'000
Group							
Add							
Grants from/(Refund to) government	4,320	70,668	(9,139)	–	17,948	315,626	399,423
Deferred capital grants amortised	1,743	–	12,204	–	10,979	721	25,647
	6,063	70,668	3,065	–	28,927	316,347	425,070
Deficit before contribution	–	–	(2,041)	–	–	–	(2,041)
Income tax credit	–	–	(53)	–	–	–	(53)
Net deficit for the year	–	–	(2,094)	–	–	–	(2,094)
Accumulated (deficit)/surplus at the beginning of the year	–	–	(15,961)	19,374	–	–	3,413
Accumulated (deficit)/surplus at the end of the year *	–	–	(18,055)	19,374	–	–	1,319

* The above balances predominantly comprise cash balances and accruals

	MOE - TGS 2021 $'000	MOE - ATB 2021 $'000	Operations funded by SDF 2021 $'000	Operations funded by LLEF 2021 $'000	Operations funded by NPF 2021 $'000	MOE - SATB 2021 $'000	Total 2021 $'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)

Group	MOE - TGS 2021 $'000	MOE - ATB 2021 $'000	Operations funded by SDF 2021 $'000	Operations funded by LLEF 2021 $'000	Operations funded by NPF 2021 $'000	MOE - SATB 2021 $'000	Total 2021 $'000
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

	MOE - TGS 2022 $'000	MOE - ATB 2022 $'000	Operations funded by SDF 2022 $'000	Operations funded by LLEF 2022 $'000	Operations funded by NPF 2022 $'000	MOE - SATB 2022 $'000	Total 2022 $'000
SSG							
Income							
Other income	–	–	9,403	–	23	–	9,426
Less: Expenditure							
Amortisation of intangible assets	(1,743)	–	–	–	(10,979)	(721)	(13,443)
Depreciation expense	–	–	(12,375)	–	–	–	(12,375)
Staff costs	(1,079)	–	–	–	(428)	(1,866)	(3,373)
Grant disbursements	–	(70,668)	–	–	–	(312,915)	(383,583)
Professional services	(47)	–	–	–	(147)	–	(194)
Maintenance expenses	(2,899)	–	–	–	(16,101)	(757)	(19,757)
Others	(295)	–	(119)	–	(1,295)	(88)	(1,797)
Total expenditure	(6,063)	(70,668)	(12,494)	–	(28,950)	(316,347)	(434,522)
Deficit before government grant	(6,063)	(70,668)	(3,091)	–	(28,927)	(316,347)	(425,096)

	MOE - TGS 2022 $'000	MOE - ATB 2022 $'000	Operations funded by SDF 2022 $'000	Operations funded by LLEF 2022 $'000	Operations funded by NPF 2022 $'000	MOE - SATB 2022 $'000	Total 2022 $'000
SSG							
Add							
Grants from/(Return to) government	4,320	70,668	(9,113)	–	17,948	315,626	399,449
Deferred capital grants amortised	1,743	–	12,204	–	10,979	721	25,647
	6,063	70,668	3,091	–	28,927	316,347	425,096
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

	MOE - TGS 2021 $'000	MOE - ATB 2021 $'000	Operations funded by SDF 2021 $'000	Operations funded by LLEF 2021 $'000	Operations funded by NPF 2021 $'000	MOE - SATB 2021 $'000	Total 2021 $'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)

	MOE - TGS 2021 $'000	MOE - ATB 2021 $'000	Operations funded by SDF 2021 $'000	Operations funded by LLEF 2021 $'000	Operations funded by NPF 2021 $'000	MOE - SATB 2021 $'000	Total 2021 $'000
SSG							
Add							
Grants from/(Return 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

15 Lease liabilities

	Group		SSG	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Lease liabilities	1,700	6,250	1,698	6,245
Current				
Lease liabilities	4,621	5,392	4,618	5,342

Terms and debt repayment schedule

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

			2022		2021	
	Effective interest rate %	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	**Face value $'000**	**Carrying amount $'000**
Group						
Lease liabilities	3.2%	2021 - 2023	6,477	6,321	12,105	11,642
SSG						
Lease liabilities	3.2%	2021 - 2023	6,471	6,316	12,100	11,587

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

	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

	Group Lease liabilities $'000
Balance as at 1 April 2021	11,642
Changes from financing cash flows	
Payment of lease liabilities	(5,321)
Interest paid	(290)
Total changes from financing cash flows	(5,611)
Other changes	
Interest expense	290
Total liability-related charges	290
Balance as at 31 March 2022	6,321

16 Provision for reinstatement costs

	Note	Group and SSG $'000
At 1 April 2020		3,963
Provision made during the year		1,691
Utilisation		(34)
Reversal due to overprovision	27	(244)
Unwinding of discount		125
At 31 March 2021		5,501
Provision made during the year		1,120
Utilisation		(1,746)
Reversal due to overprovision	27	(125)
Unwinding of discount		116
At 31 March 2022		4,866

	2022 $'000	2021 $'000
Represented by:		
Current portion	–	1,642
Non-current portion	4,866	3,859
	4,866	5,501

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.

