

# CELEBRATING A NATION OF LIFELONG LEARNERS AND SKILLS MASTERS

ANNUAL REPORT 2017/18



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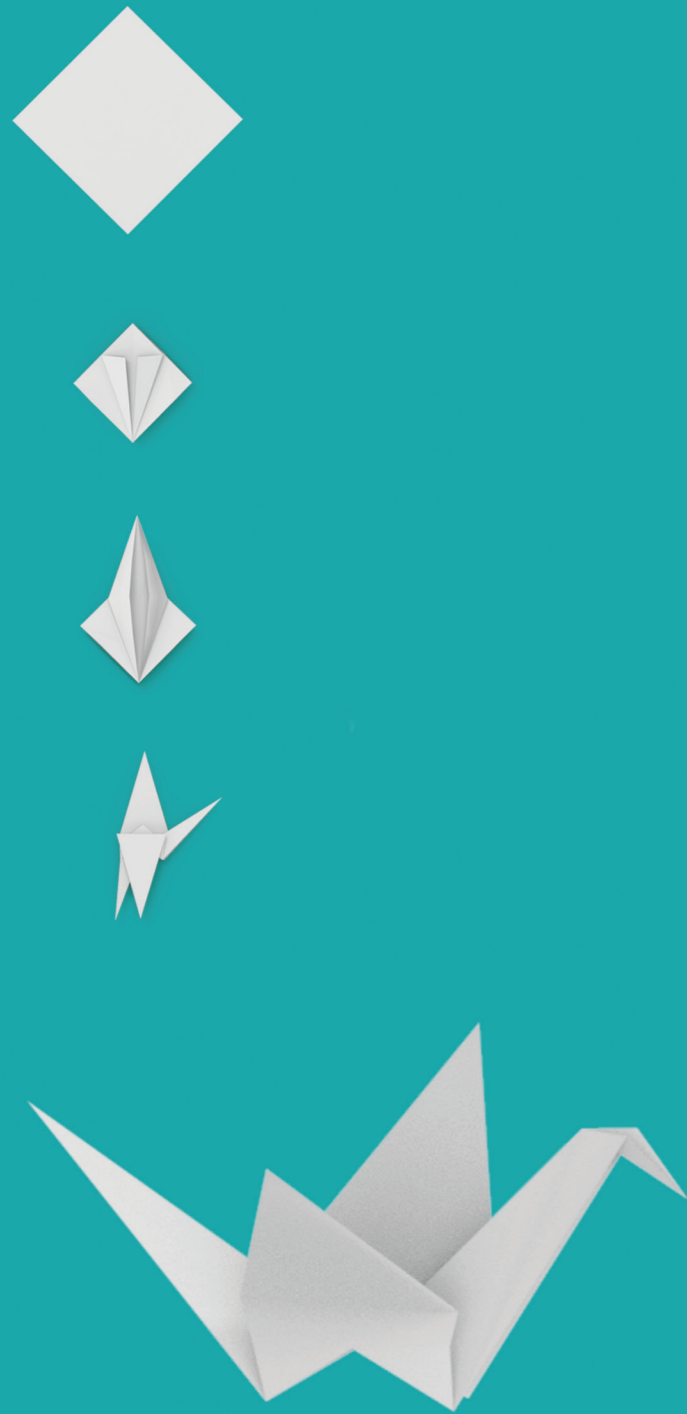


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## CHAIRMAN AND CHIEF EXECUTIVE'S FOREWORD

2017 marked SkillsFuture Singapore's (SSG) first full calendar year of operation, since we were formed as a statutory board under the Ministry of Education (MOE) in October 2016. We set out to champion skills development and mastery, and have seen some positive shifts in mind sets towards lifelong learning and skills deepening.

Singaporeans are now much more aware of the SkillsFuture movement. We have also strengthened the Continuing Education and Training (CET) programmes, to ensure that they are industry-relevant, and help prepare our workforce with the skills to seize emerging opportunities in a transforming world.

Progress in 2017 was made in four key areas.



▲ **MR TAN PHENG HOCK**  
Chairman

▲ **MR NG CHER PONG**  
Chief Executive

### **Strengthening the skills ecosystem**

SSG strengthened the CET landscape by building the third pillar of quality training providers, i.e. the Institutes of Higher Learning (IHLs). Building on the first two pillars – employers with in-house training, and training offered by private training providers - we worked with the IHLs this year, for them to deliver training in eight emerging and priority skills areas as part of the SkillsFuture Series. It is anticipated that the role of IHLs in CET will continue to expand significantly in the coming years.

### **Empowering the workforce to achieve their potential and seize new opportunities**

In FY17, 13 Skills Frameworks were launched in sectors such as Logistics and Aerospace. The Skills Frameworks are an integral part of the Industry Transformation Maps and provide a roadmap for individuals and employers to chart their training and career plans, employers to make recruitment, promotion and staff development decisions, and training providers to better develop their curriculum.

The SkillsFuture Series was introduced to enable Singaporeans to gain a basic understanding or deepen their skills in eight emerging skills areas such as advanced manufacturing, tech-enabled services, and data analytics. Modular CET courses were developed at the basic, intermediate and advanced levels to enable Singaporeans to take up the relevant training according to their skills needs and levels.

We also rolled out the SkillsFuture for Digital Workplace to help Singaporeans adapt to digital disruptions. This two-day, hands-on workshop gives Singaporeans a brief introduction on how some of these technologies affect them at their workplaces and in their daily lives, so that they can better adapt to global digital transformations.

In addition, we introduced an integrated online portal, MySkillsFuture, which provides individuals with information and resources at their fingertips to empower them to take charge of their own skills development and career planning.

### **Engagement of Partners**

Partnerships are critical for effecting a national mindset of lifelong learning. In 2017, SSG worked with key stakeholders such as unions and Community Development Councils to amplify the reach of SkillsFuture to more individuals. We launched the SkillsFuture Advice with our partners. Under this initiative, a series of free workshops were held in convenient heartland locations to allow more residents to gain a better understanding of SkillsFuture and how they can benefit from the various schemes.

Apart from expanding the reach to individual Singaporeans, enterprise support for continuous employee training is equally important for industry transformation. Hence we set up the Enterprise Engagement Office to reach out to more employers, and to drive partnerships with other government agencies and trade associations. This will help employers better understand their training needs and transform their businesses through investing in their workers' skills.

### **Celebrating Skills Mastery**

In 2017, SSG held the inaugural SkillsFuture Fellowships and Employer Awards ceremony to celebrate skills mastery. A total of 27 SkillsFuture Fellowships were awarded to individuals who are both respected skills masters in their respective fields and mentors of future talent. The SkillsFuture Employer Awards was presented to 14 employers who champion skills development in their employees and actively build a workplace culture which encourages lifelong learning.

Notwithstanding these achievements, we are still in the early stages of the SkillsFuture movement. We sincerely thank all our partners on this important journey - training providers, educational institutions, industry partners, unions and community partners. We look forward to our continued partnership as we work together towards our vision of Singapore as a nation of lifelong learners and a society that values skills mastery.

Chairman  
**Mr Tan Pheng Hock**

Chief Executive  
**Mr Ng Cher Pong**





1. **Mr Joe Sim**  
Chief Executive Officer,  
Parkway Pantai Limited
2. **Mr Ng Cher Pong**  
Chief Executive,  
SkillsFuture Singapore  
  
Deputy Secretary  
(SkillsFuture),  
Ministry of Education
3. **Mr Tan Pheng Hock**  
Chairman,  
SSG Board
4. **Mr Ramasamy Dhinakaran**  
Managing Director,  
Jay Gee Enterprises Pte Ltd  
  
Deputy Chairman,  
SSG Board
5. **Mr Tan Choon Shian**  
Chief Executive,  
Workforce Singapore
6. **Ms Grace Yow**  
Executive Vice President  
(Manufacturing) and Managing  
Director  
Fluidigm, Singapore
7. **Mr Tang Chun Wai Benjamin**  
President, Port Officers' Union  
Central Committee Member,  
National Trades Union Congress
8. **Mr Suhaimi Zainul-Abidin**  
Chief Executive,  
Quantedge Capital
9. **Mr Allen Law**  
Chief Executive,  
Park Hotel Group  
(appointed on 1 Oct 2017)
10. **Ms Charlene Chang**  
Senior Director  
(Transformation),  
Public Service Division
11. **Mr Soon Sze Meng**  
Vice President,  
Business, International Group  
of Singtel
12. **Mr Yuen Kuan Moon**  
Chief Executive Officer,  
Consumer Singapore of Singtel
13. **Prof Pang Hwee Hwa**  
Dean,  
School of Information Systems,  
Singapore Management University



**Absent**

**Prof Tan Thiam Soon**  
President,  
Singapore Institute of Technology

**Mr Wong Kim Yin**  
Group Chief Executive Officer,  
Singapore Power Ltd

**Retired Board Member:**

**Mrs Goh Mui Hong**  
President & Chief Executive Officer,  
ST Asset Management Ltd  
(3 Oct 2016 - 30 Sep 2017)

# SSG BOARD MEMBERS AND COMMITTEES, CORPORATE GOVERNANCE, MANAGEMENT TEAM

## SSG BOARD COMMITTEES

### Audit and Risk Committee (ARC)

Name	Appointment
1 Mr Ramasamy Dhinakaran	Chairman
2 Ms Charlene Chang	Member
3 Prof Pang Hwee Hwa	Member

### Grants Committee (GC)

Name	Appointment
1 Mr Tan Pheng Hock	Chairman
2 Mr Tan Choon Shian	Member
3 Mr Soon Sze Meng	Member
4 Mr Yuen Kuan Moon	Member

### Remuneration Committee (RC)

Name	Appointment
1 Prof Tan Thiam Soon	Chairman
2 Mr Benjamin Tang	Member
3 Ms Grace Yow	Member
4 Mr Allen Law	Member

### IT Committee (ITC)

Name	Appointment
1 Mr Joe Sim	Chairman
2 Dr Chong Yoke Sin	Co-opted Member
3 Dr Janson Yap	Co-opted Member
4 Mr Tan Eng Pheng	Co-opted Member

### Committee for Private Education (CPE)

Name	Appointment
1 Mr Wong Kim Yin	Chairman
2 Mr Choe Peng Sum	Co-opted Member
3 Mr Leong Keng Thai	Co-opted Member
4 Mr Andrew Lim Ming-Hui	Co-opted Member
5 Mr Ted Tan	Co-opted Member
6 Mr Wan Aik Chye	Co-opted Member
7 Mr Ervin Yeo	Co-opted Member
8 Mr Brandon Lee	Co-opted Member

### Investment Committee (IC) (3 Oct 2016 - 30 Sep 2017)

Name	Appointment
1 Mrs Goh Mui Hong	Chairman
2 Mr Suhaimi Bin Zainul Abidin	Member
3 Mr Yap Chuin Houi	Co-opted Member

## RISK MANAGEMENT PRACTICES AND INTERNAL CONTROLS

### Internal Control Framework

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

The risk items and indicators are monitored regularly by the SSG Management and reported to the Audit and Risk Committee and the SSG Board. The SSG Management is responsible to review and monitor the effectiveness of internal controls to safeguard SSG's interests, and will evaluate the need to implement other internal control policies from time to time, aimed at compliance with all regulatory and statutory standards.

### Internal and External Audit Functions

The Internal Audit Unit (IAU) functions independently and reports directly to the Audit and Risk Committee and administratively to SSG's Chief Executive. The IAU provides assurance to management through its evaluation of the adequacy and effectiveness of internal controls and processes, and compliance with established policies, procedures and regulatory requirements. Results of audits and recommendations for control enhancements are promptly communicated to the Audit and Risk Committee and SSG Management. The IAU also monitors the implementation status of the audit observations.

In addition, the external auditor performs the annual statutory audit and its audit observations (if any) are reported to the Audit and Risk Committee.

### Business and Ethical Conduct

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

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

### Annual Report and Financial Reporting

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



# CORPORATE GOVERNANCE

The SkillsFuture Singapore Agency (SSG) is committed to high standards of corporate governance. The SSG Board and Management have established a framework to ensure strict adherence to good corporate governance practices.

## Function of the SSG Board

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

## The SSG Board Committees

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

The SSG Board Committees are:

- a. **Audit and Risk Committee** - The Audit and Risk Committee ensures that SSG has a rigorous and robust system of internal controls. It reviews SSG's risk assessment and management systems, and the set-up of the internal audit function. It also reviews, together with internal and external auditors, the results of their audit reports on SSG's work and processes.
- b. **Committee for Private Education** - The Committee for Private Education exercises the functions of SSG under the Private Education Act. It is the approving authority for key decisions to be made under the Enhanced Registration Framework and the EduTrust Certification regime. It also institutes systems for process benchmarking, oversees regular reviews of regulatory frameworks, and provides guidance for consumer education initiatives and student support services.
- c. **Grants Committee** - The Grants Committee ensures that SSG has a robust financial system to fulfill SSG's mission. It provides advice on funding principles and grant policies, and fund allocation for SSG-administered funds. It also approves funding proposals that are within budgetary values specified by the SSG Board.
- d. **Investment Committee\*** - The Investment Committee formulates investment policies and guidelines that are in line with the approach set by the Ministry of Education and with the investment clause in the Skills Development Levy Act. It also manages the surplus of SSG-administered funds available for investment by reviewing the investment strategy and performance of the fund managers from time to time, as well as monitoring the results of the investments.

\* Investment Committee served from 3 Oct 2016 to 30 Sep 2017

- e. **Information Technology Committee** - The Information Technology Committee provides strategic guidance and oversight for information technology enablement. It also provides guidance on change management and communication pertaining to large-scale IT-related changes, advisory on risk management, and oversight on IT enablement to meet the expected corporate performance of SSG.
- f. **Remuneration Committee** - The Remuneration Committee sets human resource management and development policies which include approving staff remuneration policies, major changes to schemes of service, early retirement and early release schemes, as well as the appointment, promotion and performance bonuses for SSG senior management. It also reviews and deliberates on staff appeals related to personnel matters.

