

Financials

Highlights and Achievements



Financials

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Introduction

WDA draws on two main sources of funding for its workforce development activities, namely, the Skills Development Fund (SDF) and Lifelong Learning Endowment Fund (LLEF).

The SDF was set up in 1979 under the Skills Development Levy Act (Cap. 306) to provide training incentives to employers and training institutions to promote skills upgrading of the workforce. The SDF is funded through employers' contributions to the SDL. Under the Act, employers are required to contribute 1% of monthly salary for workers earning \$2,000 and below.

The LLEF was established in 2001 under the Lifelong Learning Endowment Fund Act (Cap. 162A) to facilitate employment and enhance employability of Singaporeans. Under the Act, interest earned from this endowment fund can be used to support various lifelong learning initiatives. The Fund is currently administered by the Ministry of Manpower, and WDA has been the appointed manager of the Fund since September 2003. The Fund started with an initial capital of \$500 million, and the targeted long term capital sum is \$5 billion. As at 31 March 2007, the capital sum of the LLEF was \$2.1 billion. WDA receives 4% interest from the capital sum every year.

This report summarises how both funds were used during the year, and provides a performance analysis of training supported under the SDF.

Financial Highlights and Performance Analysis under the Skills Development Fund

Overview

Since 1999, the SDF has been helping the workforce prepare for new economic challenges by encouraging employers to equip their workers with employable and certifiable skills. To further improve workers' access to training, the SDF has also started providing support for more worker and outcome-based programmes.

With WDA's push to develop WSQ as a national qualifications framework, we have used SDF to support more WSQ courses this year. During the year, the SDF committed a total training assistance of \$110 million for 390,543 training places. Training assistance in FY2006 is 10% higher than FY2005, but training places fell by 18% compared to the previous year. This reflects WDA's new emphasis to deliver better and often longer and more intensive training for workers, so that the training helps to develop their career or prepare them for a career transition. Many of these training are now delivered by lead provider institutions under our outcome-based funding framework. See Table 1.



Table 1: Principal Statistics of the SDF as at 31 March 2007

	Cumulative as at 31 March 2003	FY2003	FY2004	FY2005	FY2006
Key New Initiatives					
<u>Build up CET Institutions</u>					
Value of Assistance Committed (\$m)	0.00	0.00	0.00	13.69	14.18
<u>Outcome-based Programmes including CET institutions</u>					
No. of Training Places Committed	0	0	0	26,179	8,528
Value of Assistance Committed (\$m)	0.00	0.00	0.00	15.31	25.72
<u>Employability Skills Training</u>					
No. of Training Places Committed	0	0	0	4,209	17,685
Value of Assistance Committed (\$m)	0.00	0.00	0.00	1.19	3.89
Overall Usage of SDF (Including New Initiatives)					
<u>Training Assistance (including course fee and absentee payroll)</u>					
No. of Applications Received	791,647	48,160	59,449	56,920	60,712
No. of First Time Company Applicants	57,041	4,399	4,621	4,911	5,927
No. of Applications Approved	693,136	43,017	53,519	50,463	57,679
No. of Training Places Committed	7,764,183	562,331	536,803	474,467	368,764
Value of Assistance Committed (\$m)	1,582.32	93.28 ¹	85.82	98.90	104.93
<u>Basic Education for Skills Training (BEST) Programme</u>					
No. of Training Places Committed	520,130	8,700	4,995	2,775	13,644
Value of Assistance Committed (\$m)	52.55	1.83	1.29	0.72	2.53
<u>Worker Improvement through Secondary Education (WISE) Programme</u>					
No. of Training Places Committed	264,681	7,240	4,280	736	8,135
Value of Assistance Committed (\$m)	52.49	2.73	1.89	0.34	2.98
<u>Consultancy Assistance²</u>					
Value of Assistance Committed (\$m)	19.56	1.64	2.78	0.07	0.00
<u>Infrastructure Development (e.g. Curriculum Development)</u>					
Value of Assistance Committed (\$m)	44.47	0.04	0.44	0.00	0.00
<u>Legacy Schemes</u>					
No. of Training Places Committed	29,389	0	0	0	0
Value of Assistance Committed (\$m)	167.36	0.00	0.00	0.00	0.00
Total Training Places Committed	8,548,994	578,271	546,078	477,978	390,543
Total Value of Assistance Committed (\$m)	1,918.75	99.52	92.22	100.03	110.44

¹ In FY2003, the total dollar value of training assistance committed was mis-stated.

² The Consultancy Assistance schemes have been discontinued with effect from 30 September 2004.

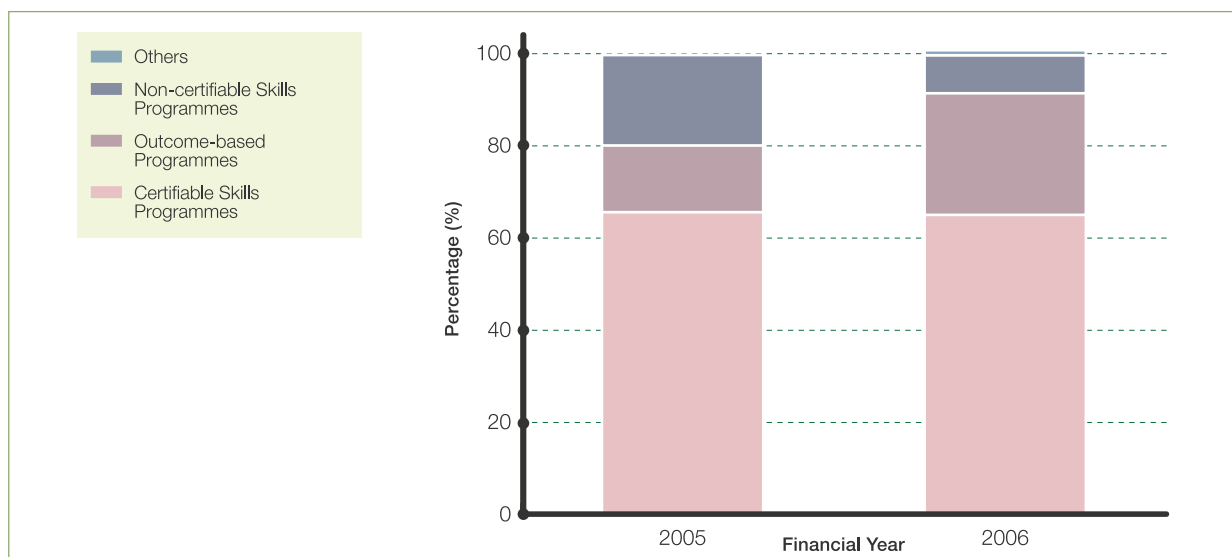


WDA has been focusing more on outcome-based initiatives since FY2005 to help ensure better return on investment on training funds. This includes building up CET institutions that help us achieve manpower outcomes. During the year, WDA invested a total of \$14.18 million to build up these institutions. WDA also implemented more outcome-based programmes during the year. Those funded under the SDF include the ADVANTAGE! programme, partnership programme with the Singapore Hotel And Tourism Education Centre, and introduction of an apprenticeship scheme for the Food & Beverage industry. During the year, a total assistance of \$25.7 million was provided for these programmes in support of 8,528 training places. This represented a 68% increase in training assistance value from FY2005. Compared to FY2005, the number of outcome-based training places has dropped despite a larger proportion of funds being allocated to this area. This drop was largely attributed to the completion of the S2006 service excellence training. We will continue to allocate more resources to support programmes that deliver quality outcomes.