17 Deferred capital grants

	Group and SSG $'000
At 1 April 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
Amounts transferred from government grants	6,854
Amounts paid by National Productivity Fund	1,868
Amortisation of deferred capital grants	(37,684)
At 31 March 2022	210,463

18 Other payables

	Group		SSG	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Other payables				
Related parties	37,709	20,742	37,427	22,105
Third parties	22,077	60,119	18,832	57,851
Amount due to SDF	–	25,078	–	25,078
Amount due to LLEF	–	2,651	–	2,651
Accruals	14,531	12,241	13,655	11,056
Deferred revenue	2,680	2,506	1,884	1,758
	76,997	123,337	71,798	120,499

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

19 Contribution to consolidated fund

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

	Group and SSG	
	2022 $'000	2021 $'000
Surplus of SSG before contribution to consolidated fund	15,716	16,345
Contribution at 17% (2021: 17%)	2,672	2,779

20 Government grants received in advance

	Note	MOE - RF (i) $'000	Operations funded by SDF (ii) $'000	Operations funded by LLEF (ii) $'000	Operations funded by NPF (iii) $'000	MOE - TGS (iv) $'000	MOE - ATB (v) $'000	MOE - SATB (vi) $'000	Operating grant $'000	Total $'000
Group										
At 1 April 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	17	–	(759)	–	–	(6,439)	–	(1,768)	(14,382)	(23,348)
At 31 March 2021		–	1,989	–	–	(610)	9,818	41,034	(224)	52,007
Grants (refunded)/received during the financial year, net		–	(8,871)	–	17,948	7,301	70,000	347,995	156,262	590,635
Transfer to Statement of comprehensive income		–	9,139	–	(17,948)	(4,320)	(70,668)	(315,626)	(152,949)	(552,372)
Transfer to deferred capital grants	17	–	(851)	–	–	(2,618)	–	(296)	(3,089)	(6,854)
At 31 March 2022		–	1,406	–	–	(247)	9,150	73,107	–	83,416
SSG										
At 1 April 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	17	–	(759)	–	–	(6,439)	–	(1,768)	(14,382)	(23,348)
At 31 March 2021		–	–	–	–	(610)	9,818	41,034	(224)	50,018
Grants (refunded)/received during the financial year, net		–	(8,262)	–	17,948	7,301	70,000	347,995	156,262	591,244
Transfer to statement of comprehensive income		–	9,113	–	(17,948)	(4,320)	(70,668)	(315,626)	(152,949)	(552,398)
Transfer to deferred capital grants	17	–	(851)	–	–	(2,618)	–	(296)	(3,089)	(6,854)
At 31 March 2022		–	–	–	–	(247)	9,150	73,107	–	82,010

(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.

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 1979. 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	
	2022	2021
	$'000	$'000
Income		
Operating income	277,505	266,933
Other income	7,402	10,196
Fair value (loss)/gain	(37,709)	32,821
	247,198	309,950
Expenditure		
Net disbursements	(525,742)	(252,065)
Allowance for impairment loss on receivables	(715)	(825)
Bad debts (written off)/recovered	(529)	4
	(526,986)	(252,886)
Grants from government	211,830	–
(Deficit)/Surplus for the year	(67,958)	57,064
Accumulated surplus at the beginning of the year	427,889	370,825
Accumulated surplus at the end of the year	359,931	427,889

	Group and SSG	
	2022	2021
	$'000	$'000
Represented by:		
Current assets		
Cash and cash equivalents	1,541,319	2,748,816
Levy and other receivables	51,549	86,393
Grants disbursed in advance	3,225	619
Financial assets at amortised cost	30,095	30,755
Financial assets, at fair value through profit or loss	1,511,653	449,362
	3,137,841	3,315,945
Non-current asset		
Financial assets at amortised cost	–	30,321
Current liabilities		
Payables	(118,601)	(47,238)
Grants received in advance	(524,910)	(33,440)
	(643,511)	(80,678)
Non-current liability		
Grants received in advance	(1,263,260)	(1,966,560)
Capital account	(871,139)	(871,139)
Accumulated surplus at the end of the year	(359,931)	(427,889)
	(1,231,070)	(1,299,028)
Net assets	1,231,070	1,299,028