# ORGANISATION CHART

(As at 1 Sep 2018)

**Ng Cher Pong**  
Chief Executive Officer

**Internal Audit Unit (IAU)**  
Deputy Director (Vacant)

**Human Resource Division (HRD)**  
**Tracy Lee**  
Director

**Tan Wee Beng**  
Deputy Chief Executive (Operations)

**Chan Lee Mun**  
Chief Skills Officer

**Business Services Group (BSG)**  
**Training Manpower & Infrastructure Group (TMIG)**  
**Tan Tow Koon**  
Group Director

**Shared Services Management Div (SSMD)**  
**Ong Ai Ming**  
Director

**Integrated Business Services Div (IBSD)**  
**Angelina Soh**  
Director

**Corporate Services Div (CSVD)**  
**Michael Lim**  
Director  
Chief Records Officer

**Corporate Marketing & Communications Div (CMCD)**  
**Patricia Woo**  
Director

**Manpower & Infrastructure Planning Div (MIPD)**  
**Andrew Ho**  
Director

**Learning Gateway (LG)**

**WorldSkills Singapore Office (WSO)**  
**Bruce Poh**  
Executive Deputy Chairman

**Soh Sze-Wei**  
Director

**Lifelong Learning Institute (LLI)**  
**Dr Koh Tat Suan**  
Director

**SkillsFuture Engage Office (SFEO)**  
**Francis Lee**  
Director

**Institute for Adult Learning (IAL)**  
**Hui Mei San**  
Executive Director

**Learning & Professional Development Div (LPDD)**  
**Lee Wee Chee**  
Director

**Learning Services & Support Div (LSSD)**  
**Dr Lee Tong Nge**  
Director

**Research & Innovation Div (RID)**  
**Sim Soo Kheng**  
Director

**Business Technology Group (BTG)**  
**Pang Poh Cheng**  
Senior Director

**Operations Planning Div (OPD)**  
**Koh Kian Wee**  
Director

**Capability Development Div (CDD)**  
**Richard Lee**  
Director

**Operations & Support Div (OSD)**  
**Security & Infrastructure Div (SID)**  
**Teh Sim Seng**  
Director  
Chief Information Officer

**Training Partners Group (TPG)**  
**Dr Michael Fung**  
Group Director / Chief HR Officer / Chief Data Officer

**Planning & Programmes Div (PPD)**  
**Foo Piao Zhou**  
Director

**Industry Development Div 1 (IDD1)**  
**Chelvin Loh**  
Covering Director

**Industry Development Div 2 (IDD2)**  
**Jessica Methodius**  
Director

**Quality Management Div (QMD)**  
**Tan May Ling**  
Director

**Enterprise Engagement Office (EEO)**  
**Peggy Lim**  
Deputy Director

**Skills Development Group (SDG)**

**Futures Office (FO)**  
**Dr Cheung-Gog Soon Joo**  
Chief Futurist  
Chief Research Officer

**Skills Development Div (SDD)**  
**Loh Gek Khim**  
Director

**Safrah d/o Mohamed Eusoof**  
Director  
(Skills Promotion)

**Planning Group (PG)**  
**Musa Fazal**  
Group Director

**Strategic Planning Div (SPD)**  
**Musa Fazal**  
Group Director

**Resource Planning Div (RPD)**  
**Azzli Jamain**  
Director

**Regulation, Fraud & Enforcement Group (RFEG)**  
**Brandon Lee**  
Group Director/  
Director-General  
(Private Education)

**Fraud & Enforcement Div (FED)**  
**Pang Tong Wee**  
Deputy Director  
Chief Investigator

**Committee for Private Education (CPE)**

**Private Education Regulation Div (PERD)**  
**Remy Choo**  
Director

**Private Education Services Div (PESD)**  
Director (Vacant)



# MANAGEMENT TEAM



- |   |   |   |   |  |  |
|---|---|---|---|--|--|
| 1. <b>Mr Musa Fazal</b><br>Group Director<br>Planning Group   | 8. <b>Dr Cheung-Gog Soon Joo</b><br>Chief Futurist /<br>Chief Research Officer<br>Futures Office                    | 14. <b>Ms Jessica Methodius</b><br>Director<br>Industry Development Division 2  | 20. <b>Mr Andrew Ho</b><br>Director<br>Manpower and Infrastructure<br>Planning Division | 26. <b>Mr Soh Sze-Wei</b><br>Director<br>WorldSkills Singapore Office                        | 32. <b>Mr Michael Lim</b><br>Director /<br>Chief Records Officer<br>Corporate Services Division                |
| 2. <b>Ms Hui Mei San</b><br>Executive Director<br>Institute for Adult Learning  | 9. <b>Mr Tan Tow Koon</b><br>Group Director<br>Business Services Group; Training<br>Manpower & Infrastructure Group | 15. <b>Mr Teh Sim Seng</b><br>Director /<br>Chief Information Officer<br>Operations and Support Division;<br>Security and Infrastructure Division | 21. <b>Ms Sim Soo Kheng</b><br>Director<br>Research and Innovation Division             | 27. <b>Ms Angelina Soh</b><br>Director<br>Integrated Business Services<br>Division           | <b>Absent</b>  |
| 3. <b>Mr Chan Lee Mun</b><br>Chief Skills Officer<br>Skills Development Group   | 10. <b>Mr Remy Choo</b><br>Director<br>Private Education Regulation<br>Division                                     | 16. <b>Ms Tan May Ling</b><br>Director<br>Quality Management Division   | 22. <b>Ms Loh Gek Khim</b><br>Director<br>Skills Development Division                   | 28. <b>Mr Foo Piao Zhou</b><br>Director<br>Planning and Programmes Division                  | <b>Dr Michael Fung</b><br>Group Director / Chief HR Officer /<br>Chief Data Officer<br>Training Partners Group |
| 4. <b>Ms Pang Poh Cheng</b><br>Senior Director<br>Business Technology Group   | 11. <b>Ms Safrah d/o Mohamed<br/>Eusoof</b><br>Director (Skills Promotion)<br>Skills Development Division           | 17. <b>Mr Lee Wee Chee</b><br>Director<br>Learning & Professional<br>Development Division<br>(wef 1 June 2018)                                    | 23. <b>Ms Tracy Lee</b><br>Director<br>Human Resource Division                          | 29. <b>Mr Francis Lee</b><br>Director<br>SkillsFuture Engage Office                          | <b>Mr Bruce Poh</b><br>Executive Deputy Chairman<br>WorldSkills Singapore Office                               |
| 5. <b>Mr Ng Cher Pong</b><br>Chief Executive  | 12. <b>Mr Azzli Jamain</b><br>Director<br>Resource Planning Division<br>(wef 1 July 2018)                           | 18. <b>Ms Ong Ai Ming</b><br>Director<br>Shared Services Management<br>Division   | 24. <b>Mr Koh Kian Wee</b><br>Director<br>Operations Planning Division                  | 30. <b>Dr Koh Tat Suan</b><br>Director<br>Lifelong Learning Institute                        |  |
| 6. <b>Mr Tan Wee Beng</b><br>Deputy Chief Executive<br>(Operations)   | 13. <b>Mr Richard Lee</b><br>Director<br>Capability Development Division  | 19. <b>Ms Chelvin Loh</b><br>Covering Director<br>Industry Development Division I<br>(wef 1 July 2018)  | 25. <b>Dr Lee Tong Nge</b><br>Director<br>Learning Services & Support<br>Division       | 31. <b>Ms Patricia Woo</b><br>Director<br>Corporate Marketing and<br>Communications Division |  |
| 7. <b>Mr Brandon Lee</b><br>Group Director /<br>Director-General (Private<br>Education)<br>Regulation, Fraud and<br>Enforcement Group |   |   |   |  |  |



# KEY STATISTICS

OVERALL TRAINING NUMBERS IN SINGAPORE

**430,000** individuals took up **1,020,000** training places funded by MOE and SSG.



MYSKILLSFUTURE

**> 4 MILLION** user visits  
**> 457,000** log-ins



SKILLSFUTURE EARN AND LEARN PROGRAMME

**27** programmes for graduates from polytechnics and ITE



SKILLS FRAMEWORKS **13** FRAMEWORKS

- Accountancy
- Aerospace
- Biopharmaceuticals
- Manufacturing
- Electronics
- Energy & Chemicals
- Environmental Services
- Food Services
- Infocomm Technology
- Logistics
- Marine & Offshore
- Retail
- Sea Transport
- Security

SKILLSFUTURE ADVICE

Over **13,000** Singaporeans attended the workshops



SKILLSFUTURE STUDY AWARDS

**1,795** award recipients  
**22** sector agencies & **37** specialised areas



SKILLSFUTURE EMPLOYER AWARDS

**14** awards

SKILLSFUTURE SERIES

Over **7,500** Singaporeans since launch in **8** emerging skills area



SKILLSFUTURE FELLOWSHIPS

**27** recipients



SKILLSFUTURE CREDIT

Benefitted over **192,000** Singaporeans



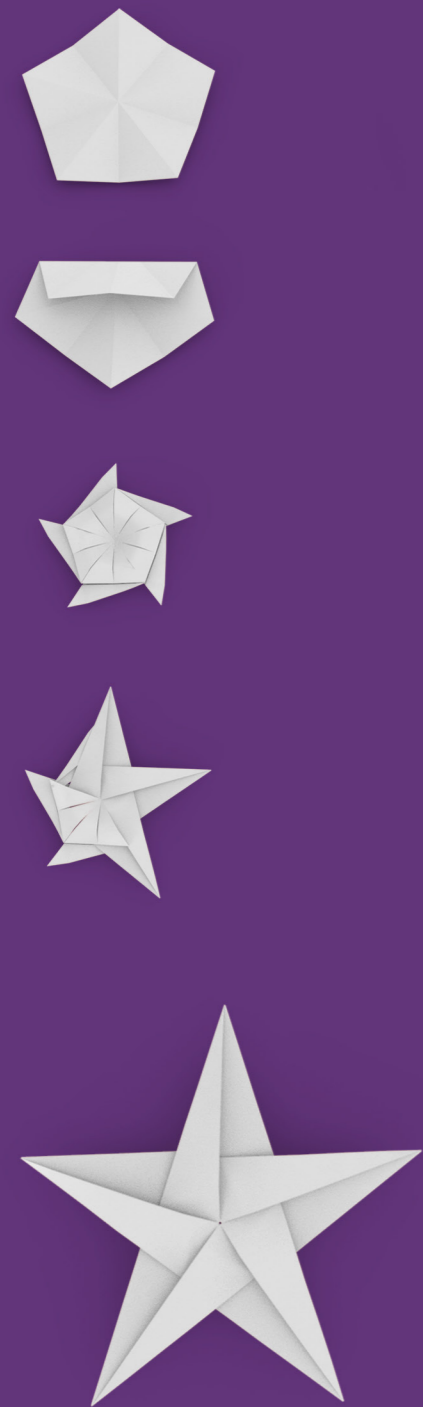
SKILLSFUTURE MID-CAREER ENHANCED SUBSIDY

Over **69,000** Singaporeans benefitted



SKILLSFUTURE FOR DIGITAL WORKPLACE

Over **7,000** Singaporeans participated since launch



## KEY ACHIEVEMENTS FY17

(April 2017-March 2018)



**25 Jul 2017**

**ITE offers new apprenticeship-based Work-Learn Technical Diplomas**

Four new Work-Learn Technical Diploma (WLTD) Programmes were introduced by ITE in Marine & Offshore Engineering, Mechanical & Electrical Services Supervision, Rehabilitation Care and Security Systems Engineering. The WLTDs provide an additional pathway for skills upgrading and career progression for ITE graduates upon completion of the programmes.

**25 Apr 2017**

**Launch of Skills Framework for Sea Transport**

The Skills Framework for Sea Transport covers 48 job roles across two career tracks – Port, and Shipping and Maritime Services.



**2 Aug 2017**

**Inaugural SkillsFuture Fellowships and SkillsFuture Employer Awards Presentation Ceremony**

The inaugural SkillsFuture Fellowships and SkillsFuture Employer Awards Presentation Ceremony was graced by Dr Tony Tan Keng Yam, then President of Singapore and the Patron for both awards. Twenty seven individuals received the SkillsFuture Fellowships, which recognises Singaporeans who display skills mastery in their respective fields and are committed to mentorship and the skills development of others.

Fourteen exemplary employers received the SkillsFuture Employer Awards for their significant efforts in investing in skills development and the development of skills-based career pathways for their employees.

**4 Aug 2017**

**Launch of Skills Framework for Food Services and Skills Framework for Retail**

The Skills Framework for Food Services covers 52 job roles across seven career tracks – Beverage Service, Food and Beverage Service, Pastry and Baking, Culinary Arts, Central Kitchen Production, Quality Assurance, and Research and Development.

The Skills Framework for Retail covers 24 job roles across five career tracks – Retail Operations, Brand Management, Marketing, Merchandising and E-Commerce.



**22 Sep 2017**

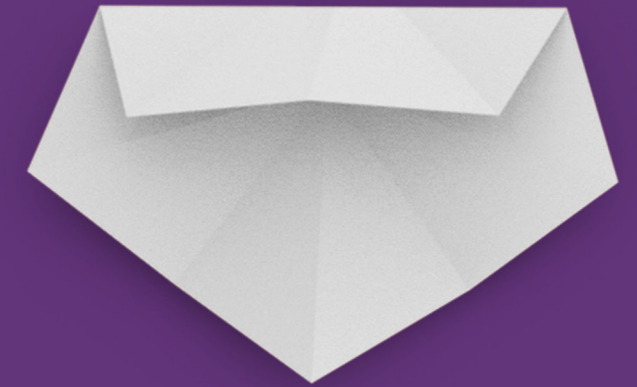
**Launch of Skills Framework for Logistics**

The Skills Framework for Logistics covers 57 job roles across six career tracks – Warehouse Management and Operations, Transportation Management and Operations, Freight Forwarding and Operations, Sales and Customer Service, Logistics Solutioning and Programme Management, and Logistics Process Improvement and Information System.

**3 Oct 2017**

**Launch of Skills Framework for Accountancy**

The Skills Framework for Accountancy covers 25 job roles across six career tracks – Assurance, Financial Accounting, Management Accounting, Internal Audit, Business Valuation and Tax.



**20 Sep 2017**

**Launch of Skills Framework for Electronics**

The Skills Framework for Electronics covers 29 job roles across two career tracks - Technical and Engineering, and Management.



**5 Oct 2017**

**Equipping Singaporeans with basic digital skills**

SkillsFuture for Digital Workplace was introduced to equip Singaporeans with basic digital skills required at the workplace and in their daily lives, and to cultivate a positive mind-set towards change. It is a two-day training programme that introduces critical areas such as cyber security, and the interpretation and use of data.





**19 Oct 2017**

**Strong performance by Team Singapore at biggest 'Youth Olympics of Skills'**

Team Singapore won two Golds and three Bronzes amidst stiff competition at the largest 'Youth Olympics of Skills' held in Abu Dhabi from 15-18 October 2017. The WorldSkills Competition is aligned with the national SkillsFuture movement, where Singaporeans are encouraged to develop deep skills and be lifelong learners.



**24 Oct 2017**

**Recognising five Adult Education Fellows for their exemplary contributions**

Five individuals were recognised as Adult Education Fellows who have set the benchmark for quality and excellence in their relevant Training & Adult Education fields of practice, and who serve as role models for the community of Adult Educators.