Table 2: Dollar Value of Assistance and Training Places Committed by Expenditure Categories for FY2005 to FY2006

Expenditure Category	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Outcome-based Projects including CET Institutions	15,309,525 15.3%	26,179 5.5%	25,720,989 23.3%	8,528 2.2%
Certifiable Skills Programmes ³	66,077,383 66.1%	218,905 45.8%	72,689,791 65.8%	152,245 39.0%
Non-certifiable Skills Programmes	18,573,056 18.6%	232,894 48.7%	12,012,091 10.9%	229,766 58.8%
Others	0 0.0%	0 0.0%	15,356 0.0%	4 0.0%
Total	99,959,964 100.0%	477,978 100.0%	110,438,227 100.0%	390,543 100.0%

Chart 1: Comparison between Percentage of Training Assistance Committed by Area of Training for FY2005 and FY2006



³ Figure includes BEST and WISE programmes.

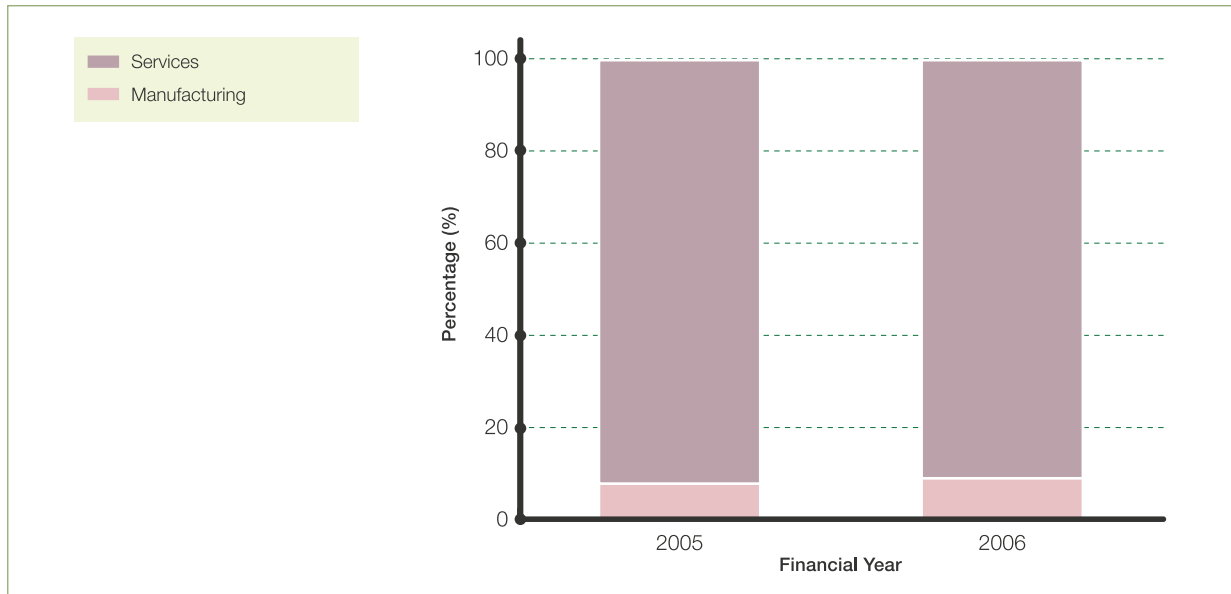
Analysis by Industry

Table 3 gives a breakdown of training places supported (excluding the BEST and WISE programmes) by industry sector. The Services sector continues to account for the majority of training places and assistance.

Table 3: Value of Assistance and Training Places Committed in the Manufacturing and Services Sectors for FY2005 and FY2006

Sector	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Manufacturing	8,132,820 8.2%	56,263 11.9%	9,820,128 9.4%	45,143 12.2%
Services	90,765,076 91.8%	418,204 88.1%	95,107,846 90.6%	323,621 87.8%
Total	98,897,896 100.0%	474,467 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 2: Comparison between Percentage of Training Assistance Committed by Sector for FY2005 and FY2006





Tables 4 and 5 show the breakdown of certifiable and outcome-based training (excluding the BEST and WISE programmes) supported by industries. The training assistance committed for certifiable and outcome-based training in the manufacturing and services sector have increased by 57% and 13% respectively. The largest increase was in the Hotel and Catering sector, partly due to the setting up of a lead provider training institution under the partnership with the Singapore Hotel And Tourism Education Centre.

Table 4: Value of Assistance and Training Places Committed for Certifiable & Outcome-based Programmes in the Manufacturing Sector for FY2005 and FY2006

Manufacturing Sector	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Transport Equipment	1,544,279 31.5%	2,672 17.6%	4,195,581 54.3%	3,369 20.6%
Fabricated Metal Products, Machinery & Equipment	633,177 12.9%	2,311 15.2%	772,755 10.0%	3,696 22.6%
Electronics Products & Components	864,291 17.6%	5,395 35.5%	764,407 9.9%	2,945 18.0%
Chemical Products, Petroleum & Plastics	550,259 11.2%	1,727 11.4%	567,898 7.4%	2,166 13.2%
Computer Manufacturers & Vendors	318,688 6.5%	657 4.3%	443,705 5.7%	1,155 7.1%
Other Manufacturing Industries	992,142 20.2%	2,427 16.0%	976,458 12.6%	3,017 18.5%
Total	4,902,836 100.0%	15,189 100.0%	7,720,804 100.0%	16,348 100.0%

Chart 3: Comparison between Percentage of Training Assistance Committed Across the Manufacturing Sector for FY2005 and FY2006

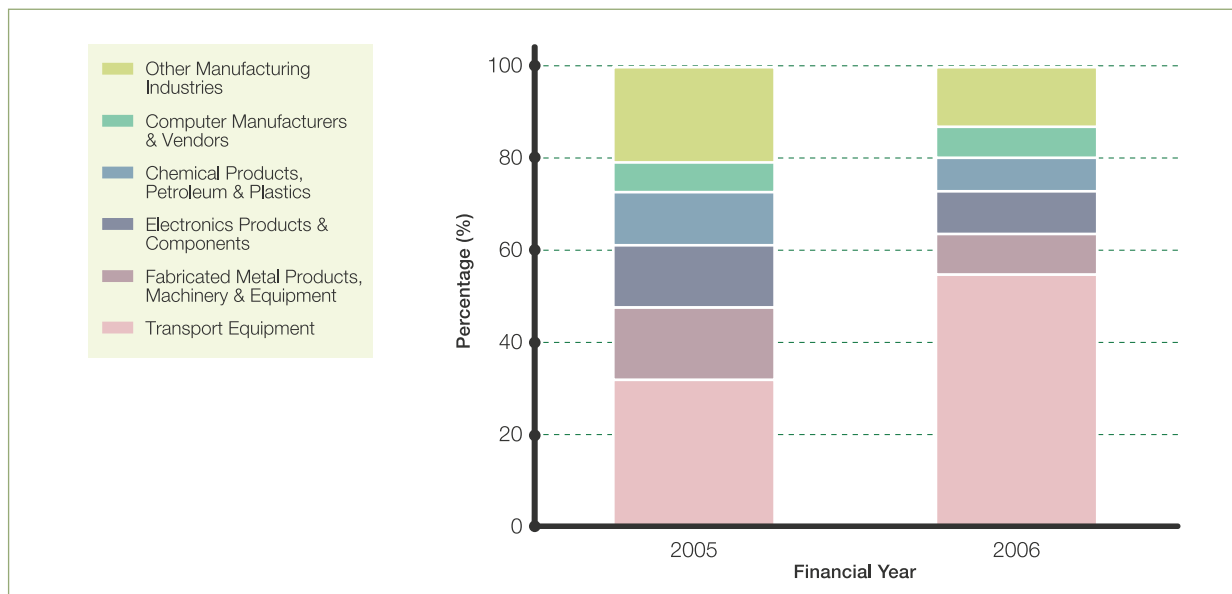
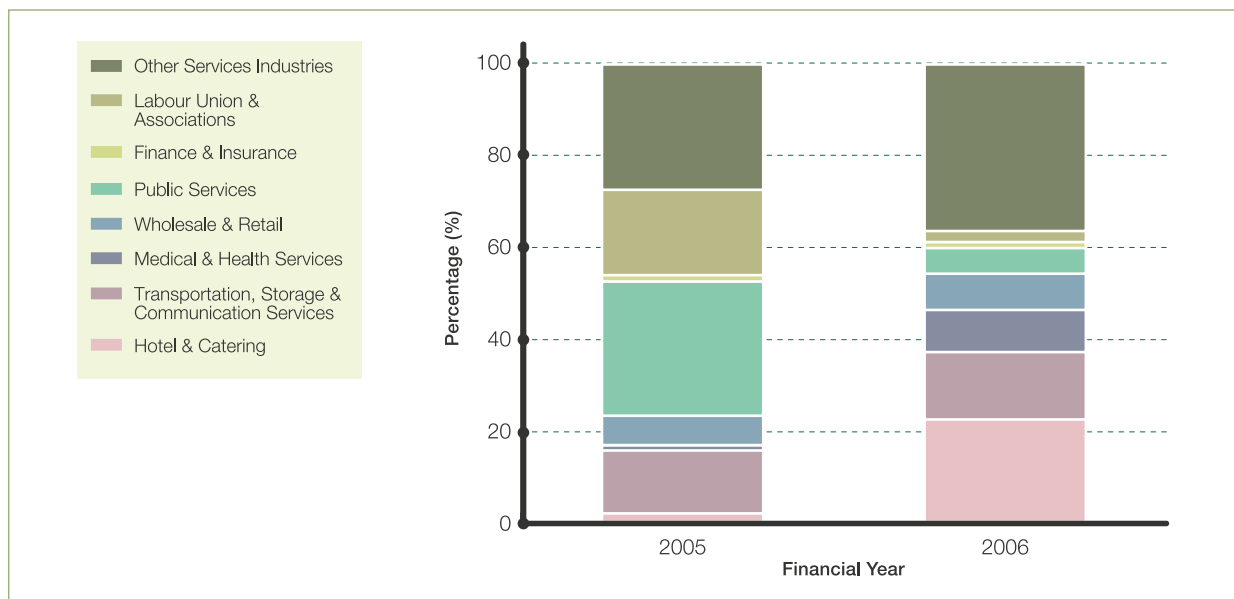