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 2001 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	
	2022	2021
	$'000	$'000
Receipts		
Refund of unused grant from programme manager	1,164	3,286
Interest income	72	394
	1,236	3,680
Expenditure		
Grants disbursed	(70,422)	(68,936)

	Group and SSG 2022 $'000	Group and SSG 2021 $'000
Grants from government	70,589	65,299
Surplus for the year	1,403	43
Accumulated surplus at the beginning of the year	308	265
Accumulated surplus at the end the year	1,711	308
Represented by:		
Current assets		
Cash and cash equivalents	24,314	20,030
Current liabilities		
Amount due to related parties	(22,603)	(19,722)
Net assets	1,711	308

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.

	Note	Group and SSG 2022 $'000	Group and SSG 2021 $'000
Income			
Government grants received		85,997	71,919
Other income		1,875	–
		87,872	71,919
Expenditure			
Grants disbursements		(114,302)	(95,510)
Others		(200)	(1,444)
Purchase of plant and equipment	17	(1,868)	(6,245)
		(116,370)	(103,199)
Deficit for the year		(28,498)	(31,280)
Accumulated (deficit)/surplus at the beginning of the year		(5,418)	25,862
Accumulated deficit at the end the year		(33,916)	(5,418)

	Group and SSG	
	2022	2021
	$'000	$'000
Represented by:		
Current assets		
Cash and bank balances	6,931	13,143
Trade and other receivables	334	15,039
	7,265	28,182
Current liabilities		
Current payables	(39,894)	(33,297)
Accruals	(1,287)	(303)
	(41,181)	(33,600)
Net liabilities	(33,916)	(5,418)

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 1979. 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	
	2022	2021
	$'000	$'000
Income		
Interest income	64	193
Expenditure		
Grants disbursements	(115)	(90)
(Deficit)/Surplus for the year	(51)	103
Accumulated surplus at the beginning of the year	20,638	20,535
Accumulated surplus at the end the year	20,587	20,638
Represented by:		
Current assets		
Cash and cash equivalents	20,547	20,592
Interest receivables	40	46
	20,587	20,638
Net assets	20,587	20,638

25 Operating income

	Group and SSG 2022 $'000	Group and SSG 2021 $'000
Application fees	1,280	1,278
Income from rendering of services	731	622
Annual fees	161	144
	2,172	2,044

Operating income is generated in Singapore.

26 Other income

	Group 2022 $'000	Group 2021 $'000	SSG 2022 $'000	SSG 2021 $'000
Interest income from:				
- CLM deposits held with AGD	402	993	385	944
Rental and service income	11,608	12,584	9,312	8,313
Others	1,735	5,430	3,163	6,344
	13,745	19,007	12,860	15,601

27 Other gains/(losses)

	Note	Group and SSG 2022 $'000	Group and SSG 2021 $'000
Loss on disposal of property, plant and equipment and intangible assets		(7)	(3,618)
Reversal of overprovision for reinstatement costs	16	125	244
Currency translation loss		(2)	–
		116	(3,374)

28 Staff costs

	Group 2022 $'000	Group 2021 $'000	SSG 2022 $'000	SSG 2021 $'000
Wages, salaries and staff related costs	58,532	51,698	54,296	47,846
Contributions to defined contribution plans	6,994	7,222	6,430	6,706
Staff training and benefits	1,688	1,762	1,637	1,711
Skills Development Levy	59	57	54	52
	67,273	60,739	62,417	56,315

29 Income tax expense/(credit)

	Group	
	2022	2021
	$'000	$'000
Current tax (credit)/expense		
Current year	2	45
(Over)/Under provision in prior years	(4)	2
	(2)	47
Deferred tax expense/(credit)		
Reversal and origination of temporary differences	–	(55)
Under provision in prior years	55	–
	55	(55)
Tax expense/(credit)	53	(8)

Reconciliation of effective tax rate

(Loss)/Profit before income tax of subsidiaries	(22)	90
Tax calculated using Singapore tax rate of 17% (2021: 17%)	(4)	15
Tax exempt income	(7)	(41)
Non-deductible expenses	13	16
Under provision in prior years	51	2
	53	(8)

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	
	2022	2021
	$'000	$'000
Commitments for the acquisition of:		
Property, plant and equipment	1,222	2,822
Intangible assets	13,371	56,552
	14,593	59,374

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 option to extend or renew the lease. Lease payments are renegotiated every three years to reflect market rentals.