**26 Oct 2017**

**Building a culture of lifelong learning**

A bigger and more exciting month-long Lifelong Learning Festival saw more than 300 learning activities island-wide with 145 community partners participating. The festival focused on four key themes – Learning for the Digital Future, Learning as a Community, Tinkering with Crafts and Technology, and Empowering Yourself through Lifelong Learning.



**29 Oct 2017**

**Launch of MySkillsFuture and SkillsFuture Advice**

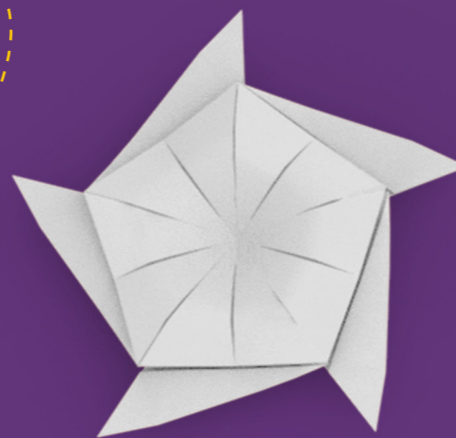
A one-stop portal, MySkillsFuture, was launched to help all Singaporeans make informed learning and career plans at every stage of their lives. Adults and tertiary students can discover their career interests and work values, obtain information about industries and find relevant training courses. Students can use it to explore and discover different industry sectors and educational pathways through interactive tools. Employers can also tap on MySkillsFuture to identify suitable programmes and resources to deepen the capabilities of their employees while training providers can reach out to a wider audience for their programmes.

The SkillsFuture Advice is a community outreach initiative that was launched through a strategic partnership between SSG and the Community Development Councils (CDCs), with support from Workforce Singapore (WSG), People's Association, and the Employment and Employability Institute (e2i). A series of free workshops is conducted in accessible locations in the heartlands to help residents better understand the relevance of SkillsFuture for their skills upgrading and career planning.

**21 Oct 2017**

**Launch of Skills Framework for Energy and Chemicals**

The Skills Framework for Energy and Chemicals covers 53 job roles across six career tracks – Production and Process Engineering, Health, Safety and Environment, Engineering and Maintenance, Quality Assurance and Quality Control, Technical Service, Application and Product Development, and Research and Development.



**28 Oct 2017**

**New SkillsFuture Series for eight emerging skills areas**

The new SkillsFuture Series covers training programmes in eight priority and emerging skills areas to help individuals pick up the necessary key skills to stay relevant and prepare for the future. Anchored primarily by the Institutes of Higher Learning, the eight areas draw reference from the Industry Transformation Maps, and comprise a curated list of short and modular industry-relevant courses that average 25 training hours.







**11 Dec 2017**

**Launch of Skills Framework for Environmental Services**

The Skills Framework for Environmental Services covers 24 job roles across five career tracks – Cleaning Operations, Waste Collection, Material Recovery, Treatment and Disposal, and Environment, Health and Safety.



**10 Nov 2017**

**Launch of Skills Framework for Infocomm Technology (ICT)**

The Skills Framework for ICT covers 119 job roles across seven career tracks – Security, Support, Infrastructure, Data, Professional Services, Software and Applications, and Sales and Marketing.



**2 Jan 2018**

**Reaching out to organisations**

SSG set up the Enterprise Engagement Office to promote the SkillsFuture movement and its initiatives to enterprises. The department works closely with associations, chambers and strategic partners to bring SkillsFuture to the doorstep of enterprises, especially small and medium enterprises.

**18 Nov 2017**

**More Work-Learn opportunities for polytechnic and ITE graduates**

Seven new Earn-and-Learn Programmes (ELPs) were introduced in areas such as environmental management, applied science, robotics & automation and entrepreneurship.

**17 Jan 2018**

**Launch of Skills Framework for Aerospace**

The Skills Framework for Aerospace covers 86 job roles across four career tracks – Aircraft Maintenance, Fleet Maintenance, Aircraft Engine/Component Maintenance and Manufacturing.



**1 Feb 2018**

**Launch of Education (Training and Adult Education) Industry Transformation Map (ITM)**

SSG collaborated with tripartite partners to launch the Education (TAE) ITM to build a high quality and responsive TAE industry. Focusing on innovation, jobs and skills, and productivity, the ITM provides a roadmap to professionalise and strengthen the capabilities of the TAE sector.



**13 Feb 2018**

**Launch of Skills Framework for Security**

The Skills Framework for Security covers 11 job roles across three career tracks – Private Security, Security Consultancy and Auxiliary Police.

**23 Feb 2018**

**Launch of Skills Framework for Marine and Offshore**

The Skills Framework for Marine and Offshore covers 29 job roles across seven career tracks – Design and Engineering, Manufacturing, Building, Maintenance, Repair, Overhaul and Installation, Procurement and Aftersales, Quality Assurance and Quality Control, Project Management, Workplace Safety and Health, and General Management.



**30 Mar 2018**

**Launch of Skills Framework for Biopharmaceuticals Manufacturing**

The Skills Framework for Biopharmaceuticals Manufacturing covers 27 job roles across four career tracks – Process Development/Manufacturing Science and Technology, Quality Assurance and Quality Control, Production, and Engineering and Maintenance.





## SKILLSFUTURE EMPLOYER AWARDS 2017

The SkillsFuture Employer Awards, in joint partnership with tripartite partners, recognises exemplary and progressive employers that champion skills development. They grow their talent pool and bring out the best in their employees, offering learning opportunities and structured skills-based career pathways.

Recipients received their awards from the awards patron, then President of Singapore, Dr Tony Tan Keng Yam.



### ON CHEONG COMPANY PTE LTD

On Cheong is one of the longest established local jewellers that was founded in 1936. Its strong emphasis on a skilled workforce has played an important part to help the company transform and expand over the years.

department heads and staff. On Cheong also mandates a minimum of 16 hours of training on industry-specific Singapore Workforce Skills Qualification (WSQ) courses for each employee.

Hence, the company creates an environment that motivates staff to learn and upgrade their skills throughout their career. Each employee can identify and work on their knowledge and skills gaps through the training analysis framework. A two-way appraisal system is put in place to encourage open sharing between

Since receiving the SkillsFuture Employer Awards in 2017, On Cheong has tapped on the SkillsFuture SME Mentors programme for small and medium sized enterprises (SME) to prepare and equip its staff.



## EMPLOYERS

Employers play an important role in shaping the growth of employees.



## ENVIABLY ME



Enviably Me adopts a human resource stance of “Growing People”. Its Managing Director Terence Yow says that it all boils down to “our people and our brands”.

Mr Yow feels that top management needs to be committed and persistent in the journey of organisational development. A skills-based career progression path is set for each employee, and their managers are tasked to identify the skills gaps. Flexible working hours are also implemented to allow staff to attend courses.

Receiving the SkillsFuture Employer Awards was a proud moment for Mr Yow. Being on the same stage as big corporations was clearly a testament to Enviably Me’s ability to punch above its weight.



## SKILLS MASTERS

SkillsFuture celebrates Singaporeans who are the epitome of skills mastery.



# SKILLSFUTURE FELLOWSHIPS 2017

The SkillsFuture Fellowships, in joint partnership with tripartite partners, recognises Singaporeans who demonstrate skills mastery. Not only have they acquired depth in their skills, they are also advocates of lifelong learning, devoted to mentoring and developing others.

Recipients received their awards from the awards patron, then President of Singapore, Dr Tony Tan Keng Yam. They also received \$10,000 each to support their continued journey towards skills mastery.



## ROSSLI BIN ABDUL RAHIM, 49



Rosli Bin Abdul Rahim has consistently received compliments for his excellent performance from clients and passengers alike throughout his career in Security Operations. He has been in the security sector since 1990, and is currently a Staff Sergeant and SATS Police Trainer with SATS Security Services Pte Ltd.

The posting at the SATS Training Section gave Rosli the chance to coach others. It motivated him to obtain an Advanced Certificate in Training and Assessment to become a trainer. He subsequently took up a Diploma in Police and Security Studies, and

he is now a part-time lecturer with Temasek Polytechnic.

Rosli Bin Abdul Rahim says that his learning journey is still continuing. He intends to pursue a degree in psychology at the Singapore Management University.

## TEO BOON SEE (ZHANG WENSHI), 46



Dr Teo is a Family Physician in private practice for 19 years. During this time, she has been continually upgrading her skills with postgraduate diplomas. Obtaining her Masters in Medicine (Family Medicine) equipped her to manage increasingly complex cases, such as elderly with multiple chronic diseases.

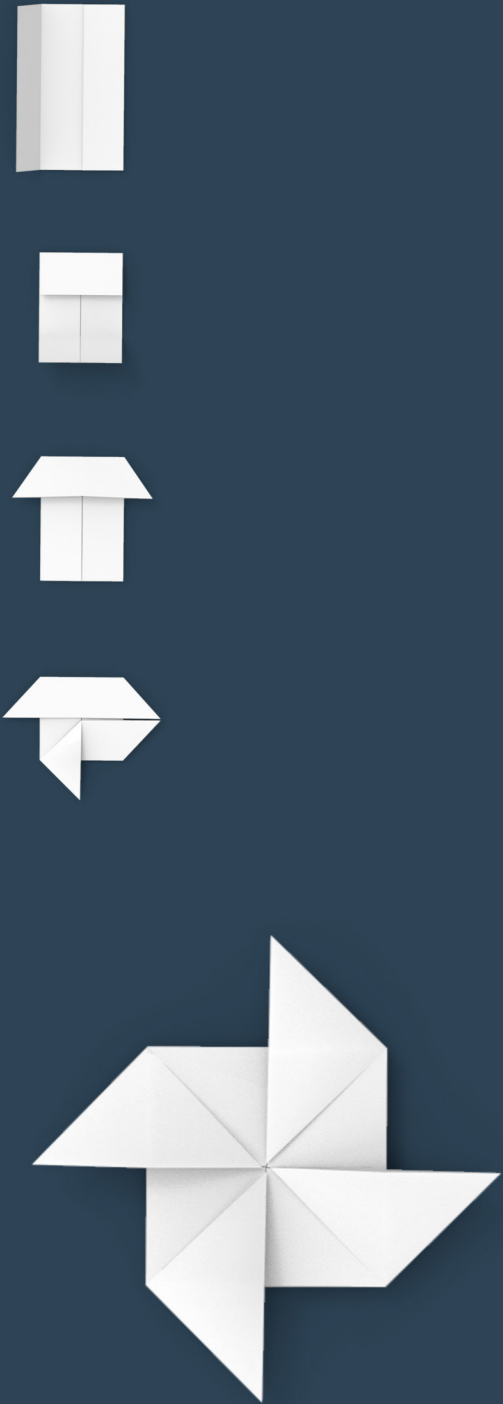
Dr Teo also recently completed the Fellowship Programme of the College of Family Physicians, which introduced her to research in primary care.

Apart from her day-to-day work, Dr Teo takes the time to train the next generation of doctors. She is an Adjunct Assistant Professor at the National University of Singapore (NUS), Yong Loo Lin

School of Medicine and Duke-NUS Medical School, and a Clinical Practice Facilitator for Lee Kong Chian School of Medicine. She teaches in modules like Communications with Patients, as well as Family Medicine tutorials. Her exemplary performance earned her an Outstanding Tutor Award from NUS students.

Dr Teo has also participated in medical missions and volunteered at a community clinic.





## LIFELONG LEARNERS

Singaporeans who never end their journey of lifelong mastery of skills and knowledge.



### STEVEN PETER, 42

Steven Peter works in Singtel as a Solutions Manager. Having always been interested in high-tech equipment and gadgets while growing up, he majored in IT in school. He soon found that he enjoyed interacting with people too, and decided to venture into pre-sales support.

With encouragement from his family, and supervisors at work, Steven continued to learn and upgrade his skills. He tapped on the SkillsFuture Mid-Career Enhanced Subsidy to take up

courses, such as a foundation certificate in IT Service Management, and a course on delivering better customer service, to help him improve in his work.

While he plans to continue deepening his knowledge in technology, he also hopes to mentor his colleagues to help them develop in their career too.





## SALLY YEW, 73

Sally Yew is a real estate salesperson, who is not afraid to embrace new technology at a mature age.

At over 70 years old, she developed a case of Transient Global Amnesia, a form of temporary memory loss, a few years back. Determined to keep her mind active to prevent a recurrence, she signed up for the SkillsFuture for Digital Workplace programme.

Sally enjoyed the course and picked up useful skills like using mobile apps to edit videos, as well as 3D printing of their own names. She is able to use apps for everything now: banking, making videos of her grandkids, paying for things at NTUC, and more. She encourages her friends to keep learning - she is a good example that age is not a barrier to learning.



## SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

Report and Financial Statements

Year ended 31 March 2018

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## SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

### STATEMENT BY 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 42 to 84 are properly drawn up in accordance with the provisions of the SkillsFuture Singapore Agency Act (Act 24 of 2016) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and SSG as at 31 March 2018, 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.

On behalf of the SkillsFuture Singapore Agency and its subsidiaries



**TAN PHENG HOCK**  
Chairman

Singapore  
23 July 2018



**NG CHER PONG**  
Chief Executive



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF 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 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of SSG for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 42 to 84.

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 SkillsFuture Singapore Agency Act (Act 24 of 2016) (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and SSG as at 31 March 2018 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.

### 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 the Group 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. The other information comprises the Statement by SkillsFuture Singapore Agency set out on page 37, but does not include the financial statements and our auditor's report thereon.

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

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

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

### 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 SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group'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 control.
- (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 the Group's internal control.
- (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 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 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 the Group to cease to continue as a going concern.