Table 5: Value of Assistance and Training Places Committed for Certifiable & Outcome based Programmes in the Services Sector for FY2005 and FY2006

Services Sector	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Hotel & Catering	1,237,976 1.6%	5,234 2.3%	20,249,970 23.8%	17,706 14.4%
Transportation, Storage & Communication Services	11,463,661 15.2%	126,837 56.0%	11,780,448 13.8%	21,340 17.4%
Medical & Health Services	541,115 0.7%	2,516 1.1%	8,682,669 10.2%	7,892 6.4%
Wholesale & Retail	5,885,195 7.8%	26,783 11.8%	6,824,368 8.0%	23,107 18.8%
Public Services	20,743,696 27.5%	12,349 5.5%	4,913,528 5.8%	5,380 4.4%
Finance & Insurance	1,356,739 1.8%	5,026 2.2%	1,804,775 2.1%	6,518 5.3%
Labour Unions & Associations	12,411,158 16.5%	16,076 7.1%	1,385,495 1.6%	1,502 1.2%
Other Services Industries	21,782,464 28.9%	31,563 13.9%	29,538,470 34.7%	39,201 32.0%
Total	75,422,004 100.0%	226,384 100.0%	85,179,724 100.0%	122,646 100.0%

Chart 4: Comparison between Percentage of Training Assistance Committed Across the Services Sector for FY2005 and FY2006





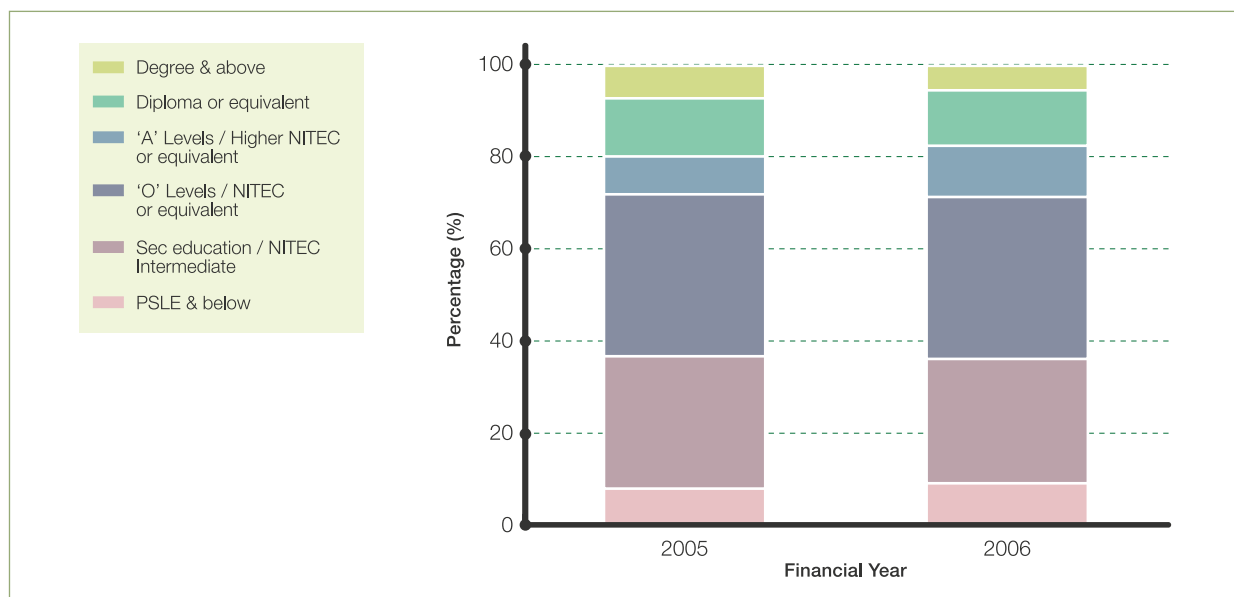
Analysis by Educational Level

The SDF continues to focus on the training of lower educated workers. About 84% of the training assistance committed under the SDF was for workers with GCE 'A' Level qualifications or below. This was a slight increase compared to the previous year.

Table 6: Dollar Value of Assistance and Training Places Committed by Educational Level for FY2005 and FY2006

Educational Level	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
PSLE & below	8,901,152 9.0%	33,649 7.1%	12,806,267 12.2%	31,930 8.7%
Sec education / NITEC Intermediate	27,223,461 27.5%	86,401 18.2%	26,299,750 25.1%	73,985 20.1%
'O' Levels / NITEC or equivalent	36,232,912 36.6%	166,369 35.1%	37,911,904 36.1%	114,709 31.1%
'A' Levels / Higher NITEC or equivalent	7,965,775 8.1%	47,662 10.0%	11,351,293 10.8%	35,503 9.6%
Diploma or equivalent	11,605,087 11.7%	77,680 16.4%	10,839,571 10.3%	64,109 17.4%
Degree or above	6,969,509 7.0%	62,706 13.2%	5,719,191 5.5%	48,528 13.2%
Total	98,897,896 100.0%	474,467 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 5: Comparison between Percentage of Training Assistance Committed by Educational Level for FY2005 and FY2006