The lease of office equipment typically run for a period of 5 years.

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).

	Leasehold land $'000	Building $'000	Office equipment $'000	Total $'000
2022				
Group				
Cost				
At 1 April	29,868	28,039	15	57,922
Additions to right-of-use assets	–	1,120	–	1,120
Disposal	–	(11,799)	–	(11,799)
Balance at 31 March	29,868	17,360	15	47,243
Accumulated depreciation				
At 1 April	5,204	17,582	6	22,792
Depreciation charge for the year	1,194	3,241	4	4,439
Disposal/write-off	–	(11,799)	–	(11,799)
Balance at 31 March	6,398	9,024	10	15,432
Carrying amount at 31 March	23,470	8,336	5	31,811
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

	Leasehold land $'000	Building $'000	Total $'000
2022			
SSG			
Cost			
At 1 April	29,868	27,879	57,747
Additions to right-of-use assets	–	1,120	1,120
Disposal	–	(11,799)	(11,799)
Balance at 31 March	29,868	17,200	47,068
Accumulated depreciation			
At 1 April	5,204	17,468	22,672
Depreciation charge for the year	1,194	3,195	4,389
Disposal/write-off	–	(11,799)	(11,799)
Balance at 31 March	6,398	8,864	15,262
Carrying amount at 31 March	23,470	8,336	31,806
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

Amounts recognised in profit or loss

	Group $'000	SSG $'000
2022 – Leases under SB-FRS 116		
Interest on lease liabilities	290	289
Expenses relating to short-term leases	138	138
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	135	135
Operating lease income from building	11,608	9,312

	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	12,584	8,313

Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	5,611	9,976

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 2022 was $11,608,000 (2021: $12,584,000) and $9,312,000 (2021: $8,313,000).

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

	Group $'000	SSG $'000
2022 – Operating leases under SB-FRS 116		
Less than one year	13,920	8,945
One to two years	9,222	5,951
Two to three years	5,204	3,296
Three to four years	2,376	1,446
Four to five years	2,376	1,446
More than five years	3,444	2,168
Total undiscounted lease receivable	36,542	23,252
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

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 $'000	Other Ministries $'000	Other Statutory Boards $'000	Total $'000
Group and SSG				
2022				
Operating income	–	(19)	(266)	(285)
Grant disbursement	–	–	72,854	72,854
Other expenditure	1,164	8,241	15,095	24,500
Payments made on behalf of WSG by SSG:				
- Shared services [(1)]	–	–	20,487	20,487
- Other expenditure	–	–	742	742
Payments made on behalf of SSG by WSG:				
- Shared services [(1)]	–	–	3,649	3,649
- Other expenditure	–	–	523	523
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

[(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:

	2022 $'000	2021 $'000
Group and SSG		
Wages and salaries	9,428	8,661
Employers' contribution to Central Provident Fund	542	544
	9,970	9,205

33 Dividends

	2022 $'000	2021 $'000
Group and SSG		
Dividend paid in respect of the previous financial year	4,623	–

The Group declared and paid a dividend of $4,623,000 (2021:Nil) in accordance with the Capital Management Framework for Statutory Boards outlined in Finance Circular Minute No. M26/2008.

34 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 $212,818,000 at 31 March 2022 (2021: $220,278,000). The cash and cash equivalents are held with AGD which has low credit risk based on external credit ratings of the counterparties.

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 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).

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 2022 and 2021.

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. 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 $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Between 2 to 5 years $'000**
Group				
31 March 2022				
Non-derivative financial liabilities				
Lease liabilities	6,321	6,477	4,762	1,715
Other payables*	74,317	74,317	74,317	–
	80,638	80,794	79,079	1,715
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
SSG				
31 March 2022				
Non-derivative financial liabilities				
Lease liabilities	6,316	6,471	4,758	1,713
Other payables*	69,914	69,914	69,914	–
	76,230	76,385	74,672	1,713
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

* *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.

(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		SSG	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Centralised Liquidity Management ("CLM") deposits held with AGD	2,128	2,203	1,540	1,633

(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.