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

- (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.
- (f) 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 control 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 Act; 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 *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

#### Responsibilities of Management for Compliance with Legal and Regulatory Requirements

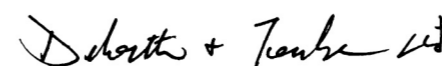
Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to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

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

#### 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 provisions of the Act.

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



Public Accountants and  
Chartered Accountants  
Singapore

23 July 2018



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

Note	Group		SSG			
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000		
<b>ASSETS</b>						
<b>Current Asset</b>						
	Cash and cash equivalents	6	126,141	31,914	93,330	9,579
	Trade and other receivables	7	49,834	76,947	69,210	94,532
	Deposits and prepayments	8	3,525	3,058	4,015	3,713
	Total current assets		179,500	111,919	166,555	107,824
<b>Non-current assets</b>						
	Property, plant and equipment	9	224,763	232,477	224,654	232,424
	Intangible assets	10	73,559	68,934	73,559	68,934
	Total non-current assets		298,322	301,411	298,213	301,358
	<b>Total assets</b>		<b>477,822</b>	<b>413,330</b>	<b>464,768</b>	<b>409,182</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
	Trade and other payables	12	115,310	81,101	111,094	79,690
	Provision for contribution to consolidated fund	13	833	704	833	704
	Income tax payable	14	61	55	-	-
	Provision for reinstatement costs	15	857	366	857	366
	Government grants received in advance	16	30,890	3,757	23,174	723
	Total current liabilities		147,951	85,983	135,958	81,483
<b>Non-current liabilities</b>						
	Provision for reinstatement costs	15	4,246	3,258	4,246	3,258
	Deferred capital grants	17	294,892	298,830	294,892	298,830
	Total non-current liabilities		299,138	302,088	299,138	302,088
<b>Capital and other funds</b>						
	Share capital	18	4,145	4,145	4,145	4,145
	Capital reserves	19	17,678	17,678	18,028	18,028
	Accumulated surplus					
	- General Fund		6,732	2,915	7,499	3,438
	- Restricted Funds	20	2,178	521	-	-
	Total capital and other funds		30,733	25,259	29,672	25,611
	<b>Total liabilities and equity</b>		<b>477,822</b>	<b>413,330</b>	<b>464,768</b>	<b>409,182</b>
<b>Net assets (liabilities) of trust funds</b>						
	Skills Development Fund	21	1,274,825	1,343,470	1,274,825	1,343,470
	Lifelong Learning Endowment Fund	22	2,446	415	2,446	415
	National Productivity Fund	23	5,548	(1,671)	5,548	(1,671)
	SkillsFuture Jubilee Fund	24	20,351	20,364	20,351	20,364

See accompanying notes to financial statements.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 March 2018

Note	←	General fund		←		Restricted funds		→		←		Total		→	
		1/4/2017 to 31/3/2018		3/10/2016 to 31/3/2017		1/4/2017 to 31/3/2018		3/10/2016 to 31/3/2017		1/4/2017 to 31/3/2018		3/10/2016 to 31/3/2017			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
<b>Group</b>															
	Operating income	25	674	301	6,185	3,462	6,859	3,763							
	Other income	26	2,028	282	16,387	7,673	18,415	7,955							
	Other (losses) gains	27	(100)	40	4	(795)	(96)	(755)							
			2,602	623	22,576	10,340	25,178	10,963							
<b>Expenditure</b>															
	Amortisation of intangible assets	10	(3,185)	(1,587)	(18,200)	(6,497)	(21,385)	(8,084)							
	Depreciation expense	9	(5,370)	(2,398)	(13,076)	(6,196)	(18,446)	(8,594)							
	Staff costs	28	(38,825)	(13,453)	(21,750)	(21,300)	(60,575)	(34,753)							
	Grant disbursements		(78,806)	(7,524)	(1,839)	(654)	(80,645)	(8,178)							
	Rental expenses on operating leases		(2,838)	(1,620)	(2,980)	(1,469)	(5,818)	(3,089)							
	Professional services		(23,976)	(8,086)	(15,898)	(8,151)	(39,874)	(16,237)							
	Maintenance expenses		(7,112)	(3,488)	(7,024)	(3,864)	(14,136)	(7,352)							
	Others		(5,705)	(2,720)	(8,715)	(5,430)	(14,420)	(8,150)							
			(165,817)	(40,876)	(89,482)	(53,561)	(255,299)	(94,437)							
	Deficit before government grant		(163,215)	(40,253)	(66,906)	(43,221)	(230,121)	(83,474)							
<b>SSG</b>															
	Operating income	25	674	301	6,185	3,462	6,859	3,763							
	Other income	26	2,121	324	12,801	6,151	14,922	6,475							
	Other (losses) gains	27	(100)	40	4	(500)	(96)	(460)							
			2,695	665	18,990	9,113	21,685	9,778							
<b>Expenditure</b>															
	Amortisation of intangible assets	10	(3,185)	(1,587)	(18,200)	(6,497)	(21,385)	(8,084)							
	Depreciation expense	9	(5,370)	(2,397)	(13,062)	(6,191)	(18,432)	(8,588)							
	Staff costs	28	(38,008)	(12,811)	(17,116)	(19,993)	(55,124)	(32,804)							
	Grant disbursements		(78,806)	(7,524)	(1,839)	(654)	(80,645)	(8,178)							
	Rental expenses on operating leases		(3,640)	(1,809)	(3,263)	(2,259)	(6,903)	(4,068)							
	Professional services		(23,994)	(8,086)	(13,194)	(7,990)	(37,188)	(16,076)							
	Maintenance expenses		(6,930)	(3,426)	(6,594)	(2,324)	(13,524)	(5,750)							
	Others		(5,733)	(2,755)	(5,951)	(4,740)	(11,684)	(7,495)							
			(165,666)	(40,395)	(79,219)	(50,648)	(244,885)	(91,043)							
	Deficit before government grant		(162,971)	(39,730)	(60,229)	(41,535)	(223,200)	(81,265)							

See accompanying notes to financial statements.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 March 2018

	Note	← General fund →		← Restricted funds →		← Total →	
		1/4/2017	3/10/2016	1/4/2017	3/10/2016	1/4/2017	3/10/2016
		to	to	to	to	to	to
		31/3/2018	31/3/2017	31/3/2018	31/3/2017	31/3/2018	31/3/2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>							
Add							
Grants from government	16	159,530	39,990	37,824	30,507	197,354	70,497
Deferred capital grants amortised	17	8,335	3,882	30,790	13,290	39,125	17,172
		167,865	43,872	68,614	43,797	236,479	87,669
Surplus before contribution to consolidated fund		4,650	3,619	1,708	576	6,358	4,195
Contribution to consolidated fund	13	(833)	(704)	-	-	(833)	(704)
Income tax expense	14	-	-	(51)	(55)	(51)	(55)
<b>Net surplus, representing total comprehensive income for the year/period</b>		<b>3,817</b>	<b>2,915</b>	<b>1,657</b>	<b>521</b>	<b>5,474</b>	<b>3,436</b>
<b>SSG</b>							
Add							
Grants from government	16	159,530	39,990	29,439	28,245	188,969	68,235
Deferred capital grants amortised	17	8,335	3,882	30,790	13,290	39,125	17,172
		167,865	43,872	60,229	41,535	228,094	85,407
Surplus before contribution to consolidated fund		4,894	4,142	-	-	4,894	4,142
Contribution to consolidated fund	13	(833)	(704)	-	-	(833)	(704)
Income tax expense	14	-	-	-	-	-	-
<b>Net surplus, representing total comprehensive income for the year/period</b>		<b>4,061</b>	<b>3,438</b>	<b>-</b>	<b>-</b>	<b>4,061</b>	<b>3,438</b>

See accompanying notes to financial statements.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN EQUITY

Financial year ended 31 March 2018

	Group				
	Share capital	Capital reserves	Accumulated surplus		Total
			General fund	Restricted fund	
	\$'000	\$'000	\$'000	\$'000	\$'000
At 3 October 2016 transferred from WDA/ CPE (Notes 1 and 19)	4,145	17,678	-	-	21,823
Net surplus for the period, representing total comprehensive income for the period	-	-	2,915	521	3,436
At 31 March 2017	4,145	17,678	2,915	521	25,259
Net surplus for the year, representing total comprehensive income for the year	-	-	3,817	1,657	5,474
At 31 March 2018	4,145	17,678	6,732	2,178	30,733
<b>SSG</b>					
	Share capital	Capital reserves	General fund	Restricted fund	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 3 October 2016 transferred from WDA/ CPE (Notes 1 and 19)	4,145	18,028	-	-	22,173
Net surplus for the period, representing total comprehensive income for the period	-	-	3,438	-	3,438
At 31 March 2017	4,145	18,028	3,438	-	25,611
Net surplus for the year, representing total comprehensive income for the year	-	-	4,061	-	4,061
At 31 March 2018	4,145	18,028	7,499	-	29,672

See accompanying notes to financial statements.



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2018

	Group	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
<b>Operating activities</b>		
Deficit before government grant	(230,121)	(83,474)
Adjustments for:		
Amortisation and depreciation	39,831	16,678
Loss on disposal of property, plant and equipment and intangible assets	212	1,032
Interest income	(892)	(146)
Reversal of overprovision for reinstatement costs	(117)	(278)
Operating cash flows before movements in working capital	(191,087)	(66,188)
Trade and other receivables	27,113	(54,402)
Deposits and prepayments	(467)	681
Other payables	35,805	54,865
Cash used in operations	(128,636)	(65,044)
Contribution to consolidated fund	(704)	(142)
Income tax paid	(45)	-
<b>Net cash used in operating activities</b>	<b>(129,385)</b>	<b>(65,186)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(10,901)	(8,999)
Purchase of intangible assets	(26,068)	(23,051)
Proceeds from disposal of property, plant and equipment	15	64
Interest income	892	146
<b>Net cash used in investing activities</b>	<b>(36,062)</b>	<b>(31,840)</b>
<b>Financing activities</b>		
Grants received from government	259,674	106,236
Net cash inflows arising from transfer of net assets (Notes 1 and 19)	-	22,704
<b>Net cash from financing activities</b>	<b>259,674</b>	<b>128,940</b>
Net increase in cash and cash equivalents	94,227	31,914
Cash and cash equivalents at beginning of year/period (Note 6)	31,914	-
<b>Cash and cash equivalent at end of year/period (Note 6)</b>	<b>126,141</b>	<b>31,914</b>

See accompanying notes to financial statements.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### I GENERAL

The SkillsFuture Singapore Agency ("SSG") was established in the Republic of Singapore under the SkillsFuture Singapore Agency Act (Act 24 of 2016). The address of the registered office and principal place of operations of the Agency is No. 1 Marina Boulevard #18-01, One Marina Boulevard, Singapore 018989.

In January 2016, the Singapore Government announced the reorganisation of the functions of Singapore Workforce Development Agency ("WDA") for effective implementation of two key priorities: the national SkillsFuture initiative and the need to ensure competitiveness and quality jobs for Singaporeans over the long term. A new statutory board, SkillsFuture Singapore Agency ("SSG"), under the Ministry of Education ("MOE") has been formed to drive and coordinate the implementation of 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 has taken over some of the functions previously performed by WDA and absorbed the Council for Private Education ("CPE"), an existing statutory board under MOE.

Following the reorganisation of WDA, the ownership of Learning Gateway Ltd and its subsidiary, Lifelong Learning Institute Pte Ltd was transferred from WDA to SSG, with effect from 4 October 2016.

The principal activities of the subsidiaries are described in Note 11 to the financial statements.

The principal activities of SSG are:

- to plan and develop policies, programs and services that provide, or support the provision, of adult education and further education;
- 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;
- 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;
- 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;
- 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;
- to promote public awareness in Singapore of the importance of adult education and further education and encourage enthusiasm for lifelong learning;
- to collect, compile and analyse data about the provision of adult education or further education;
- 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);

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

- (i) to facilitate the improvement of quality of courses in adult education or further education provided in Singapore, including the standard of teachers and trainers in Singapore of these courses;
- (j) to promote or undertake research in Singapore into matters relating to adult education and further education;
- (k) to facilitate public availability of meaningful and accurate information relating to the quality of courses in adult education or further education provided in Singapore (even if the course is developed outside Singapore);
- (l) to provide career guidance services and facilities to assist students prepare to enter the labour market and to other people;
- (m) to administer the Private Education Act (Cap. 247A) in accordance with that Act and the Skills Development Fund in accordance with the Skills Development Levy Act (Cap. 306);
- (n) to cooperate and collaborate with the Workforce Singapore Agency (“WSG”) in the discharge of its functions under the Workforce Singapore Agency Act (Cap. 305D);
- (o) to perform such other functions as may be conferred on the Agency by any other Act.

The financial statements of SSG for the financial year ended 31 March 2018 were authorised for issue by members of the Board on 23 July 2018.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING AND ADOPTION OF NEW AND REVISED STANDARDS** - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ADOPTION OF NEW AND REVISED STANDARDS** – On 1 April 2017, the Group has adopted all the new and revised SB-FRSs and INT SB-FRS and SB-FRS Guidance Notes that are effective from that date and are relevant to its operations. The adoption of these new/revised SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes does not result in changes to the Group’s and SSG’s accounting policies and has no material effect on the amounts reported for the current or prior periods.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of new and revised SB-FRS as at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements in the period of its initial adoption, except for the following:

#### SB-FRS 116 Leases

*(Applies to annual periods beginning on or after 1 January 2019, with early application permitted if SB-FRS 115 is adopted.)*

SB-FRS 116 was issued in February 2017 and will supersede SB-FRS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor SB-FRS 17.

As at 31 March 2018, the Group has non-cancellable operating lease commitments as disclosed in Note 29. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SB-FRS 116, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon application of SB-FRS 116. The new requirement to recognise a right-of-use asset and a related lease liability may have a significant impact on the amounts recognised in the Group’s financial statements. The Group does not plan to early adopt SB-FRS 116.



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

**BASIS OF CONSOLIDATION** – The consolidated financial statements incorporate the financial statements of SSG and entities (including special purpose entities) controlled by SSG (its subsidiaries). Control is achieved when SSG:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

SSG reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when SSG obtains control over the subsidiary and ceases when SSG loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date SSG gains control until the date when SSG ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with SSG's accounting policies.

**FINANCIAL INSTRUMENTS** – Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis for debt instruments.

### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

### Loans and receivables

Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the income or expenditure. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expense to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### **Financial liabilities and equity instruments**

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of significant direct issue costs.

Pursuant to the Finance Circular Minute ("FCM") No. 26/2008 on Capital Management Framework ("CMF"), equity injection from the Government is recorded as share capital.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

### Derecognition of financial liabilities

The Group recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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

### The Group as lessor

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

### The Group as lessee

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

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

**PROPERTY, PLANT AND EQUIPMENT** – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method on the following bases:

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

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

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Construction-in-progress included in property, plant and equipment is not depreciated as these assets are not available for use. These are carried at cost, less any accumulated impairment loss. Depreciation of these assets, on the same basis as other assets, commences when the assets are available for use.

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period with the effect of any changes in estimates accounted for on a prospective basis.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

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

**INTANGIBLE ASSETS** – Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses.

Intangible assets with finite lives are amortised over their estimated useful lives, using the straight-line method on the following bases:

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.

The estimated useful lives, residual values and amortisation method of intangible assets are reviewed at the end of each reporting period with the effect of any changes in estimates accounted for on a prospective basis.

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/period the asset is derecognised.

**IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS** – At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense.



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately as income.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

**PROVISIONS** – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**GOVERNMENT GRANTS** – The Group receives various types of grants to meet its operating and development expenditure.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to income or expenditure on a systematic and rational basis over the useful lives of the related assets.