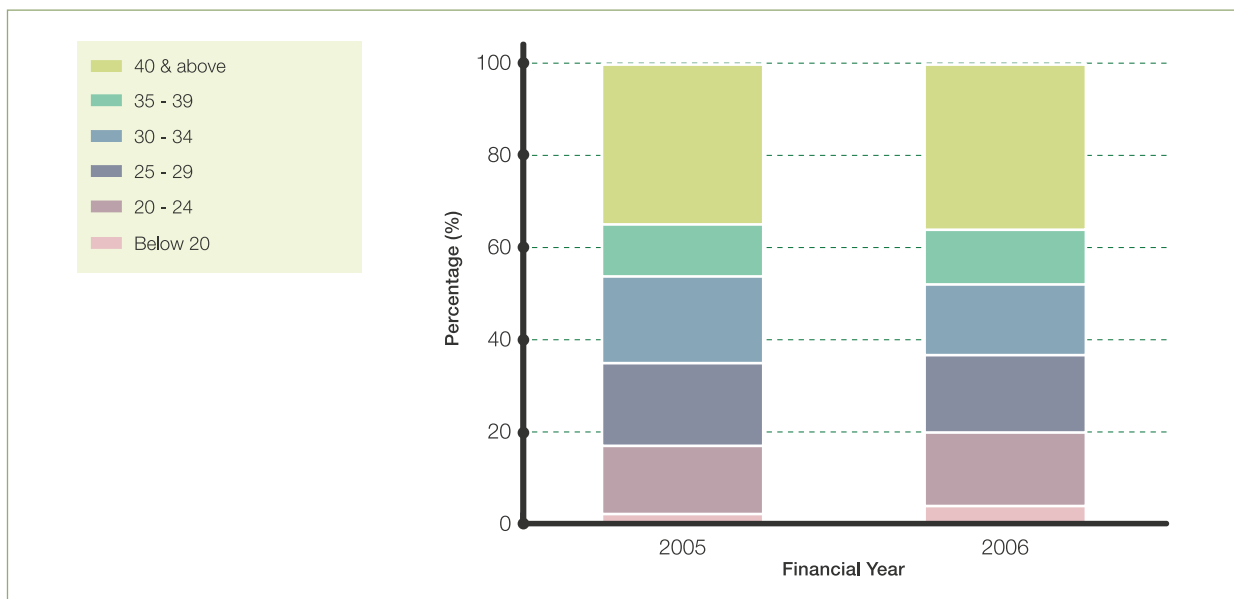
Analysis by Age

In FY2006, the SDF supported 131,030 training places for workers aged 40 and above with a total assistance of \$37.1 million. This accounted for 36% and 35% of the total training places and training assistance supported under the SDF, respectively; almost similar to the year before.

Table 7: Dollar Value of Assistance and Training Places Committed by Age Group for FY2005 and FY2006

Age Group	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Below 20	1,874,967 1.9%	12,855 2.7%	4,437,137 4.2%	9,806 2.7%
20 - 24	17,403,033 17.6%	53,587 11.3%	17,773,777 16.9%	47,704 12.9%
25 - 29	14,886,574 15.1%	82,474 17.4%	17,777,618 16.9%	61,692 16.7%
30 - 34	17,308,969 17.5%	81,116 17.1%	15,395,217 14.7%	61,324 16.6%
35 - 39	13,907,804 14.1%	78,579 16.6%	12,463,665 11.9%	57,208 15.5%
40 & above	33,516,549 33.9%	165,856 35.0%	37,080,561 35.3%	131,030 35.5%
Total	98,897,896 100.0%	474,467 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 6: Comparison between Percentage of Training Assistance Committed by Age Group for FY2005 and FY2006





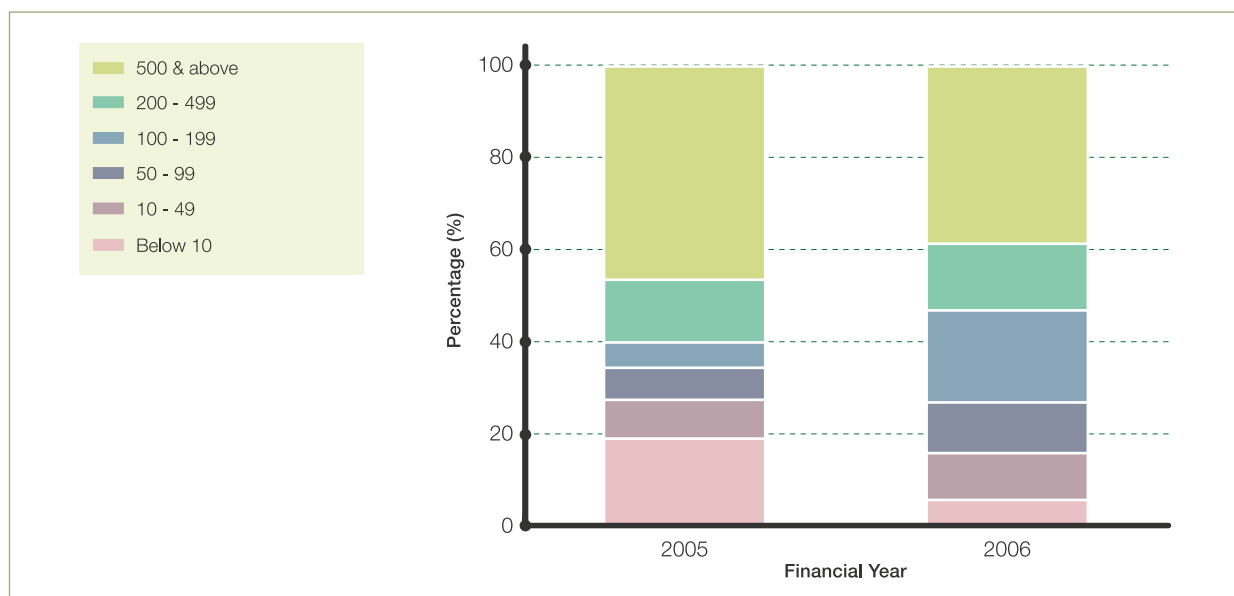
Analysis by Company Size

Since 1992, the SDF has been actively reaching out to SMEs to raise awareness of skills upgrading for their workers. The assistance value that these companies received has risen from \$40.6 million to \$51.4 million. Overall, the number of training places going to companies with less than 200 workers has also increased from 82,600 in FY2005 to 86,800 in FY2006.

Table 8: Dollar Value of Assistance and Training Places Committed by Employment Size for FY2005 and FY2006

Employment Size	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Below 10	19,133,246 19.3%	12,055 2.5%	7,782,481 7.4%	7,788 2.1%
10 - 49	8,634,022 8.7%	25,408 5.4%	11,926,157 11.4%	27,283 7.4%
50 - 99	6,912,677 7.0%	19,936 4.2%	9,084,620 8.7%	21,857 5.9%
100 - 199	5,909,375 6.0%	25,180 5.3%	22,612,131 21.5%	29,871 8.1%
200 - 499	11,642,445 11.8%	68,562 14.5%	14,084,151 13.4%	51,866 14.1%
500 & above	46,666,131 47.2%	323,326 68.1%	39,438,434 37.6%	230,099 62.4%
Total	98,897,876 100.0%	474,467 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 7: Comparison between Percentage of Training Assistance Committed by Employment Size for FY2005 and FY2006