(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 2022			
Financial assets not measured at fair value			
Cash and cash equivalents	212,818	–	212,818
Trade and other receivables#	19,218	–	19,218
Deposits	1,514	–	1,514
	233,550	–	233,550

Excludes grants disbursed in advance

	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Group			
Financial liabilities not measured at fair value			
Other payables*	–	74,317	74,317
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
SSG			
31 March 2022			
Financial assets not measured at fair value			
Cash and cash equivalents	153,968	–	153,968
Trade and other receivables#	61,715	–	61,715
Deposits	1,441	–	1,441
	217,124	–	217,124
Financial liabilities not measured at fair value			
Other payables*	–	69,914	69,914
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

\# *Excludes grants disbursed in advance*
* *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.

SKILLS DEVELOPMENT FUND

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 105 to 126 are properly drawn up in accordance with the provisions of the Skills Development Levy Act 1979 (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 2022, 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

Tan Kok Yam (Chen Guyan)
Chief Executive

Tan Wee Beng
Deputy Chief Executive

15 August 2022

Independent auditors' report

To the 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 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 105 to 126.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act 1979 (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 2022 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 ("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 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.

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.

- 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.

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
15 August 2022

Statement of financial position
As at 31 March 2022

	Note	2022 $'000	2021 $'000
Assets			
Financial assets, at amortised cost	4	–	30,321
Non-current asset		–	30,321
Cash and cash equivalents	5	1,541,319	2,748,816
Levy and other receivables	6	51,549	86,393
Grants disbursed in advance	7	3,225	619
Financial assets, at amortised cost	4	30,095	30,755
Financial assets, at fair value through profit or loss	8	1,511,653	449,362
Current assets		3,137,841	3,315,945
Total assets		3,137,841	3,346,266
Equity			
Capital account	9	871,139	871,139
Accumulated profits		359,931	427,889
Total equity		1,231,070	1,299,028
Liabilities			
Grants received in advance	11	1,263,260	1,966,560
Non-current liability		1,263,260	1,966,560
Trade payables	10	118,601	47,238
Grants received in advance	11	524,910	33,440
Current liabilities		643,511	80,678
Total liabilities		1,906,771	2,047,238
Total equity and liabilities		3,137,841	3,346,266

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

Statement of comprehensive income
Year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Operating income	12	277,505	266,933
Interest income	13	7,402	10,196
Fair value (loss)/gain		(37,709)	32,821
		247,198	309,950
Expenditure			
Net disbursements		(525,742)	(252,065)
Disbursements		(542,604)	(264,465)
Less: Disbursement refunds		16,862	12,400
Allowance for impairment loss on receivables		(715)	(825)
Bad debts (written off)/recovered		(529)	4
		(526,986)	(252,886)
(Deficit)/Surplus before government grant		(279,788)	57,064
Add			
Grants from government	11	211,830	–
(Deficit)/Surplus for the year, representing total comprehensive income for the year		(67,958)	57,064

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

Statement of changes in equity
Year ended 31 March 2022

	Capital account $'000	Accumulated profits $'000	Total $'000
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
At 1 April 2021	871,139	427,889	1,299,028
Net deficit for the year, representing total comprehensive income for the year	–	(67,958)	(67,958)
At 31 March 2022	871,139	359,931	1,231,070

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

Statement of cash flows
Year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
(Deficit)/Surplus before government grant		(279,788)	57,064
Adjustments for:			
Reversal of impairment loss on receivables		715	825
Bad debts written off/(recovered)		529	(4)
Fair value loss/(gain)		37,709	(32,821)
Gain on disposal of financial assets, at amortised cost		–	(14)
Interest income	13	(7,402)	(10,196)
Operating cash flow before movements in working capital		(248,237)	14,854
Changes in:			
Levy and other receivables		34,045	(36,725)
Grants disbursed in advance		(2,606)	1,512
Trade payables		71,363	4,457
Net cash used in operating activities		(145,435)	(15,902)
Cash flows from investing activities			
Proceeds on maturity of financial assets, at amortised cost		30,750	11,250
Proceeds on disposal of financial assets, at amortised cost		–	517
Interest received		7,188	16,145
Purchase of financial assets, at fair value through profit or loss		(1,100,000)	–
Net cash (used in)/generated from investing activities		(1,062,062)	27,912
Cash flows from financing activities			
Grants received from government		–	2,000,000
Net cash generated from financing activities		–	2,000,000
Net (decrease)/increase in cash and cash equivalents		(1,207,497)	2,012,010
Cash and cash equivalents at beginning of the year	5	2,748,816	736,806
Cash and cash equivalents at end of the year	5	1,541,319	2,748,816

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 August 2022.