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

**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.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

**REVENUE RECOGNITION** – Revenue is recognised to the extent that it is probable that economic benefits will flow to SSG and the amount can be reliably measured.

### Workers’ assessment fees

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

### Application fees

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

### Course fees

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

### Income from rendering of services (including certification fees)

Income from rendering of services is recognised when the services are rendered.

### Annual fees

Annual fees are recognised over the period which the certificates are granted.

### Interest income

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

**RETIREMENT BENEFIT OBLIGATIONS** – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**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.

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

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

**INCOME TAX** – Income tax represents the sum of the tax currently payable and deferred tax of the subsidiaries of SSG.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which SSG expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in income or expenditure, except when it relate to items credited or debited outside income or expenditure (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside income or expenditure (either in other comprehensive income or directly in equity, respectively).

**CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** – Cash and cash equivalents in the statement of cash flows comprise cash balances and deposits placed with the Accountant-General's Department ("AGD") and are subject to an insignificant risk of changes in value.

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, SSG 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".

**FOREIGN CURRENCY TRANSACTIONS** - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and SSG are presented in Singapore dollars, which is the functional currency of SSG and the presentation currency for the consolidated financial statements.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in income or expenditure for the period.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgements or significant estimates that would have a significant effect on the amounts recognised in the financial statements.

### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

#### (a) Categories of financial instruments

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

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at amortised cost</b>				
<b>Cash and Cash equivalents</b>	126,141	31,914	93,330	9,579
<b>Loans and receivables</b>	50,919	78,093	70,672	96,174
	<u>177,060</u>	<u>110,007</u>	<u>164,002</u>	<u>105,753</u>
<b>Financial liabilities at amortised cost</b>				
	<u>115,565</u>	<u>82,177</u>	<u>113,657</u>	<u>81,588</u>

#### (b) Financial risk management policies and objectives

The Group is exposed to financial risk arising from its operations which include foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group has adopted risk management practices, which set out its general risk management framework as discussed below.

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.



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

(i) Foreign exchange risk management

The Group's operations are not exposed to significant foreign currency risk as its transactions, monetary assets and liabilities are predominantly denominated in Singapore dollars.

Foreign currency sensitivity analysis has not been presented as management do not expect any reasonable possible changes in foreign currency exchange rates to have a significant impact on the Group's operations and cash flows.

(ii) Interest rate risk management

SSG has cash balances placed with reputable banks and financial institutions and deposits held with AGD and has limited exposure to interest rate risk as variable rate interest-bearing assets are mainly of short-term nature (Note 6).

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

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.

(iv) Liquidity risk management

The Group manages liquidity risk by maintaining sufficient funding from the Government to finance its operations.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values.

**(c) Capital risk management policies and objectives**

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

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

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 5 RELATED PARTY TRANSACTIONS

Some of the Group's 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. These balances are unsecured and non-interest bearing.

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

	Parent Ministry \$'000	Other Ministries \$'000	Statutory Board \$'000	Total \$'000
<b>Group and SSG</b>				
<u>1/4/2017 to 31/3/2018</u>				
Operating income	(45)	(561)	(407)	(1,013)
Grant disbursement	-	-	39,310	39,310
Other expenditure	1,522	2,004	16,408	19,934
Payments made on behalf of WSG by SSG				
- Shared services <sup>(1)</sup>	-	-	52,019	52,019
- Other expenditure	-	-	75	75
Payments made on behalf of SSG by WSG				
- Other expenditure	-	-	639	639
<u>3/10/2016 to 31/3/2017</u>				
Operating income	(13)	(189)	(503)	(705)
Grant disbursement	-	-	2,778	2,778
Other expenditure	49	444	4,746	5,239
Payments made on behalf of WSG by SSG				
- Shared services <sup>(1)</sup>	-	-	24,686	24,686
- Other expenditure	-	-	887	887
Payments made on behalf of SSG by WSG				
- Other expenditure	-	-	2,518	2,518

<sup>(1)</sup> 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 provides various services ("shared services") to WSG as the main resource owner, including outsourcing, technological and facility services to deliver the shared goal.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### Compensation of key management personnel

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

	Group		SSG	
	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	9,683	6,290	9,683	6,290
Employer's contribution to Central Provident Fund	602	355	602	355
	10,285	6,645	10,285	6,645

### 6 CASH AND CASH EQUIVALENTS

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Centralised Liquidity Management ("CLM") deposits held with AGD	126,141	31,914	93,330	9,579

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 1.23% (2017 : 1.37% per annum).

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 7 TRADE AND OTHER RECEIVABLES

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Trade and other receivables				
Not past due and not impaired	6,875	424	3,641	1,860
Past due but not impaired:	693	449	435	229
< 3 months	661	399	435	225
3 months to 6 months	32	50	-	4
Impaired receivables	163	84	163	84
Less: allowance for impairment	(163)	(84)	(163)	(84)
	7,568	873	4,076	2,089
Amount due from WSG	35,743	75,091	35,743	75,091
Amount due from LLEF	6,523	983	6,523	983
Amount due from subsidiaries	-	-	22,868	16,369
	49,834	76,947	69,210	94,532

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

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

### 8 DEPOSITS AND PREPAYMENTS

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Deposits	1,085	1,146	1,462	1,642
Prepayments	2,440	1,912	2,553	2,071
	3,525	3,058	4,015	3,713



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 9 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Office equipment	Computer equipment
	\$'000	\$'000	\$'000
<b>Group</b>			
Cost:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	9,218	873	16,276
Additions	3,867	103	444
Transfers	112	-	-
Disposal/Write-off	(102)	(9)	(54)
At 31 March 2017	13,095	967	16,666
Additions	2,056	1,183	2,437
Transfers	83	-	3,886
Disposal/Write-off	(384)	(10)	(51)
At 31 March 2018	14,850	2,140	22,938
Accumulated depreciation:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	-	-	-
Depreciation	1,007	150	3,465
Disposal/Write-off	(16)	(4)	(46)
At 31 March 2017	991	146	3,419
Depreciation	2,847	468	6,976
Disposal/Write-off	(236)	(5)	(49)
At 31 March 2018	3,602	609	10,346
Carrying amount:			
At 31 March 2018	11,248	1,531	12,592
At 31 March 2017	12,104	821	13,247

	Mechanical and electrical equipment	Building	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000
Leasehold land				
	\$'000	\$'000	\$'000	\$'000
	31,406	1,911	173,153	233,168
	52	636	3,897	8,999
	-	-	(112)	-
	(276)	-	-	(1,171)
	31,182	2,547	4,116	240,996
	730	370	4,125	10,901
	-	-	(7,898)	-
	-	(15)	-	(460)
	31,912	2,902	343	251,437
	-	-	-	-
	619	133	3,220	8,594
	-	-	(9)	(75)
	619	133	-	8,519
	1,269	331	-	18,446
	-	(1)	-	(291)
	1,888	463	-	26,674
	30,024	2,439	343	224,763
	30,563	2,414	4,116	232,477

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

	Furniture and fittings	Office equipment	Computer equipment
	\$'000	\$'000	\$'000
<b>SSG</b>			
Cost:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	9,218	868	16,272
Additions	3,867	103	439
Transfers	112	-	-
Disposal/Write-off	(102)	(9)	(54)
At 31 March 2017	13,095	962	16,657
Additions	2,056	1,103	2,433
Transfers	83	-	3,886
Disposal/Write-off	(384)	(10)	(51)
At 31 March 2018	14,850	2,055	22,925
Accumulated depreciation:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	-	-	-
Depreciation	1,007	149	3,464
Disposal/Write-off	(16)	(4)	(46)
At 31 March 2017	991	145	3,418
Depreciation	2,847	465	6,972
Disposal/Write-off	(236)	(5)	(49)
At 31 March 2018	3,602	605	10,341
Carrying amount:			
At 31 March 2018	11,248	1,450	12,584
At 31 March 2017	12,104	817	13,239

	Mechanical and electrical equipment	Building	Construction-in-progress	Total
	\$'000	\$'000	\$'000	\$'000
Leasehold land				
	\$'000	\$'000	\$'000	\$'000
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	31,406	1,866	173,153	233,114
Additions	52	636	-	8,994
Transfers	-	-	(112)	-
Disposal/Write-off	(276)	-	-	(1,171)
At 31 March 2017	31,182	2,502	172,423	240,937
Additions	730	370	-	10,817
Transfers	-	-	3,929	(7,898)
Disposal/Write-off	-	-	-	(445)
At 31 March 2018	31,912	2,872	176,352	251,309
Accumulated depreciation:				
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	-	-	-	-
Depreciation	619	129	3,220	8,588
Disposal/Write-off	-	-	(9)	(75)
At 31 March 2017	619	129	3,211	8,513
Depreciation	1,268	325	6,555	18,432
Disposal/Write-off	-	-	-	(290)
At 31 March 2018	1,887	454	9,766	26,655
Carrying amount:				
At 31 March 2018	30,025	2,418	166,586	224,654
At 31 March 2017	30,563	2,373	169,212	232,424



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 10 INTANGIBLE ASSETS

	Computer software	Assets under development	Total
	\$'000	\$'000	\$'000
<b>Group and SSG</b>			
Cost:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	47,630	6,337	53,967
Additions	16,164	6,887	23,051
Transfers	182	(182)	-
Disposals	(1)	-	(1)
At 31 March 2017	63,975	13,042	77,017
Additions	11,768	14,300	26,068
Disposals	(116)	-	(116)
At 31 March 2018	75,627	27,342	102,969
Accumulated amortisation:			
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	-	-	-
Amortisation	8,084	-	8,084
Disposals	(1)	-	(1)
At 31 March 2017	8,083	-	8,083
Amortisation	21,385	-	21,385
Disposals	(58)	-	(58)
At 31 March 2018	29,410	-	29,410
Carrying amount:			
At 31 March 2018	46,217	27,342	73,559
At 31 March 2017	55,892	13,042	68,934

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 11 INVESTMENT IN SUBSIDIARIES

As at end of the reporting period, details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation and place of business	Proportion of ownership interest and voting power held	
			2018 (%)	2017 (%)
<b>Held by SSG</b>				
Learning Gateway Ltd ("LG") <sup>(i)</sup>	Management of the CET East and West campuses	Singapore	100	100
<b>Held by Learning Gateway Ltd</b>				
Lifelong Learning Institute Pte Ltd ("LLI") <sup>(ii)</sup>	Management of the CET East campus' operations	Singapore	100	100

(i) LG was incorporated on 17 May 2013 as a company limited by guarantee.

(ii) LLI is a wholly-owned subsidiary of LG, incorporated on 12 August 2013.

SSG has provided a commitment for financial support of \$961,000 (2017 : \$969,000) 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 when they fall due.

### 12 TRADE AND OTHER PAYABLES

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Other payables				
- Related parties (Note 5)	10,420	7,630	10,573	8,951
- Third parties	34,223	9,046	33,348	7,846
Amount due to SDF	51,729	35,487	51,729	35,487
Accruals	14,090	26,390	12,904	25,680
Advance receipts	4,848	2,548	2,540	1,726
	115,310	81,101	111,094	79,690

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 13 CONTRIBUTION TO CONSOLIDATED FUND

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

	SSG	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
Surplus of SSG before contribution to consolidated fund	4,894	4,142
Contribution at 17%	833	704

### 14 INCOME TAX EXPENSE

	Group	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
Current tax	51	55

Domestic income tax is calculated at 17% of the estimated assessable income for the period. The charge for the period can be reconciled to the accounting surplus as follows:

	Group	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
Surplus before contribution to consolidated fund and taxation	6,358	4,195
Income tax expense at statutory tax rate of 17%	1,081	713
Surplus of SSG not subjected to tax	(1,033)	(644)
Non-allowable items	3	3
Utilisation of deferred tax benefits	-	(17)
	51	55

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 15 PROVISION FOR REINSTATEMENT COSTS

	Group and SSG \$'000
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	4,262
Adjustment	(360)
Reversal of overprovision (Note 27)	(278)
At 31 March 2017	3,624
Adjustment	1,596
Reversal of overprovision (Note 27)	(117)
At 31 March 2018	5,103

	2018 \$'000	2017 \$'000
Represented by:		
Current portion	857	366
Non-current portion	4,246	3,258
	5,103	3,624

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 as at the commencement of the lease terms. Management's estimate for reinstatement costs of land include expenditures to carry out demolition works, distress prestressed tendon, imported earth backfilling and turfing. The provision is expected to be utilised upon return of the Group's and SSG's leased premises and land.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 16 GOVERNMENT GRANTS RECEIVED IN ADVANCE

	RF <sup>(i)</sup>	Operations funded by SDF <sup>(ii)</sup>	Operations funded by LLEF <sup>(ii)</sup>	Operating grant	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 3 October 2016	-	-	-	-	-
Grants received during the financial period	4,350	34,592	16,967	45,297	101,206
Transfer to income or expenditure	(4,680)	(12,086)	(13,741)	(39,990)	(70,497)
Transfer to deferred capital grants (Note 17)	-	(19,733)	(1,912)	(5,307)	(26,952)
At 31 March 2017	(330)	2,773	1,314	-	3,757
Grants received during the financial year	8,284	56,639	15,947	161,225	242,095
Transfer to income or expenditure	(8,149)	(19,020)	(10,655)	(159,530)	(197,354)
Transfer to deferred capital grants (Note 17)	(42)	(11,561)	(4,310)	(1,695)	(17,608)
At 31 March 2018	(237)	28,831	2,296	-	30,890
<b>SSG</b>					
At 3 October 2016	-	-	-	-	-
Grants received during the financial period	4,350	29,294	16,969	45,297	95,910
Transfer to income or expenditure	(4,680)	(9,823)	(13,742)	(39,990)	(68,235)
Transfer to deferred capital grants (Note 17)	-	(19,733)	(1,912)	(5,307)	(26,952)
At 31 March 2017	(330)	(262)	1,315	-	723
Grants received during the financial year	8,284	43,572	15,947	161,225	229,028
Transfer to income or expenditure	(8,149)	(10,634)	(10,656)	(159,530)	(188,969)
Transfer to deferred capital grants (Note 17)	(42)	(11,561)	(4,310)	(1,695)	(17,608)
At 31 March 2018	(237)	21,115	2,296	-	23,174

(i) Reinvestment Funds

Reinvestment Funds ("RF") are provided by Ministry of Finance ("MOF") 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 and Lifelong Learning Endowment Fund

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.