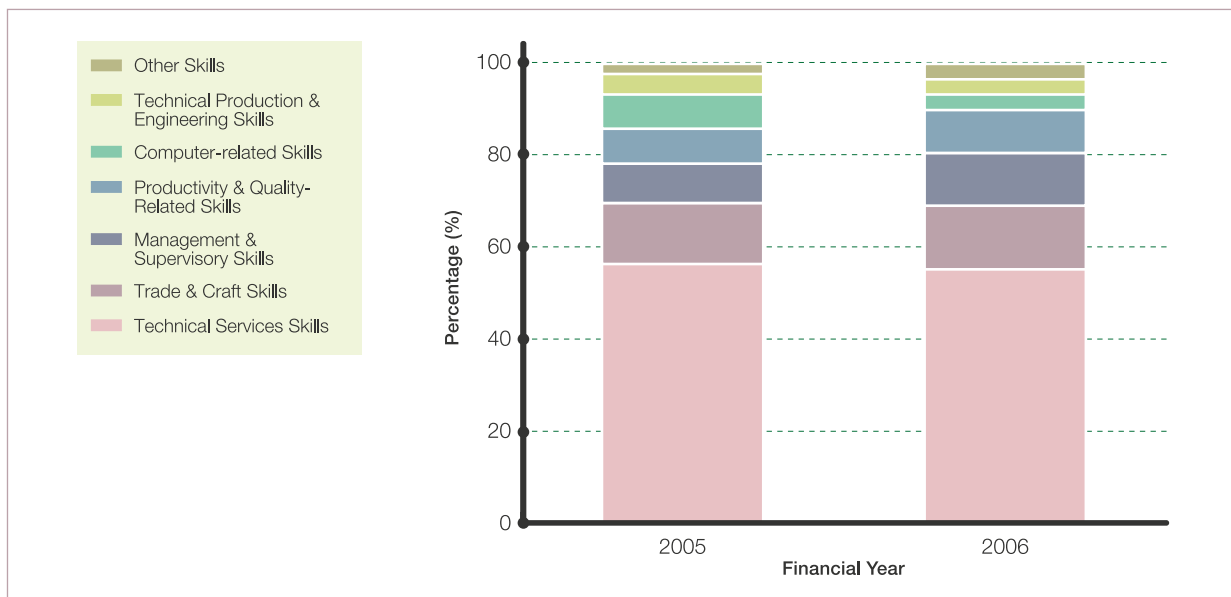
Analysis by Training Type

The distribution of training assistance by training type was largely unchanged from FY2005. The highest training assistance were committed for Technical Services Skills training and Trade and Craft Skills training, accounting for 58% and 14% of the total training assistance committed in FY2006 respectively.

Table 9: Dollar Value of Assistance and Training Places Committed by Type of Training for FY2005 and FY2006

Training Type	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Technical Services Skills	57,835,738 58.5%	216,453 45.6%	60,887,440 58.0%	171,258 46.4%
Trade & Craft Skills	13,528,780 13.7%	6,442 1.4%	14,736,405 14.0%	6,404 1.7%
Management & Supervisory Skills	7,559,978 7.6%	57,802 12.2%	9,338,117 8.9%	45,143 12.2%
Productivity & Quality-Related Skills	7,278,386 7.3%	95,570 20.1%	8,822,131 8.4%	80,675 21.9%
Computer-related Skills	5,631,681 5.7%	60,655 12.8%	4,347,861 4.1%	39,310 10.7%
Technical Production & Engineering Skills	4,321,817 4.4%	28,659 6.0%	2,511,157 2.4%	17,874 4.8%
Other Skills	2,741,516 2.8%	9,086 1.9%	4,284,864 4.1%	8,100 2.2%
Total	98,897,896 100.0%	474,667 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 8: Comparison between Percentage of Training Assistance Committed by Type of Training for FY2005 and FY2006





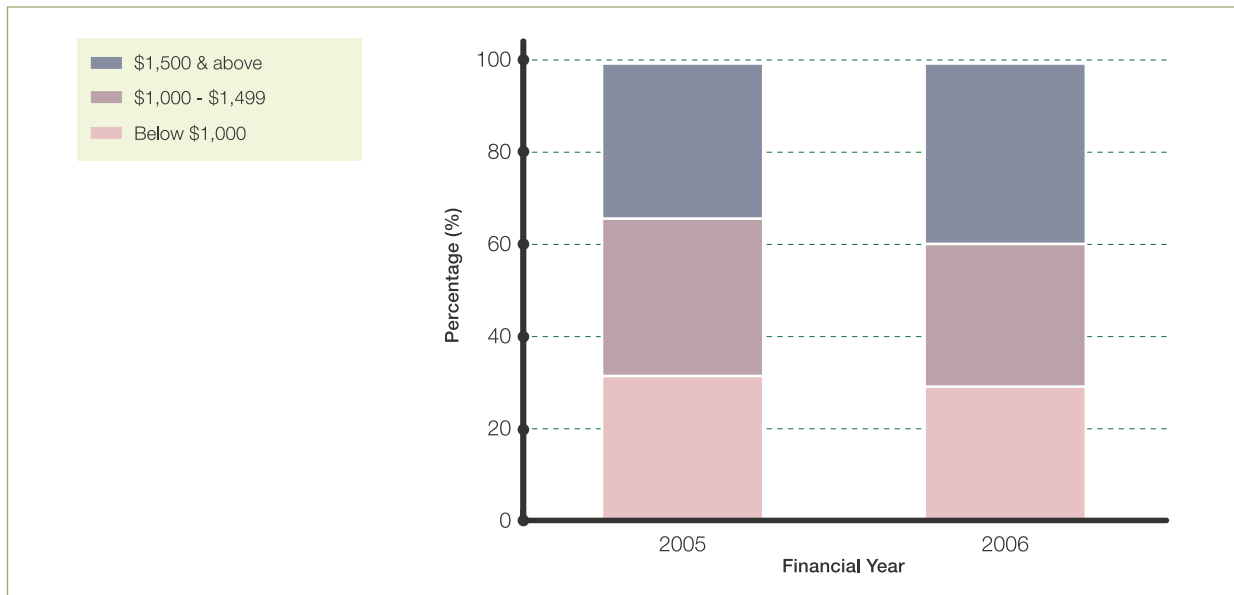
Analysis by Remuneration Level

Last year, majority of training assistance committed (62%) went to those earning below \$1,500. This was in line with WDA's focus of helping low-wage workers.

Table 10: Dollar Value of Assistance and Training Places Committed by Monthly Remuneration for FY2005 and FY2006

Monthly Remuneration	FY2005		FY2006	
	Value of Assistance Committed (\$)	Training Places Committed	Value of Assistance Committed (\$)	Training Places Committed
Below \$1,000	30,521,494 30.9%	84,595 17.8%	30,274,478 28.9%	59,962 16.3%
\$1,000 - \$1,499	34,189,162 34.6%	153,625 32.4%	35,133,128 33.5%	108,729 29.5%
\$1,500 & above	34,187,240 34.6%	236,247 49.8%	39,520,369 37.7%	200,073 54.3%
Total	98,897,896 100.0%	474,467 100.0%	104,927,975 100.0%	368,764 100.0%

Chart 9: Comparison between Percentage of Training Assistance Committed by Remuneration for FY2005 and FY2006





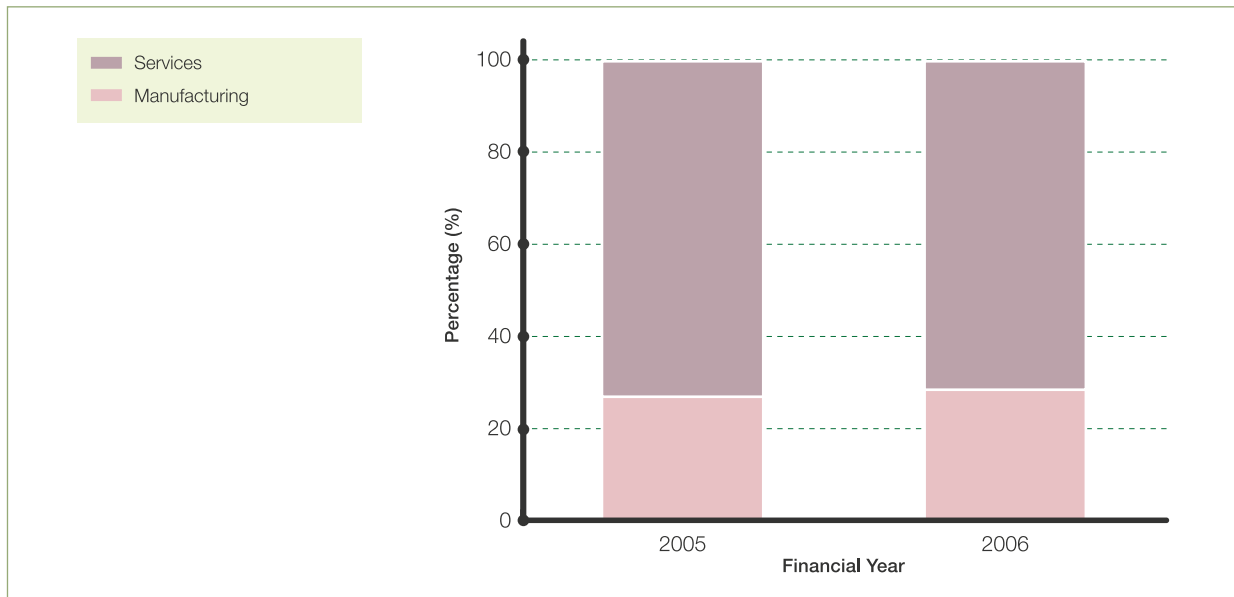
Training Plans

In FY2006, there was a decrease in the number of training plans approved and the assistance committed under these plans, partly due to the move towards online submissions of training grant applications. 25 training plans were approved for the Manufacturing Sector, while the remaining 72 were from the Services Sector.