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 1979. 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.

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 re-joining 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 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

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

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.

Management is of the opinion that there are no critical judgements made in applying SDF's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

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 2021:

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

The application of the 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 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 fair value through Profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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 fair value through other comprehensive income ("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.

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.

(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 held with the Accountant-General Department (“AGD”) which are subject to an insignificant risk of changes in value.

3.2 Impairment

Non-derivative financial assets

SDF recognises loss allowances for Expected Credit Loss (“ECL”) 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
- 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 debtor 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.

The maximum period considered when estimating ECLs is the maximum contractual period over which SDF 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 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 debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by SDF on terms that SDF would not consider otherwise; or
- it is probable that the debtor 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.

3.3 Government grant received

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

Government grants are not recognised until there is reasonable assurance that SDF will comply with the conditions attaching to them and the grants will be received. 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 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 Grant disbursement

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

3.6 Revenue recognition

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

3.7 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 2021 and earlier application is permitted; however, SDF 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 SDF's financial statements.

- SB-FRS 117 *Insurance Contracts* and amendments to SB-FRS 117 *Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SB-FRS 116)
- *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 - Cost of Fulfilling a Contract* (Amendments to SB-FRS 37)
- *Classification of Liabilities as Current or Non-current* (Amendments to SB-FRS 1)
- *Annual Improvements to SB-FRSs 2018-2020*
- *Disclosure of Accounting Policies* (Amendments to SB-FRS 1 and SB-FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SB-FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SB-FRS 12)

4 Financial assets, at amortised cost

	2022 $'000	2021 $'000
Singapore Government bonds	30,095	60,326
Corporate bonds	–	750
	30,095	61,076
Represented by		
Current portion	30,095	30,755
Non-current portion	–	30,321
	30,095	61,076

The quoted bonds have fixed interest rates of 3.125% (2021: 2.25% to 3.15%) per annum and have maturity periods of 5 months (2021: 1 to 17 months).

5 Cash and cash equivalents

	2022 $'000	2021 $'000
Centralised Liquidity Management ("CLM") deposits held with AGD [(i)]	1,541,319	2,748,816

[(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 0.30% (2021: 0.79%) per annum.

6 Levy and other receivables

	2022 $'000	2021 $'000
Levy receivables	2,484	1,883
Interest receivables from bonds & CLM	3,856	3,411
Other receivables:		
- National Productivity Fund	13,207	23,454
- Lifelong Learning Endowment Fund	22,163	22,373
- Workforce Singapore Agency	275	7,074
- SSG	9,471	27,850
- Others	93	348
	51,549	86,393

Other receivables, which are with related parties, are unsecured, interest-free and repayable within a credit period of 30 days.

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

	2022 $'000	2021 $'000
Third parties	3,225	619

8 Financial assets, at fair value through profit or loss

	2022 $'000	2021 $'000
Fund investments	1,511,653	449,362

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

	2022 $'000	2021 $'000
Related parties	26,302	3,188
Third parties	92,299	44,050
	118,601	47,238

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

11 Grants received in advance

	Grants received from Ministry of Finance (i)	
	2022 $'000	2021 $'000
At 1 April	2,000,000	–
Grants received during the financial year	–	2,000,000
Transfer to statement of comprehensive income	(211,830)	–
At 31 March	1,788,170	2,000,000
Classified as		
- Current	524,910	33,440
- Non-current	1,263,260	1,966,560
	1,788,170	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

	2022 $'000	2021 $'000
SDL from:		
- Private sector	253,268	243,530
- Statutory boards	9,179	8,833
- Ministries and Organs of State	15,055	14,539
Others	3	31
	277,505	266,933

SDL contribution is payable by employers for all employees up to the first $4,500 (2021: $4,500) of gross monthly remuneration at the rate of 0.25% or $2 (2021: 0.25% or $2), whichever is higher.

13 Interest income

	2022 $'000	2021 $'000
Interest income from:		
- CLM deposits held with AGD	6,582	8,676
- Financial assets, at amortised cost	820	1,520
	7,402	10,196

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:

	2022 $'000	2021 $'000
Disbursements to related parties	105,731	39,614
Receipts from related parties in relation to payments made on behalf of related parties by SDF	(3,846)	(31,111)

Key management personnel compensation

SDF relies on SSG for management and administrative support.

None of the key management personnel earned any fees or other remuneration in respect of their appointment of the Company during the current year and prior year. The key management personnel are not paid directly by the Company but receive remuneration from SSG, in respect of their services to the larger group which includes the Company. No consideration was paid to SSG for the service rendered by a key management personnel to the Company.