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 17 DEFERRED CAPITAL GRANTS

	Group and SSG \$'000
At 3 October 2016 transferred from WDA/CPE (Notes 1 and 19)	284,020
Amounts transferred from government grants (Note 16)	26,952
Amounts transferred from National Productivity Fund (Note 23)	5,030
Amortisation of deferred capital grants	(17,172)
At 31 March 2017	298,830
Amounts transferred from government grants (Note 16)	17,608
Amounts transferred from National Productivity Fund (Note 23)	17,579
Amortisation of deferred capital grants	(39,125)
At 31 March 2018	294,892

### 18 SHARE CAPITAL

	2018	2017	2018	2017
	Number of shares ('000)		\$'000	\$'000
Issued and fully paid up:				
At beginning and end of year/period	4,145	4,145	4,145	4,145

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

### 19 CAPITAL RESERVES

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



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 20 STATEMENT OF COMPREHENSIVE INCOME – RESTRICTED FUNDS

	Group							
	RF		Operations funded by SDF		Operations funded by LLEF		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>								
Operating income	-	-	2,236	1,336	3,949	2,126	6,185	3,462
Other income	5	-	15,570	7,610	812	63	16,387	7,673
Other (losses) gains	(31)	(9)	(77)	(985)	112	199	4	(795)
	(26)	(9)	17,729	7,961	4,873	2,388	22,576	10,340
<b>Less: Expenditure</b>								
Amortisation of intangible assets	(2)	(1)	(17,892)	(6,361)	(306)	(135)	(18,200)	(6,497)
Depreciation expense	(842)	(297)	(11,690)	(5,785)	(544)	(114)	(13,076)	(6,196)
Staff costs	(6,525)	(4,055)	(12,746)	(9,734)	(2,479)	(7,511)	(21,750)	(21,300)
Grant disbursements	-	-	(1,604)	(654)	(235)	-	(1,839)	(654)
Rental expenses on operating leases	(888)	(444)	(2,061)	(639)	(31)	(386)	(2,980)	(1,469)
Professional services	(99)	-	(5,574)	(2,714)	(10,225)	(5,437)	(15,898)	(8,151)
Maintenance expenses	(83)	(41)	(6,720)	(3,376)	(221)	(447)	(7,024)	(3,864)
Others	(116)	(45)	(6,194)	(3,215)	(2,405)	(2,170)	(8,715)	(5,430)
Deficit before government grant	(8,581)	(4,892)	(46,752)	(24,517)	(11,573)	(13,812)	(66,906)	(43,221)

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

	SSG							
	RF		Operations funded by SDF		Operations funded by LLEF		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>								
Operating income	-	-	2,236	1,336	3,949	2,126	6,185	3,462
Other income	5	-	11,984	6,088	812	63	12,801	6,151
Other (losses) gains	(31)	(9)	(77)	(690)	112	199	4	(500)
	(26)	(9)	14,143	6,734	4,873	2,388	18,990	9,113
<b>Less: Expenditure</b>								
Amortisation of intangible assets	(2)	(1)	(17,892)	(6,361)	(306)	(135)	(18,200)	(6,497)
Depreciation expense	(842)	(297)	(11,676)	(5,780)	(544)	(114)	(13,062)	(6,191)
Staff costs	(6,525)	(4,055)	(8,112)	(8,427)	(2,479)	(7,511)	(17,116)	(19,993)
Grant disbursements	-	-	(1,604)	(654)	(235)	-	(1,839)	(654)
Rental expenses on operating leases	(888)	(444)	(2,324)	(1,249)	(51)	(566)	(3,263)	(2,259)
Professional services	(99)	-	(2,869)	(2,553)	(10,226)	(5,437)	(13,194)	(7,990)
Maintenance expenses	(83)	(41)	(6,290)	(1,836)	(221)	(447)	(6,594)	(2,324)
Others	(116)	(45)	(3,426)	(2,525)	(2,409)	(2,170)	(5,951)	(4,740)
Deficit before government grant	(8,581)	(4,892)	(40,050)	(22,651)	(11,598)	(13,992)	(60,229)	(41,535)

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

	Group							
	RF		Operations funded by SDF		Operations funded by LLEF		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Add								
Grants from government	8,149	4,680	19,019	12,086	10,656	13,741	37,824	30,507
Deferred capital grants amortised	432	212	29,416	12,827	942	251	30,790	13,290
	8,581	4,892	48,435	24,913	11,598	13,992	68,614	43,797
Surplus before contribution	-	-	1,683	396	25	180	1,708	576
Contribution to consolidated fund	-	-	-	-	-	-	-	-
Income tax expense	-	-	(51)	(55)	-	-	(51)	(55)
Net surplus for the year	-	-	1,632	341	25	180	1,657	521
Accumulated surplus at the beginning of the year/period	-	-	341	-	180	-	521	-
Accumulated surplus at the end of the year/period	-	-	1,973	341	205	180	2,178	521

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

	SSG							
	RF		Operations funded by SDF		Operations funded by LLEF		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Add								
Grants from government	8,149	4,680	10,634	9,824	10,656	13,741	29,439	28,245
Deferred capital grants amortised	432	212	29,416	12,827	942	251	30,790	13,290
	8,581	4,892	40,050	22,651	11,598	13,992	60,229	41,535
Surplus before contribution	-	-	-	-	-	-	-	-
Contribution to consolidated fund	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	-	-	-
Net surplus for the year	-	-	-	-	-	-	-	-
Accumulated surplus at the beginning of the year/period	-	-	-	-	-	-	-	-
Accumulated surplus at the end of the year/period	-	-	-	-	-	-	-	-

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 21 NET ASSETS OF SKILLS DEVELOPMENT FUND

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

SSG and WSG has established a mutually agreed allocation framework on the usage of SDF to finance SSG 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:

- the promotion, development and upgrading of skills and expertise of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce;
- the retraining of retrenched persons; and
- the provision of financial assistance by grants, loans or otherwise for the above-mentioned purposes.

The following financial information represents SDF:

	Group and SSG	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
<b>Income</b>		
Operating income	258,784	136,012
Other income	14,129	8,465
Fair value gain	3,717	1,639
	<u>276,630</u>	<u>146,116</u>
<b>Expenditure</b>		
Net disbursements	(345,173) <sup>(i)</sup>	(132,839)
Allowance for impairment loss on receivables	(97)	(200)
Others	(5)	(22)
	<u>(345,275)</u>	<u>(133,061)</u>
(Deficit) Surplus for the year/period	(68,645)	13,055
Accumulated surplus at the beginning of the year/period	472,331	459,276
Accumulated surplus at the end of the year/period	<u>403,686</u>	<u>472,331</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

- (i) During the financial year, fraudulent claims of \$40 million in relation to training grants drawn from SDF were uncovered. Whilst the case is still under police investigation, preliminary investigation showed that a criminal syndicate was involved. The syndicate operated an organised network that used business entities, comprising employer companies and training providers, to submit fraudulent claims which were made in FY2017 with most in October 2017. When these irregular claims were detected, SSG immediately suspended all payments of grants to relevant business entities and reported the case to the Police.

To improve the system of fraud detection, checks and audits, management has formed an Inter-Agency Process Review Task Force, overseen by the SSG Board, and comprising of members from SSG management, the Accountant-General's Department, Commercial Affairs Department and Ministry of Education. In addition, management is strengthening the fraud detection system through data analytics. Through appropriate use of data analytics and drawing on data across government agencies, SSG would be able to better detect false claims, without significantly affecting genuine employers applying for training grants to upgrade the skills of their workers. Management has also made selected organisational restructuring to strengthen the fraud detection, and has started implementing some of the measures manually, and will progressively automate and systematise these.

Represented by:

#### Current assets

Cash and cash equivalents  
Levy and other receivables  
Grants disbursed in advance  
Financial assets, held-to-maturity  
Financial assets, at fair value through profit or loss

#### Non-current assets

Financial assets, held-to-maturity

#### Current liability

Payables

Capital account

Net assets

	Group and SSG	
	2018 \$'000	2017 \$'000
<b>Current assets</b>		
Cash and cash equivalents	900,650	1,203,398
Levy and other receivables	99,405	61,291
Grants disbursed in advance	23,925	3,158
Financial assets, held-to-maturity	5,013	4,021
Financial assets, at fair value through profit or loss	203,717	-
	<u>1,232,710</u>	<u>1,271,868</u>
<b>Non-current assets</b>		
Financial assets, held-to-maturity	76,666	81,971
	<u>76,666</u>	<u>81,971</u>
<b>Current liability</b>		
Payables	(34,551)	(10,369)
	<u>(34,551)</u>	<u>(10,369)</u>
Capital account	(871,139)	(871,139)
Net assets	<u>1,274,825</u>	<u>1,343,470</u>
	<u>403,686</u>	<u>472,331</u>



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 22 NET ASSETS OF LIFELONG LEARNING ENDOWMENT FUND

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

WDA had been appointed by the MOM as the programme manager of LLEF, from 1 September 2003 to 3 October 2016, to receive and deploy the grant for programmes that are congruent with the objectives of LLEF. With effect from 3 October 2016, LLEF was jointly managed by WSG and SSG.

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

	Group and SSG	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
<b>Receipts</b>		
Refund of unused grant from programme manager	319	78
Interest income	376	232
	<u>695</u>	<u>310</u>
<b>Expenditure</b>		
Grants disbursed	(90,542)	(48,204)
	<u>91,878</u>	<u>48,309</u>
<b>Grants received</b>		
Surplus for the year/period	2,031	415
Accumulated surplus at the beginning of the year/period	415	-
Accumulated surplus at the end of the year/period	<u>2,446</u>	<u>415</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

	Group and SSG	
	2018 \$'000	2017 \$'000
Represented by:		
<b>Current assets</b>		
Cash and cash equivalents	22,085	33,679
Other assets	2	210
	<u>22,087</u>	<u>33,889</u>
<b>Current liabilities</b>		
Payables	13,118	1,722
Payment due to related parties	6,523	31,752
	<u>19,641</u>	<u>33,474</u>
<b>Net assets</b>	<u>2,446</u>	<u>415</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 23 NET ASSETS (LIABILITIES) 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.

The following financial information represents NPF:

	Group and SSG	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
<b>Receipts</b>		
Government grants received	104,148	40,952
<b>Expenditure</b>		
Grants disbursements	(66,611)	(36,945)
Staff costs	(4,842)	(1,245)
Others	(7,897)	(2,344)
Purchase of plant and equipment (Note 17)	(17,579)	(5,030)
	<u>(96,929)</u>	<u>(45,564)</u>
Surplus (Deficit) for the year/period	7,219	(4,612)
Accumulated (deficit) surplus at the beginning of the year/period	(1,671)	2,941
Accumulated surplus (deficit) at the end of the year/period	<u>5,548</u>	<u>(1,671)</u>

	Group and SSG	
	2018 \$'000	2017 \$'000
Represented by:		
<b>Current assets</b>		
Cash and bank balances	33,355	12,160
Trade and other receivables	383	587
	<u>33,738</u>	<u>12,747</u>
<b>Current liabilities</b>		
Other payables	(25,570)	(6,817)
Accruals	(2,620)	(7,601)
	<u>(28,190)</u>	<u>(14,418)</u>
Net assets (liabilities)	<u>5,548</u>	<u>(1,671)</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 24 NET ASSETS OF SKILLSFUTURE JUBILEE FUND

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

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

	Group and SSG	
	1/4/2017 to 31/3/2018 \$'000	3/10/2016 to 31/3/2017 \$'000
<b>Income</b>		
Interest income	257	135
<b>Expenditure</b>		
Grant Disbursements	(270)	-
(Deficit) Surplus for the year/period	(13)	135
Accumulated surplus at the beginning of the year/period	20,364	20,229
Accumulated surplus at the end of the year/period	<u>20,351</u>	<u>20,364</u>

	Group and SSG	
	2018 \$'000	2017 \$'000
Represented by:		
<b>Current assets</b>		
Cash and cash equivalents	20,222	20,188
Interest receivables	129	176
	<u>20,351</u>	<u>20,364</u>
Net assets	<u>20,351</u>	<u>20,364</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 25 OPERATING INCOME

	Group and SSG	
	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017
	\$'000	\$'000
Workers' assessment fees	143	174
Application fees	1,049	624
Course fees	4,322	2,394
Income from rendering of services	1,210	504
Annual fees	135	67
	<u>6,859</u>	<u>3,763</u>

### 26 OTHER INCOME

	Group		SSG	
	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017
	\$'000	\$'000	\$'000	\$'000
Interest income from				
- CLM deposits held with AGD	892	146	892	146
Rental and service income	14,521	7,713	11,735	5,935
Others	3,002	96	2,295	394
	<u>18,415</u>	<u>7,955</u>	<u>14,922</u>	<u>6,475</u>

### 27 OTHER (LOSSES) GAINS

	Group		SSG	
	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017
	\$'000	\$'000	\$'000	\$'000
Loss on disposal of property, plant and equipment and intangible assets	(212)	(1,032)	(212)	(737)
Reversal of overprovision for reinstatement costs (Note 15)	117	278	117	278
Currency translation loss	(1)	(1)	(1)	(1)
	<u>(96)</u>	<u>(755)</u>	<u>(96)</u>	<u>(460)</u>

# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 28 STAFF COSTS

	Group		SSG	
	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017	1/4/2017 to 31/3/2018	3/10/2016 to 31/3/2017
	\$'000	\$'000	\$'000	\$'000
Wages, salaries and staff related costs	51,450	29,154	46,775	27,463
Contributions to defined contribution plans	7,206	4,576	6,507	4,336
Staff training and benefits	1,866	994	1,793	977
Skills Development Levy	53	29	49	28
	<u>60,575</u>	<u>34,753</u>	<u>55,124</u>	<u>32,804</u>

### 29 OPERATING LEASE ARRANGEMENTS

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

#### As lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities as at 31 March 2018 are as follows:

	Group		SSG	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one period	5,447	6,462	6,854	8,484
In the second to fifth period inclusive	448	5,895	1,434	8,045
	<u>5,895</u>	<u>12,357</u>	<u>8,288</u>	<u>16,529</u>



# SKILLSFUTURE SINGAPORE AGENCY AND ITS SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### As lessor

The future aggregate minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as at 31 March 2018 are as follows:

	Group and SSG	
	2018	2017
	\$'000	\$'000
Within one period	12,548	12,059
In the second to fifth period inclusive	18,108	16,382
After five periods	14,014	8,458
	<u>44,670</u>	<u>36,899</u>

### 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	
	2018	2017
	\$'000	\$'000
Commitments for the acquisition of:		
Property, plant and equipment	419	2,236
Intangible assets	60,439	72,630
	<u>60,858</u>	<u>74,866</u>

### 31 COMPARATIVE FIGURES

The financial statements for 2018 cover the financial year from 1 April 2017 to 31 March 2018.

The financial statements for 2017 covered the financial period since date of establishment on 3 October 2016 to 31 March 2017.