Table 11: Key statistics on Training Plans for FY2005 and FY2006

Sector	FY2005			FY2006		
	No. of Plans	Value of Assistance Committed	Training Places Committed (\$)	No. of Plans	Value of Assistance Committed	Training Places Committed (\$)
Manufacturing	42	1,956,240	27,324	25	1,623,120	18,532
Services	124	11,916,900	169,821	72	6,721,854	104,055
Total	166	13,873,140	197,145	97	8,344,974	122,587

Chart 10: Comparison between Percentage of Training Plans Approved by Sector for FY2005 and FY2006





Financial Highlights under the Lifelong Learning Endowment Fund

Summary of Disbursements

In FY2006, WDA disbursed a total of \$62.3 million under the LLEF for workforce development projects in various areas of work including employment facilitation, skills upgrading, CET infrastructure, capability development and promotion of lifelong learning. Table 12 summarises the funds spent in each of these key areas.

Table 12: Summary of LLEF Disbursements by Key Areas in FY2006

Key Areas	Funds Disbursement (\$)
Facilitating Employment of Job Seekers and Tackling Structural Unemployment	34,637,242
Job Redesign/ Re-creation	12,522,879
Public Employment Service (PES) Programme	7,263,783
ADVANTAGE! Scheme	5,897,368
Placement Programmes	3,057,967
Re-Employment Support Scheme (RESS)	2,396,366
Systems Maintenance	600,972
Career Counselling	52,188
Others	2,845,719
Facilitating In-Employment Skills Upgrading	13,626,895
1-Institute-2-Systems	11,100,339
Administration of Skills Redevelopment Programme	6,910
Others	2,519,647
Manpower Planning, Infrastructure and Capability Development	5,834,702
WSQ Frameworks and Competency Standards Development	2,935,922
CET Institutes	935,000
Labour Market Information System Capability	389,779
Workforce Planning Capability	340,325
Curriculum Development	118,920
Others	1,114,755
Learning Outreach and Promotional Activities	4,822,381
Singapore Learning Promotion	3,517,962
Other Programme Publicity	597,888
Others	706,530
Promotion of Human Capital Management	650,309
Human Capital Management Programmes	650,309
Others	2,779,862
Administration of LLEF	2,779,862
Grand Total	62,351,390



Activities of the LLEF Advisory Council/ WDA Incentives & Grants Committee for FY2006

In FY2006, members of the LLEF Advisory Council (LLEF AC) were appointed concurrently to serve on WDA's Incentives and Grants Committee (IGC) to oversee WDA's budgetary matters. During the year, the LLEF AC/IGC members met to discuss the spending priorities and financial position of the LLEF and SDF.

The LLEF AC/IGC noted that WDA would focus its efforts on strengthening the CET system by developing WSQ frameworks in partnership with key industry partners, and building key training institutions to enhance the training infrastructure for various sectors such as Retail, Tourism, Food and Beverage, Finance, Infocomm Technology and Precision Engineering.

The LLEF AC/IGC recognised the need for WDA to focus more on programmes with tangible outcomes and help ensure a return on Government's investment in workforce training and development. In line with this new focus, there was a need for WDA to work within a budgetary framework and prioritise its spending in favour of programmes with quality outcomes.

In view of these developments, the 2 key recommendations of the LLEF AC/IGC were:

- a. Revise the funding support for certifiable and non-certifiable training courses supported under the SDF with effect from 1 April 2007, to channel more funds from employer-based to worker-based training; and
- b. Roll out more customised programmes targeting at SMEs, making it easier for them to participate in training, job redesign and hiring of mature workers.

WDA agreed with the recommendations of the LLEF AC/IGC. During the year, WDA has announced changes to the funding support for certifiable and non-certifiable training programmes. This will allow WDA to focus its funding on worker-based training. WDA is also working closely with SPRING Singapore to roll out more customised assistance for SMEs.

Moving forward, WDA will continue to work closely with the LLEF AC/IGC to oversee the budgetary matters and usage of funds to best develop our workforce.



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Financial Statements

For the Year Ended 31 March 2007

SINGAPORE WORKFORCE
DEVELOPMENT AGENCY

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We have audited the accompanying financial statements of Singapore Workforce Development Agency ("the Agency"), which comprise the balance sheet as at 31 March 2007, and the income and expenditure statement, statement of changes in capital and accumulated surplus and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Agency's management responsibility for the financial statements

The Agency's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Workforce Development Agency Act, Cap. 305D ("the Act") and the accounting standards specified by the Ministry of Finance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Agency's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and the accounting standards specified by the Ministry of Finance so as to give a true and fair view of the state of affairs of the Agency as at 31 March 2007 and the results, changes in capital and accumulated surplus and cash flows for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Agency have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipts, expenditure, investment of monies, acquisitions and disposals of assets by the Agency during the financial year have not been in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton

Foo Kon Tan Grant Thornton
Certified Public Accountants

Singapore, 11 July 2007



	Notes	31 March 2007 \$	31 March 2006 \$
Assets			
Non-Current			
Property, plant and equipment	3	4,006,996	3,987,972
Current			
Other receivables	4	3,627,682	725,149
Prepayments		358,505	279,538
Cash and bank deposits	5	27,625,072	25,170,458
		31,611,259	26,175,145
Liabilities			
Non-Current			
Deferred government capital grant	6	2,107,694	1,517,117
Current			
Payables	7	10,250,309	10,756,313
Provision for contribution to Consolidated Fund		1,315,036	1,204,615
		11,565,345	11,960,928
Net assets		21,945,216	16,685,072
Net Assets of Specific Fund			
Skills Development Fund	8	798,417,775	763,024,192
Lifelong Learning Endowment Fund	9	1,556,933	860,506
Skills Redevelopment Programme	10	44,138,342	-
		844,113,050	763,884,698
		866,058,266	780,569,770
Represented by:			
Capital account		7,872,073	7,872,073
Accumulated surplus		14,073,143	8,812,999
		21,945,216	16,685,072
Skills Development Fund	8	798,417,775	763,024,192
Lifelong Learning Endowment Fund	9	1,556,933	860,506
Skills Redevelopment Programme	10	44,138,342	-
		866,058,266	780,569,770

Yong Ying-l
Chairman

11 July 1007

Ong Ye Kung
Chief Executive

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



		Year ended 31 March 2007	Year ended 31 March 2006
	Notes	\$	\$
Income			
Workers' assessment fees		82,883	235,247
Application fees		112,270	128,780
Interest income on bank deposits		472,432	282,396
Other income		547	1,017
		668,132	647,440
Expenditure			
Administrative expenses		10,211,653	5,791,912
Depreciation of property, plant and equipment	3	882,080	847,376
Grant disbursements		1,564,297	35,653,806
Rental expenses		1,204,143	1,172,476
Employee benefit costs	11	22,716,866	17,114,256
		36,579,039	60,579,826
Excess of expenditure over income before grants	12	(35,910,907)	(59,932,386)
Grants	13	42,486,087	65,955,460
Surplus before contribution to Consolidated Fund		6,575,180	6,023,074
Contribution to Consolidated Fund	14	(1,315,036)	(1,204,445)
Net surplus for the year		5,260,144	4,818,629