15 Commitments

The following represents the training assistance granted by SSG, and funded by 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.

	2022 $'000	2021 $'000
Training assistance committed for disbursement	1,328,619	573,711
CET campuses development committed for disbursement	–	42,290
	1,328,619	616,001

Training assistance grant commitment 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 in the SkillsConnect system and grants that are withdrawn from the system by system users.

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, 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 AGD Demand Aggregation Scheme, which consists of funds placements with six (2021: 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.

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 $1,541,319,000 as at 31 March 2022 (2021: $2,748,816,000). The cash and cash equivalents are held with AGD which has low credit risk based on the external credit ratings of the counterparties.

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).

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 bonds 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. The loss allowances were assessed to be immaterial as at 31 March 2022 and 2021.

Levy and other receivables

Exposure to credit risk

SDF's most significant debtor amounts to $22,163,000 (2021: $27,850,000) which pertained to amounts owing by Lifelong Learning Endowment Fund (2021: SSG).

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 2021 and 2022.

Other receivables and interest receivables

Impairment on other receivables and interest receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. Other receivables and interest 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.

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 SDF may be applied under the Skills Development Levy Act 1979.

SDF is not subject to any capital requirements under the Skills Development Levy Act 1979 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 2022 would have been higher by $151,165,000 (2021: $44,936,000). Correspondingly, the surplus would have been higher by $151,165,000 (2021: $44,936,000). 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.

The uncertainty of the outcome of the current events could result in significant fluctuations in market prices after 31 March 2022. 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 AGD as disclosed in Note 5.

Profile

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

	Carrying amount	
	2022	**2021**
	$'000	**$'000**
Fixed rate instruments		
Financial assets, at amortised cost	30,095	61,076
Centralised Liquidity Management deposits held with AGD	1,541,319	2,748,816
	1,571,414	2,809,892

(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.

		Carrying amount				
	Note	**Designated at FVTPL $'000**	**Financial assets at amortised cost $'000**	**Other financial liabilities $'000**	**Total carrying amount $'000**	**Fair value $'000**
2022						
Financial assets measured at fair value						
Fund investments at FVTPL	8	1,511,653	–	–	1,511,653	1,511,653

	Note	Carrying amount				
		Designated at FVTPL $'000	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2022						
Financial assets not measured at fair value						
Financial investments at amortised cost	4	–	30,095	–	30,095	30,234
Cash and cash equivalents	5	–	1,541,319	–	1,541,319	–
Levy and other receivables	6	–	51,549	–	51,549	–
		–	1,622,963	–	1,622,963	30,234
Financial liabilities						
Trade payables	10	–	–	118,601	118,601	–
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	–

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 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 asset or liability that are not based on observable market data (unobservable inputs).

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
2022			
Financial investments at amortised cost	30,234	–	30,234
Fund investments at FVTPL	–	1,511,653	1,511,653
	30,234	1,511,653	1,541,887
2021			
Financial investments at amortised cost	61,960	–	61,960
Fund investments at FVTPL	–	449,362	449,362
	61,960	449,362	511,322

SDF does not have any investments in the Level 3 category and there were no transfers between Level 1 and Level 2 in 2022 and 2021.

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

SKILLSFUTURE JUBILEE FUND

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 134 to 147 are properly drawn up in accordance with the provisions of the Skills Development Levy Act 1979, Singapore Charities Act 1994 (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 2022, and the financial performance, changes in accumulated surplus, and cash flows of SFJF for the financial year ended on that date;

(b) the receipts and expenditure by SFJF during the financial year have been in accordance with the provisions of the Skills Development Levy Act 1979;

(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

Tan Kok Yam (Chen Guyan)
Chief Executive

15 August 2022

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 2022, 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 134 to 147.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act 1979, Singapore Charities Act 1994 (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 2022, 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 auditor's report thereon.

We have obtained all other information prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 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 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 skepticism 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.

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 and expenditure 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.