## SKILLSFUTURE JUBILEE FUND

### Report and Financial Statements

Year ended 31 March 2018

(A Fund established as part of the Skills Development Fund and administered by SkillsFuture Singapore) (UEN No. T15CC0002L)

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## STATEMENT BY SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLSFUTURE JUBILEE FUND

In our opinion,

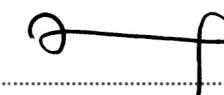
- (a) the accompanying financial statements of SkillsFuture Jubilee Fund ("SFJF"), set out on pages 92 to 101 are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306), Singapore Charities Act (Cap. 37) (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of SFJF as at 31 March 2018, and the financial performance, changes in accumulated surplus, and cash flows of SFJF for the financial year ended on that date;
- (b) the receipts, expenditure and investment of moneys of SFJF and the acquisition and disposal of assets by SFJF during the financial year have been in accordance with the provisions of the Skills Development Levy Act (Cap. 306);
- (c) the use of donation moneys is in accordance with the objectives of SFJF as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations;
- (d) SFJF has complied with Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- (e) proper accounting and other records have been kept in accordance with the provisions of the Acts.

On behalf of the SkillsFuture Singapore Agency, which administers SFJF



**TAN PHENG HOCK**  
Chairman

Singapore  
23 July 2018



**NG CHER PONG**  
Chief Executive

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

## 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 2018, 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 92 to 101.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act (Cap. 306), Singapore Charities Act (Cap. 37) (the "Acts") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of SFJF as at 31 March 2018 and the results, 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. The other information comprises the Statement by SkillsFuture Singapore Agency which administers SFJF, as set out on page 87, but does not include the financial statements and our auditor's report thereon.

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

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

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

## 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 Acts and SB-FRSs, 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 there is intention to wind up SFJF or for SFJF to cease operations.

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 scepticism throughout the audit. We also:

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



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

- 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

#### Opinion

In our opinion:

- a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by SFJF during the year are, in all material respects, in accordance with the provisions of the Acts; and
- b) proper accounting and other records have been kept in accordance with the provisions of the Acts.

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

- a) SFJF 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) SFJF 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 Requirements

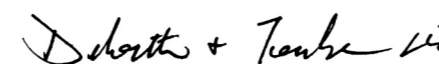
Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Acts. This responsibility includes implementing accounting and internal controls as management determines are necessary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

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

#### 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 provisions of the Acts.

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



Public Accountants and  
Chartered Accountants  
Singapore

23 July 2018

## SKILLSFUTURE JUBILEE FUND

### STATEMENT OF FINANCIAL POSITION

31 March 2018

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	20,221,831	20,188,383
Other receivable	6	129,296	176,016
<b>Total current assets representing total assets</b>		<u>20,351,127</u>	<u>20,364,399</u>
<b>Accumulated surplus</b>		<u>20,351,127</u>	<u>20,364,399</u>
<b>Total accumulated surplus</b>		<u>20,351,127</u>	<u>20,364,399</u>

See accompanying notes to financial statements.

## SKILLSFUTURE JUBILEE FUND

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2018

	Note	2018	2017
		\$	\$
<b>Income</b>			
Interest income		256,728	279,483
<b>Expenditure</b>			
Disbursements		<u>(270,000)</u>	<u>-</u>
<b>(Deficit) Surplus for the year, representing total comprehensive (loss) income for the year</b>		<u>(13,272)</u>	<u>279,483</u>

See accompanying notes to financial statements.

## SKILLSFUTURE JUBILEE FUND

### STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

Year ended 31 March 2018

	Accumulated surplus
	\$
Balance as at 1 April 2016	20,084,916
Surplus for the year representing total comprehensive income for the year	<u>279,483</u>
Balance as at 31 March 2017	20,364,399
Deficit for the year, representing total comprehensive loss for the year	<u>(13,272)</u>
Balance as at 31 March 2018	<u><u>20,351,127</u></u>

See accompanying notes to financial statements.

## SKILLSFUTURE JUBILEE FUND

### STATEMENT OF CASH FLOWS

Year ended 31 March 2018

	2018	2017
	\$	\$
<b>Operating activities</b>		
(Deficit) Surplus for the year	(13,272)	279,483
Adjustments for:		
Interest income	<u>(256,728)</u>	<u>(279,483)</u>
Operating cash flow before movement in working capital	(270,000)	-
Interest received	<u>303,448</u>	<u>174,518</u>
Net cash from operating activities	<u>33,448</u>	<u>174,518</u>
<b>Net increase in cash and cash equivalents</b>	33,448	174,518
Cash and cash equivalents at beginning of the year (Note 5)	<u>20,188,383</u>	<u>20,013,865</u>
<b>Cash and cash equivalents at end of the year (Note 5)</b>	<u><u>20,221,831</u></u>	<u><u>20,188,383</u></u>

See accompanying notes to financial statements.



# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### I GENERAL

The SkillsFuture Jubilee fund (the "SFJF") was established in the Republic of Singapore as part of the Skills Development Fund ("SDF") in accordance with Section 5 of the Skills Development Levy Act (Cap. 306).

In January 2016, the Singapore Government announced the reorganisation of the functions of Singapore Workforce Development Agency ("WDA") for effective implementation of two key priorities: the national SkillsFuture initiative and the need to ensure competitiveness and quality jobs for Singaporeans over the long term. A new statutory board, SkillsFuture Singapore Agency ("SSG"), under the Ministry of Education ("MOE") was formed to drive and coordinate the implementation of 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 has taken over some of the functions previously performed by WDA, including the administration of SFJF. The administration of SFJF was transferred from WDA to SSG with effect from 3 October 2016.

SFJF 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.

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

- a) the promotion, development and upgrading of skills and expertise of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce;
- b) the retraining of retrenched persons; and
- c) the provision of financial assistance by grants, loans or otherwise for the above-mentioned purposes.

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

- a) recognise and develop Singaporeans who embody characteristics aligned with the SkillsFuture objectives and support them in developing skills mastery in their respective fields of work; and
- b) recognise employers who made significant effort to invest in employee training and supported the SkillsFuture effort to develop structured skills-based career pathways for their employees.

SFJF's registered office and principal place of operations is No.1 Marina Boulevard, #18-01, One Marina Boulevard, Singapore 018989. SFJF is an Institute of Public Character ("IPC") and registered charity under the Charities Act (Cap. 37). The financial statements are expressed in Singapore dollars.

# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

Year ended 31 March 2018

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING AND ADOPTION OF NEW AND REVISED STANDARDS** - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the SFJF takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories or value in use* in SB-FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ADOPTION OF NEW AND REVISED STANDARDS** – On 1 April 2017, SFJF has adopted all the new and revised SB-FRSs and Interpretations of SB-FRSs ("INT SB-FRSs") and SB-FRS Guidance Notes that are relevant to its operations and effective for annual periods beginning or after 1 April 2017. The adoption of these new/revised SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes does not result in changes to SFJF's accounting policies and has no material effect on the amounts reported for the current or prior years.

Management has considered and is of the view the adoption of the SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes that were issued as at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements of SFJF in the period of its initial adoption.

# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

**FINANCIAL INSTRUMENTS** - Financial assets are recognised on SFJF's statement of financial position when SFJF becomes a party to the contractual provisions of the instrument.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis for debt instruments.

### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

### Other receivable

Other receivable is measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of other receivable where the carrying amount is reduced through the use of an allowance account. When other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the income or expenditure. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### Derecognition of financial assets

SFJF derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If SFJF neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, SFJF recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If SFJF retains substantially all the risks and rewards of ownership of a transferred financial asset, SFJF continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**GOVERNMENT GRANTS** – SFJF receives government grants to meet its operating and development expenditure.

Government grants are not recognised until there is reasonable assurance that SFJF will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that SFJF should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to income or expenditure on a systematic and rational basis over the useful lives of the related assets.

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

**INCOME RECOGNITION** - Income is measured at the fair value of the consideration received or receivable.

### Donations

Donations are recognised as income when SFJF obtains control of the donations or the right to receive the donation.

### Interest income

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

**CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** - Cash and cash equivalents in the statement of cash flows comprise cash balances placed with the Accountant-General's Department ("AGD") and are subject to an insignificant risk of changes in value.

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

# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of SFJF's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgements or significant estimates that would have a significant effect on the amounts recognised in the financial statements.

### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

#### (a) Categories of financial instruments

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

	2018	2017
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	20,221,831	20,188,383
Other receivable	129,296	176,016
	<u>20,351,127</u>	<u>20,364,399</u>

#### (b) Financial risk management

SFJF has limited exposure to financial risks as its financial assets consist mainly of cash and cash equivalents placed with AGD (Notes 5 and 6).

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

Management considers that the carrying amount of financial assets recorded at amortised cost in the financial statements approximate their respective fair values due to the relatively short term maturity of these financial instruments.

# SKILLSFUTURE JUBILEE FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 5 CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Centralised Liquidity Management deposits held with AGD <sup>(i)</sup>	<u>20,221,831</u>	<u>20,188,383</u>

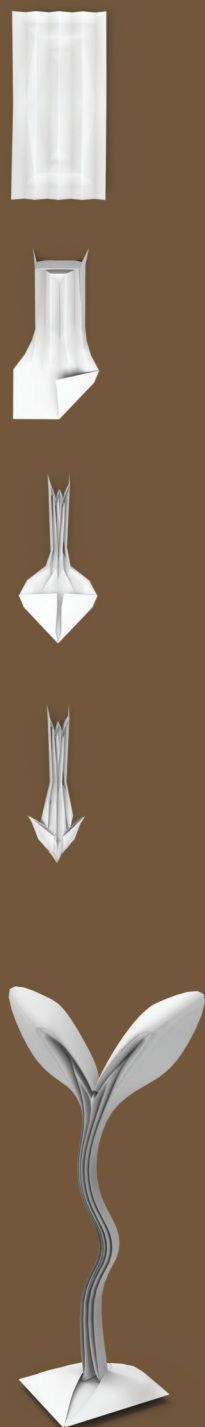
<sup>(i)</sup> SFJF participates in the Centralised Liquidity Management by the AGD under AGD Circular 4/2009. Deposits, which are interest-bearing, are centrally managed by AGD and are available to SFJF upon request and earn interest at rates between 1.21% to 1.28% (2017 : 1.24% to 1.48%) per annum.

### 6 OTHER RECEIVABLE

	2018	2017
	\$	\$
Interest receivable from Centralised Liquidity Management deposits held with AGD	<u>129,296</u>	<u>176,016</u>

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## SKILLS DEVELOPMENT FUND

Report and Financial Statements

Year ended 31 March 2018



## 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 109 to 127 are properly drawn up in accordance with the provisions of the Skills Development Levy Act, Cap. 306 (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRS”) so as to present fairly, in all material respects, the financial position of SDF as at 31 March 2018, 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 this 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



**NG CHER PONG**  
Chief Executive

Singapore  
23 July 2018



**TAN WEE BENG**  
Deputy Chief Executive

## INDEPENDENT AUDITOR’S 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 2018, and 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 109 to 127.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Skills Development Levy Act, Cap. 306 (the “Act”) and Statutory Board Financial Reporting Standards (“SB-FRS”) so as to present fairly, in all material respects, the financial position of SDF as at 31 March 2018 and the results, 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. The other information comprises the Statement by SkillsFuture Singapore Agency, which administers SDF, as set out on page 104, but does not include the financial statements and our auditor’s report thereon.

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

## 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 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 there is intention to wind up SDF or for SDF to cease operations.

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 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 control.
- 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 SDF's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

- 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 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.
- 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

### Opinion

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 Requirements

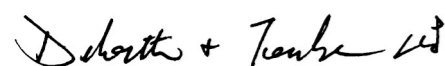
Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF SKILLSFUTURE SINGAPORE AGENCY WHICH ADMINISTERS SKILLS DEVELOPMENT FUND

## Auditor's 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 Act.

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



Public Accountants and  
Chartered Accountants  
Singapore

23 July 2018

## SKILLS DEVELOPMENT FUND STATEMENT OF FINANCIAL POSITION 31 March 2018

	Note	2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	900,650	1,203,398
Levy and other receivables	7	99,405	61,291
Grants disbursed in advance	8	23,925	3,159
Financial assets, held-to-maturity	9	5,013	4,021
Financial assets, at fair value through profit or loss	10	203,717	-
Total current assets		1,232,710	1,271,869
<b>Non-current assets</b>			
Financial assets, held-to-maturity	9	76,666	81,971
Total assets		1,309,376	1,353,840
<b>LIABILITY AND EQUITY</b>			
<b>Current liability</b>			
Payables	11	34,551	10,370
<b>Capital and reserves</b>			
Capital account	12	871,139	871,139
Accumulated surplus		403,686	472,331
Total capital and reserves		1,274,825	1,343,470
<b>Total liability and equity</b>		1,309,376	1,353,840

See accompanying notes to financial statements.

## SKILLS DEVELOPMENT FUND

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2018

	Note	2018 \$'000	2017 \$'000
Operating income	13	258,784	255,389
Other income	14	14,129	17,022
Fair value gain		3,717	1,561
Expenditure			
Net disbursements	15	(345,173)	(217,769)
Disbursements		(345,515)	(220,623)
Less: Disbursement refunds		342	2,854
Allowance for impairment loss on receivables		(97)	(205)
Bad debts written off		(5)	(35)
		<u>(345,275)</u>	<u>(218,009)</u>
<b>(Deficit) Surplus for the year, representing total comprehensive (loss) income for the year</b>		<u>(68,645)</u>	<u>55,963</u>

See accompanying notes to financial statements.

## SKILLS DEVELOPMENT FUND

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2018

	Capital account \$'000	Accumulated surplus \$'000	Total \$'000
At 1 April 2016	871,139	416,368	1,287,507
Net surplus for the year, representing total comprehensive income for the year	-	55,963	55,963
At 31 March 2017	871,139	472,331	1,343,470
Net deficit for the year, representing total comprehensive loss for the year	-	(68,645)	(68,645)
At 31 March 2018	<u>871,139</u>	<u>403,686</u>	<u>1,274,825</u>

See accompanying notes to financial statements.