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



Statement of Changes in Capital and Accumulated Surplus

	Capital Account \$	Accumulated Surplus \$	Total \$
Balance at 1 April 2005	7,872,073	3,994,370	11,866,443
Net surplus for the year	-	4,818,629	4,818,629
Balance at 31 March 2006	7,872,073	8,812,999	16,685,072
Net surplus for the year	-	5,260,144	5,260,144
Balance at 31 March 2007	7,872,073	14,073,143	21,945,216

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



		Year ended 31 March 2007	Year ended 31 March 2006
	Notes	\$	\$
Cash Flows from Operating Activities			
Excess of expenditure over income before grants		(35,910,907)	(59,932,386)
Adjustments for:			
Depreciation of property, plant and equipment	3	882,080	847,376
Capital work-in-progress expensed off	3	20,107	-
Loss on disposal of property, plant and equipment		5,399	14,513
Interest income		(472,432)	(282,396)
Operating deficit before working capital changes		(35,475,753)	(59,352,893)
Increase in operating receivables		(3,094,666)	(502,500)
Increase/(decrease) in operating payables		553,283	(684,835)
Contribution to Consolidated Fund		(1,204,615)	(439,268)
Net cash used in operating activities		(39,221,751)	(60,979,496)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(932,780)	(1,598,667)
Fixed deposit		5,000,000	(300,000)
Interest received		537,572	201,707
Proceeds from disposal of property, plant and equipment		6,170	7,280
Net cash generated from/(used in) investing activities		4,610,962	(1,689,680)
Cash Flows from Financing Activity			
Grants received from Government		42,065,403	73,823,175
Net cash generated from financing activity		42,065,403	73,823,175
Net increase in cash and cash equivalents		7,454,614	11,153,999
Cash and cash equivalents at beginning of year		20,170,458	9,016,459
Cash and cash equivalents at end of year	5	27,625,072	20,170,458

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



1 General Information

The Singapore Workforce Development Agency (“the Agency”) was established in The Republic of Singapore under the Singapore Workforce Development Agency Act, Cap. 305D.

The financial statements of the Agency for the year ended 31 March 2007 were authorised for issue by the Board on 11 July 2007.

The principal activities of the Agency are:

- (a) to serve as the national body in the areas of adult continuing education and training, and the facilitation of employment and re-employment, and to advise and make recommendations to the Government on matters, measures and regulations connected with such areas, including formulation of policies, and the provision of infrastructure and facilities in relation to such areas;
- (b) to promote, facilitate and assist in the development of adult continuing education and training so as to enhance the competitiveness and employability of the Singapore workforce;
- (c) to collaborate with industries and economic agencies to identify and promote the enhancement of industry-specific skills;
- (d) to promote the development, competitiveness and employability of the Singapore workforce through co-ordination with economic agencies;
- (e) to support, facilitate and assist in the re-employment of unemployed or retrenched persons through job referral, retraining, upgrading of skills and other employment facilitation efforts;
- (f) to enhance, promote and support the use and improvement of best practices in the management of human capital and workforce skills development in Singapore;
- (g) to encourage, promote and facilitate the development of the human resources industry in Singapore;
- (h) to promote, facilitate and assist in the identification, development and upgrading of skills and competencies required of the workforce to support Singapore’s economy;
- (i) to support, direct, encourage and undertake research in adult continuing education and training;
- (j) to direct, promote and facilitate the upgrading of adult continuing education and training infrastructure, and the upgrading of professional standards of adult trainers;



1 General Information (Cont'd)

- (k) to establish and implement regulatory policies, codes of practice, strategies, measures or any other requirements so as to enhance the professional standards of adult continuing education and training offered in Singapore;
- (l) to administer programmes for adult continuing education and training;
- (m) to undertake the promotion of lifelong learning and to create, foster and encourage public awareness and understanding of the importance of lifelong learning;
- (n) to administer the Skills Development Fund ("the SDF") in accordance with the Skills Development Levy Act (Cap. 306);
- (o) to provide financial support by way of grants, loans or otherwise so as to give effect to the functions and objects of the Agency;
- (p) to undertake, direct and support the analysis and dissemination of labour market information and trends to the public;
- (q) to represent the Government internationally in respect of matters relating to adult continuing education and training and public employment services; and
- (r) to carry out such other functions as are imposed upon the Agency by or under the Act or any other written law.

The registered office is located at 1 Marina Boulevard, #16-01 One Marina Boulevard, Singapore 018989.

2(a) Basis of Preparation

The financial statements are prepared in accordance with the accounting standards as specified by the Ministry of Finance and the provisions of the Singapore Workforce Development Agency Act, Cap. 305D.

As specified by the Ministry of Finance, Statutory Boards are to comply with all the Singapore Financial Reporting Standards ("FRS"), except for disclosure of related party transactions as required by FRS No. 24, Related Party Disclosures.



2(a) Basis of Preparation (Cont'd)

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgments

The preparation of the financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 8 years. The carrying amount of the organisation's property, plant and equipment at 31 March 2007 was \$4,006,996. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2(b) Interpretations and Amendments to Published Standards Effective in 2006

On 1 April 2006, the Agency adopted the new or revised FRS and INT FRS that are mandatory for application on 1 January 2006. This includes the following FRS and INT FRS which are relevant to the Agency as a single entity:

FRS 19 (Amendment)	Employee Benefits
FRS 21 (Amendment)	The Effect of Changes in Foreign Exchange Rates
FRS 32 (Amendment)	Financial Instruments: Disclosure and Presentation
FRS 39 (Amendment)	Financial Guarantee Contracts
INT FRS 104	Determining whether an Arrangement Contains a Lease

The adoption of the above FRS and INT FRS did not result in any significant changes to the Agency's accounting policies.



2(c) FRS and INT FRS Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not effective:

FRS 1 (Amendment)	Amendments Relating to Capital Disclosure
FRS 32	Financial Instruments: Presentation
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	Scope of FRS 102
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment
INT FRS 111	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	Service Concession Arrangements

Some of these Standards and Interpretations are not applicable to the Agency. The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Agency.

2(d) Summary of Significant Accounting Policies

Income recognition

Workers' assessment fees, application fees and interest income are recognised on an accrual basis.

Interest income is recognised on a time proportion basis using the effective interest method.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method to write off the cost of these assets over their expected useful lives as follows:

Furniture and fittings	8 years
Office equipment	5 years
Computer equipment and software	3-5 years



2(d) Summary of Significant Accounting Policies (Cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. No depreciation is provided on capital work-in-progress. Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use.

Property, plant and equipment costing less than \$2,000 each are charged to the income and expenditure statement in the year of purchase as low value assets.

Repairs and maintenance are taken to the income and expenditure statement. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Agency, and depreciated over the remaining useful life of the asset.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income and expenditure statement.

Financial assets

Financial assets include cash and financial instruments. Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets, less those recognised using hedging accounting, are recognised on their settlement date. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.



Financial assets (Cont'd)

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

- **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Agency has the positive intent and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium in acquisition. Amortisation is calculated according to FRS No. 39, effective interest method to write off any premium or discount on acquisition of bonds over the period from acquisition to their maturity.

In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in the income and expenditure statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income and expenditure statement.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Agency provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income and expenditure statement.

Receivables are provided against when objective evidence is received that the Agency will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

- **Determination of fair value**

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Agency establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, bank deposits with a short maturity of three months or less and deposits held at call with a central government agency.

**Financial liabilities**

The Agency's financial liabilities include payables.

Financial liabilities are recognised when the Agency becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the income and expenditure statement.

Payables are initially carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Agency. Subsequently, payables are measured at amortised cost, using the effective interest method.

Contribution to Consolidated Fund

The contribution to the Consolidated Fund is required under Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap. 319A). The contribution is pegged at the prevailing statutory income tax rate for corporate bodies.

Accounting surplus would be used for the purpose of computing the Contribution and this is accounted for on an accrual basis.