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 and expenditure, are in accordance with the provision of the Act 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 and expenditure, are in accordance with the provision of the Act applicable to moneys of or managed by SFJF.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts and expenditure; 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
15 August 2022

Statement of financial position
As at 31 March 2022

	Note	2022 $	2021 $
Asset			
Other receivable	4	40,152	46,046
Cash and cash equivalents	5	20,547,238	20,591,733
Current assets		20,587,390	20,637,779
Total current assets representing total asset		20,587,390	20,637,779
Accumulated surplus		20,587,390	20,637,779
Total accumulated surplus		20,587,390	20,637,779

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

Statement of comprehensive income
Year ended 31 March 2022

	Note	2022 $	2021 $
Income			
Interest income		64,611	192,994
Expenditure			
Other expenses	6	(115,000)	(90,000)
(Deficit)/Surplus for the year, representing total comprehensive income for the year		(50,389)	102,994

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

Statement of changes in accumulated surplus
Year ended 31 March 2022

	Accumulated surplus $
At 1 April 2020	20,534,785
Net surplus for the year, representing total comprehensive income for the year	102,994
At 31 March 2021 / 1 April 2021	20,637,779
Net deficit for the year, representing total comprehensive income for the year	(50,389)
At 31 March 2022	20,587,390

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

Statement of cash flows
Year ended 31 March 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
(Deficit)/Surplus for the year		(50,389)	102,994
Adjustment for:			
Interest income		(64,611)	(192,994)
Net cash used in operating activities		(115,000)	(90,000)
Cash flows from investing activity			
Interest received		70,505	392,815
Net cash generated from investing activity		70,505	392,815
Net (decrease)/increase in cash and cash equivalents		(44,495)	302,815
Cash and cash equivalents at beginning of the year	5	20,591,733	20,288,918
Cash and cash equivalents at end of the year	5	20,547,238	20,591,733

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 August 2022.

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 1979. SFJF was administered by Singapore Workforce Agency ("WDA") from 11 February 2015 to 2 October 2016. The administration of 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 1979, 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 re-joining 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 a registered charity under the Charities Act 1994. The Institute of Public Character ("IPC") status has lapsed on 10 April 2021. The financial statements are expressed in Singapore dollars.

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 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

These financial statements are presented in Singapore dollars, which is 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.

Management is of the opinion that there are no critical judgements made in applying SFJF's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

2.5 Changes in accounting policies

New standards and amendments

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 2021:

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

The application of the 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 2.5, 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 fair value through Profit or loss ("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.

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 fair value through other comprehensive income ("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.

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).

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 comprise cash balances and deposits held with the Accountant-General Department ("AGD") which 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".

(v) Impairment

SFJF recognises loss allowances for Expected Credit Loss ("ECL") 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.

SFJF considers a financial asset to be in default when:

- the debtor 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 debtor;
- 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 debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when 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 received

SFJF receives government grants to meet its operating 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 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 as income or expenses in the period in which they become receivables.

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 2021 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 SFJF’s financial statements.

- SB-FRS 117 *Insurance Contracts* and amendments to SB-FRS 117 *Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SB-FRS 116)
- *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 - Cost of Fulfilling a Contract* (Amendments to SB-FRS 37)
- *Classification of Liabilities as Current or Non-current* (Amendments to SB-FRS 1)
- *Annual Improvements to SB-FRSs 2018-2020*
- *Disclosure of Accounting Policies* (Amendments to SB-FRS 1 and SB-FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SB-FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SB-FRS 12)

4 Other receivable

	2022 $	2021 $
Interest receivable from Centralised Liquidity Management deposits held with AGD	40,152	46,046

5 Cash and cash equivalents

	2022 $	2021 $
Centralised Liquidity Management deposits held with AGD (i)	20,547,238	20,591,733

(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 average rates of 0.30% (2021: 0.79%) per annum.

6 Other expenses

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

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 policies are relevant and complied with.

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:

	2022	**2021**
	$	**$**
Financial assets at amortised cost		
Other receivable	40,152	46,046
Cash and cash equivalents	20,547,238	20,591,733
	20,587,390	20,637,779

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.

Cash and cash equivalents

SFJF held cash and cash equivalents of $20,547,238 at 31 March 2022 (2021: $20,591,733). The cash and cash equivalents are held with AGD which has low credit risk based on the external credit ratings of the counterparties.

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).

Other receivable

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.

(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 held with AGD.

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	
	2022	**2021**
	$	**$**
Fixed rate instruments		
Cash and cash equivalents	20,547,238	20,591,733

Fair value sensitivity analysis for fixed rate instruments

SFJF does not account for any fixed rate financial assets at FVTPL. 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.

None of the key management personnel earned any fees or other remuneration in respect of their appointment of the Company during the current year and prior year. The key management personnel are not paid directly by the Company but receive remuneration from SSG, in respect of their services to the larger group which includes the Company. No consideration was paid to SSG for the service rendered by a key management personnel to the Company.

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