# SKILLS DEVELOPMENT FUND

## STATEMENT OF CASH FLOWS

Year ended 31 March 2018

	2018	2017
	\$'000	\$'000
<b>Operating activities</b>		
(Deficit) Surplus for the year	(68,645)	55,963
Adjustments for:		
Allowance for impairment loss on receivables	97	205
Bad debts written off	5	36
Fair value gain	(3,717)	(1,561)
Interest income	(14,129)	(16,998)
Operating cash flow before movements in working capital	(86,389)	37,645
Levy and other receivables	(42,523)	(44,405)
Payables	24,181	(9,525)
Net cash used in operating activities	(104,731)	(16,285)
<b>Investing activities</b>		
Proceeds on maturity of financial assets, held-to-maturity	4,000	56,000
Interest received	18,749	15,439
Proceeds of financial assets, at fair value through profit or loss	-	202,274
Purchase of financial assets, at fair value through profit or loss	(200,000)	-
Net decrease in financial assets under fund management	-	(96,192)
Net cash (used in) from investing activities	(177,251)	177,521
<b>Financing activity</b>		
Grants (paid in advanced) refunded, representing net cash (used in) from financing activity	(20,766)	8,346
Net (decrease) increase in cash and cash equivalents	(302,748)	169,582
Cash and cash equivalents at beginning of the year (Note 6)	1,203,398	1,033,816
<b>Cash and cash equivalents at end of the year (Note 6)</b>	<b>900,650</b>	<b>1,203,398</b>

See accompanying notes to financial statements.

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### I GENERAL

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

In January 2016, the Singapore Government announced the reorganisation of the functions of WDA for effective implementation of two key priorities: the national SkillsFuture initiative and the need to ensure competitiveness and quality jobs for Singaporeans over the long term. A new statutory board, SkillsFuture Singapore Agency ("SSG"), under the Ministry of Education ("MOE") was formed to drive and coordinate the implementation of SkillsFuture initiative. SSG has taken over some of the functions previously performed by WDA, including the administration of SDF, and absorb the Council for Private Education ("CPE"), an existing statutory board under MOE. The administration of SDF was transferred from WDA to SSG with effect from 3 October 2016.

The SDF was established for the following purposes:

- (a) the promotion, development and upgrading of skills and expertise of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce;
- (b) the retraining of retrenched persons; and
- (c) the provision of financial assistance by grants, loans or otherwise for the above-mentioned purposes.

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

The registered office and principal place of operations of SSG, being the administrator of SDF, is No.1 Marina Boulevard, #18-01, One Marina Boulevard, Singapore 018989. The financial statements are expressed in Singapore dollars and all values are rounded to the nearest thousands (\$'000), except when otherwise indicated.

The financial statements of the Fund for the financial year ended 31 March 2018 were authorised for issue by the SSG Board on 23 July 2018.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING AND ADOPTION OF NEW AND REVISED STANDARDS** - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the SDF takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 *Inventories* or value in use in SB-FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**ADOPTION OF NEW AND REVISED STANDARDS** – On 1 April 2017, SDF has adopted all the new and revised SB-FRSs and INT SB-FRSs and SB-FRS Guidance Notes that are effective from that date and are relevant to its operations. The adoption of these new/revised SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes do not result in changes to the SDF's accounting policies and has no material effect on the amounts reported for the current or prior years.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of SB-FRS as at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements of SDF in the period of its initial adoption, except for the following:

### SB-FRS 109 *Financial Instruments*

*(Applies to annual periods beginning on or after 1 January 2018, with early application permitted.)*

SB-FRS 109 was issued in July 2015 to replace SB-FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

Key requirements of SB-FRS 109 relevant to SDF:

- (a) All recognised financial assets that are within the scope of SB-FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under SB-FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in income or expense.
- (b) In relation to the impairment of financial assets, SB-FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under SB-FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management has performed an analysis of the requirements of the initial application of the new SB-FRS 109 and has anticipated that the adoption of SB-FRS 109 could result in changes to the accounting policies relating to the classification and measurement of financial instruments and a new expected credit loss model for calculating impairment on financial assets in the period of the initial adoption.

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on SDF's statement of financial position when SDF becomes a party to the contractual provisions of the instrument.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expenses are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss”, “held-to-maturity investments” and “loans and receivables”. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

#### Financial assets, at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near future. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are expected to be realised within 12 months after the end of each reporting period.

#### Financial assets, held-to-maturity

Financial assets, held-to-maturity, are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. These are presented as non-current assets, except for those maturing within 12 months after the end of the reporting period and are presented as current assets.

Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### Levy and other receivables

Levy and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

#### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of levy and other receivables where the carrying amount is reduced through the use of an allowance account. When a levy and other receivables are uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the income or expenditure. Changes in the carrying amount of the allowance account are recognised in income or expenditure.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Derecognition of financial assets

SDF derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If SDF neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, SDF recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If SDF retains substantially all the risks and rewards of ownership of a transferred financial asset, SDF continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

#### Derecognition of financial liabilities

SDF derecognises financial liabilities when, and only when, obligations are discharged, cancelled or they expire.

**INCOME RECOGNITION** - Income is measured at the fair value of the consideration received or receivable.

#### Skills Development Levy

Income from Skills Development Levy is recognised on an accrual basis.

#### Interest income

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

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

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

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, SDF 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".

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of SDF's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that there are no critical judgements or significant estimates that would have a significant effect on the amounts recognised in the financial statements.

### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

#### (a) Categories of financial instruments

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

	2018	2017
	\$'000	\$'000
<b>Financial assets</b>		
Held-to-maturity investments (Note 9)	81,679	85,993
Cash and cash equivalents (Note 6)	900,650	1,203,398
Levy and other receivables (Note 7)	99,405	61,291
Financial assets at amortised cost	1,081,734	1,350,682
Fair value through profit or loss (designated as at FVTPL) (Note 10)	203,717	-
	<u>1,285,451</u>	<u>1,350,682</u>
<b>Financial liabilities at amortised cost</b>	<u>34,551</u>	<u>10,370</u>

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

#### (b) Financial risk management policies and objectives

The SDF is subject to market risk (including interest rate risk), credit risk and liquidity risk.

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 risk analysis is also included in the risk treatment plan that is reviewed semi-annually by the Audit and Risk Committee.

#### Funds with fund managers

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.

#### (i) Interest rate risk management

SDF's exposure to changes in interest rates relates primarily to deposits held with AGD. Surplus funds are placed with Accountant-General's Department as disclosed in Note 6. Interest rate sensitivity analysis has not been presented as management does not expect any reasonable possible changes in interest rates to have a significant impact on the operations and cash flows.

#### (ii) Credit risk management

Credit risk refers to the risk that a counterparty or counterparty to a financial instrument will default on its contractual obligations resulting in financial loss to SDF.

SDF's major classes of financial assets are cash and deposits with AGD, cash and bank balances, levy and other receivables, financial assets held-to-maturity and at fair value through profit or loss. 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. SDF's fixed income investments classified as financial assets held-to-maturity consist of Singapore government bonds and other corporate bonds which are investment grade institutions.

SDF has financial assets invested through AGD Demand Aggregation Scheme which consist of funds placements with two 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.



# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

(iii) Liquidity risk management

Liquidity risk is the risk that the SDF will not be able to meet its financial obligations as and when they fall due. SDF manages liquidity risk by maintaining sufficient funds to enable it to meet its operational requirements. SDF's financial liabilities are expected to mature within one year.

All financial assets at fair value through profit or loss are considered realizable, as they are listed on the major stock exchanges. The fund managers are required to comply with the restrictions and limitations as stipulated in the investment mandate.

The table below summarizes SDF's assets, liabilities and financial instruments, categorized by the earlier of contractual repricing or maturity dates and depicts SDF's exposure to interest rate risk at year end.

Liquidity and interest risk analyses

The inclusion of information on non-derivative financial assets and liabilities is necessary in order to understand SDF's liquidity risk management as SDF's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where SDF anticipates that the cash flow will occur in a different period and financial liabilities based on the earliest date on which SDF can be required to pay. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset/liability on the statement of financial position.

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

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	Weighted average effective interest rate	Within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>						
<u>Financial assets</u>						
Loans and receivables	-	1,000,055	-	-	-	1,000,055
Financial assets, at fair value through profit or loss	1.9%	207,503	-	-	(3,786)	203,717
Financial assets, held-to- maturity	3.1%	5,101	84,264	-	(7,686)	81,679
Total		1,212,659	84,264	-	(11,472)	1,285,451
Financial liabilities		34,551	-	-	-	34,551
<b>2017</b>						
<u>Financial assets</u>						
Loans and receivables	-	1,264,689	-	-	-	1,264,689
Financial assets, held-to- maturity	3.7%	4,137	53,927	38,124	(10,195)	85,993
Total		1,268,826	53,927	38,124	(10,195)	1,350,682
Financial liabilities		10,370	-	-	-	10,370

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

(iv) *Fair values of financial assets and financial liabilities*

The carrying amounts of financial assets and financial liabilities as reported on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets are disclosed in the respective notes.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

SDF classifies fair value measurements using a fair value hierarchy as detailed in Note 2 which reflects the significance of the inputs used in making the measurements.

Financial assets at fair value through profit or loss are measured based on Level 2 on the fair value hierarchy.

(c) *Capital risk management policies and objectives*

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

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

### 5 RELATED PARTY TRANSACTIONS

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:

	2018	2017
	\$'000	\$'000
Disbursements to related parties	33,282	74,537

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 6 CASH AND CASH EQUIVALENTS

	2018	2017
	\$'000	\$'000
Cash at bank		
- Held by SDF	-	31,999
Centralised Liquidity Management deposits held with AGD <sup>(i)</sup>	900,650	1,171,399
	<u>900,650</u>	<u>1,203,398</u>

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

### 7 LEVY AND OTHER RECEIVABLES

	2018	2017
	\$'000	\$'000
Net refund of assistance previously disbursed and underpaid levy receivable	12	58
Levy collection due from Central Provident Fund Board ("CPF")	2,009	1,831
Interest receivable from bonds & CLM	6,521	10,828
Other receivables	-	18
Other receivables from National Productivity Fund	796	-
Other receivables from Lifelong Learning Endowment Fund	13,119	1,721
Other receivables from WSG	25,219	11,348
Other receivables from SSG	51,729	35,487
	<u>99,405</u>	<u>61,291</u>

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 8 GRANTS DISBURSED IN ADVANCE

In areas permissible, the SDF fund was drawn down to finance WDA's operations from 1 April 2016 to 2 October 2016, and SSG and WSG's operations with effect from 3 October 2016 to meet the increasing demands and needs of workforce development efforts. SSG and WSG have established a mutually agreed allocation framework on the usage of SDF to finance SSG 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 SSG Board to fund expenditures on manpower, other operating expenditures and development costs for selected Continuing Education and Training ("CET") functions using SDF.

These expenditures are for manpower and operating overheads and are related to the delivery of specific CET programmes.

In the current financial year, SSG and WSG had drawn down grants in excess of the actual expenditures incurred. The excess will be offset against financial year 2019 projection of expenditure and is recorded as grants disbursed in advance by the SDF.

During the previous financial year, SSG and WSG had drawn down grants in excess of the actual expenditures incurred. The excess was offset against financial year 2018 projection of expenditure and was recorded as grants disbursed in advance by the SDF.

### 9 FINANCIAL ASSETS, HELD-TO-MATURITY

	At fair value <sup>(1)</sup>		At amortised cost <sup>(2)</sup>	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Singapore Government Bonds	60,270	63,660	61,062	61,297
Corporate Bonds	20,764	24,962	20,617	24,695
	<u>81,034</u>	<u>88,622</u>	<u>81,679</u>	<u>85,992</u>
Represented by:				
Current portion			5,013	4,021
Non-current portion			76,666	81,971
			<u>81,679</u>	<u>85,992</u>

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

(2) The quoted bonds have fixed interest rates ranging from 2.25% to 4.90% (2017 : 2.25% to 4.90%) per annum and have maturity periods ranging from 4 to 54 months (2017 : 10 to 66 months).

# SKILLS DEVELOPMENT FUND

## NOTES TO FINANCIAL STATEMENTS

31 March 2018

### 10 FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 \$'000	2017 \$'000
Financial assets, at fair value through profit or loss	<u>203,717</u>	-
Movement in financial assets, at fair value through profit or loss		
	2018 \$'000	2017 \$'000
Balance at beginning of the year	-	-
Additions during the year	200,000	-
Fair value changes during the year	3,717	-
At end of year 31 March	<u>203,717</u>	-

The investments offer SDF the opportunity for returns through fair value gains. The fair value of the funds is based on closing quoted market prices on the last market day of the financial year provided by the fund managers. The investments are measured based on Level 2 of the fair value hierarchy.

### 11 PAYABLES

	2018 \$'000	2017 \$'000
Assistance committed and payable and overpaid levy refundable		
- Related parties (Note 5)	4,283	2,533
- Third parties	30,177	7,490
Other payables		
- Related parties (Note 5)	-	94
- Third parties	91	29
Amount due to WSG	-	224
	<u>34,551</u>	<u>10,370</u>

### 12 CAPITAL ACCOUNT

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

## SKILLS DEVELOPMENT FUND

### NOTES TO FINANCIAL STATEMENTS

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#### 13 OPERATING INCOME

	2018	2017
	\$'000	\$'000
Skills development levy ("SDL") from:		
- Private sector	236,775	233,818
- Statutory boards	7,852	7,648
- Ministries and Organs of State	14,148	13,917
Others	9	6
	<u>258,784</u>	<u>255,389</u>

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

#### 14 OTHER INCOME

	2018	2017
	\$'000	\$'000
Interest income from:		
- CLM deposits held with AGD	11,997	14,551
- Financial assets, held-to-maturity	2,132	2,447
Others	-	24
	<u>14,129</u>	<u>17,022</u>

#### 15 NET DISBURSEMENT

During the financial year, fraudulent claims of \$40 million in relation to training grants drawn from the Skills Development Fund (SDF) were uncovered. Whilst the case is still under police investigation, preliminary investigation showed that a criminal syndicate was involved. The syndicate operated an organised network that used business entities, comprising employer companies and training providers, to submit fraudulent claims which were made in FY2017 with most in October 2017. When these irregular claims were detected, SSG immediately suspended all payments of grants to relevant business entities and reported the case to the Police.

To improve the system of fraud detection, checks and audits, management has formed an Inter-Agency Process Review Task Force, overseen by the SSG Board, and comprising of members from SSG management, the Accountant-General's Department, Commercial Affairs Department and Ministry of Education. In addition, management is strengthening our fraud detection system through data analytics. Through appropriate use of data analytics and drawing on data across government agencies, SSG would be able to better detect false claims, without significantly affecting genuine employers applying for training grants to upgrade the skills of their workers. Management has also made selected organisational restructuring to strengthen fraud detection, and has started implementing some of the measures manually, and will progressively automate and systematise these.

## SKILLS DEVELOPMENT FUND

### NOTES TO FINANCIAL STATEMENTS

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#### 16 COMMITMENTS

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

	2018	2017
	\$'000	\$'000
Training assistance committed for disbursement	541,946,326	421,061,832
CET campuses development committed for disbursement	42,289,953	43,840,246
	<u>584,236,279</u>	<u>464,902,078</u>

Training assistance grant commitments are administered through SkillsNet 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 in the SkillsNet System.





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