Trust and agency funds

Trust and agency funds are set up to account for monies held in trust for external parties. Income and expenditure of these funds are taken directly to the funds and the net assets relating to these funds are shown as a separate item in the balance sheet.

Trust and agency funds are accounted for on an accrual basis.

Grants

Operating grants to meet the current year's operating expenditure are recognised as income in the same year.

Operating and capital grants for the purchase of depreciable assets and donations of depreciable assets are taken to deferred government capital grants. The deferred grants are recognised in the income and expenditure statement over the periods necessary to match the depreciation or impairment of the assets purchased with the related grants and the net book values of such assets disposed.

Government grants for establishment of the Agency are recorded in the capital account.

Grants are accounted for on an accrual basis.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to income and expenditure statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the income and expenditure statement when incurred.



Provisions

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Employee benefits

- **Contribution to Central Provident Fund**

The Agency contributes to the Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Agency’s contributions to CPF are charged to the income and expenditure statement in the period to which the contributions relate.

- **Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. Provision is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the balance sheet date.

Impairment of assets

The carrying amounts of the Agency’s assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belongs will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation.

Any impairment loss is charged to the income and expenditure statement unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

**Impairment of assets (Cont'd)**

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income and expenditure statement, a reversal of that impairment loss is recognised as income in the income and expenditure statement.

Functional and presentation currency

Items included in the financial statements of the Agency are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Agency ("the functional currency"). The financial statements of the Agency are presented in Singapore dollars, which is also the functional currency of the Agency.

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the income and expenditure statement in the period in which they arise.

Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management objectives and policies are provided in Note 17.



3 Property, Plant and Equipment

	Furniture and fittings \$	Office equipment \$	Computer equipment and software \$	Capital work-in- progress \$	Total \$
Cost					
At 1 April 2005	2,443,678	642,833	941,129	29,274	4,056,914
Additions	15,346	36,026	175,340	1,371,955	1,598,667
Transfer from capital work-in-progress	1,246,882	77,300	51,230	(1,375,412)	-
Disposals	(22,754)	(433)	(95,582)	-	(118,769)
At 31 March 2006	3,683,152	755,726	1,072,117	25,817	5,536,812
Additions	2,213	52,706	8,295	869,566	932,780
Transfer from capital work-in-progress	146,878	-	50,038	(196,916)	-
Transfer to income and expenditure statement*	-	-	-	(20,107)	(20,107)
Disposals	(20,542)	(6,401)	(62,204)	-	(89,147)
At 31 March 2007	3,811,701	802,031	1,068,246	678,360	6,360,338
Accumulated depreciation					
At 1 April 2005	304,271	141,356	352,813	-	798,440
Depreciation for the year	422,077	143,663	281,636	-	847,376
Disposals	(3,877)	(433)	(92,666)	-	(96,976)
At 31 March 2006	722,471	284,586	541,783	-	1,548,840
Depreciation for the year	465,266	158,192	258,622	-	882,080
Disposals	(9,586)	(5,788)	(62,204)	-	(77,578)
At 31 March 2007	1,178,151	436,990	738,201	-	2,353,342
Net book value					
At 31 March 2007	2,633,550	365,041	330,045	678,360	4,006,996
At 31 March 2006	2,960,681	471,140	530,334	25,817	3,987,972

* The transfer related to furniture and fittings and office equipment, which fell below the Agency's capitalisation policy of amounts less than \$2,000. These assets were written off to the income and expenditure statement in FY2006 as they were previously capitalised under capital work-in-progress.



4 Other Receivables

	2007 \$	2006 \$
Deposits	395,750	397,170
Receivables	3,231,932	283,654
Less: Provision for impairment of receivables	-	(3,703)
	3,231,932	279,951
Grants receivable	-	48,028
	3,627,682	725,149

5 Cash and Bank Deposits

	2007 \$	2006 \$
Cash at bank	280,156	3,107,824
Deposits at call held with the Ministry of Finance, Accountant-General's Department	2,734,916	2,457,634
Fixed deposits with banks:		
- Maturity of three months or less after year end	24,610,000	14,605,000
- Maturity of more than three months after year end	-	5,000,000
	27,625,072	25,170,458

Deposits with the Ministry of Finance, Accountant-General's Department are non-interest bearing.

The fixed deposits have an average maturity of 2 months (2006 - 4.8 months) from the end of the financial year with weighted average effective interest rate of 2.92% (2006 - 2.78%).

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

	2007 \$	2006 \$
Cash at bank	280,156	3,107,824
Deposits at call held with the Ministry of Finance, Accountant-General's Department	2,734,916	2,457,634
Fixed deposits with banks with maturity of three months or less after year end	24,610,000	14,605,000
	27,625,072	20,170,458



6 Deferred Government Capital Grant

	Notes	2007 \$	2006 \$
At beginning of year		1,517,117	97,720
Addition during the year		912,673	1,882,376
		2,429,790	1,980,096
Deferred capital grant amortised	13	(322,096)	(462,979)
At end of year		2,107,694	1,517,117

7 Payables

	Notes	2007 \$	2006 \$
Operating payables		651,407	248,580
Accrued payables		3,119,336	2,547,655
Amount due to Ministry of Manpower ("MOM")		-	434,028
Grants received in advance:			
- Manpower Development Assistance Scheme ("MDAS")	A	3,979,425	4,369,475
- National Skills Recognition System ("NSRS")	A	42,000	-
- Re-employment Support Scheme ("RESS")	A	-	169,608
- Centre for Employability Skills ("CES")	A	2,444,131	2,915,761
		6,465,556	7,454,844
Funds held for:			
- Self-Employment Assistance Programme ("SEAP")*		-	70,000
Advanced billing/receipt		14,010	1,206
		10,250,309	10,756,313

- * The Self-Employment Assistance Programme ("SEAP") is a training, incubation and self-employment initiative to encourage mature, lower income, chronically unemployed individuals to set up their own livelihood businesses or micro-enterprises. In March 2006, the Ministry of Community Development, Youth and Sports ("MCYS") contributed a grant to the applicants of the SEAP for defraying the start-up and rental costs of the livelihood businesses or micro-enterprises that the applicants would set up.



7 Payables (Cont'd)

Note A
2007

	MDAS ^(a)	NSRS ^(b)	PJTP ^(c)	RESS ^(d)
	\$	\$	\$	\$
Balance at the beginning of year:				
Grants receivable	-	(48,028)	-	-
Grants received in advance	4,369,475	-	-	169,608
Receipts during the year	2,085,664	188,178	-	-
Transfer to income and expenditure statement	(1,057,910)	(98,150)	-	(58,506)
Transfer to deferred capital grants	-	-	-	-
Income/unutilised grant returned to government	(1,417,804)	-	-	(111,102)
Grants receivable at end of year	-	-	-	-
Grants received in advance at end of year	3,979,425	42,000	-	-

^(a) The Manpower Development Assistance Scheme ("MDAS") was set up in February 2000 with a government commitment of \$200 million over 5 years, from FY2000 to FY2004. It is targeted at industry-wide initiatives aimed at enhancing workforce capabilities through the Workforce Development Programmes, National Skills Recognition System ("NSRS") and Learning Infrastructure Development. A cashflow extension was further approved to fund programmes committed before FY2004 but is expected to last till FY2008.

^(b) The National Skills Recognition System ("NSRS") is a national framework for establishing work performance standards, identifying job competencies and certifying skills acquisition. The programme is funded by MDAS up to FY2004. It has since been funded by LLEF from FY2005.

^(c) The People for Jobs Traineeship Programme ("PJTP") was part of the October 2001 off-budget measures. It was extended twice and has ended on 31 December 2005. PJTP encouraged employers to make available suitable job opportunities for local workers who were 40 years and above and were making career transitions from one industry and/or job function to a different one. It was a programme that offers employers an incentive in the form of wage support in return for putting in place traineeship/mentorship arrangements to help newly recruited mature workers with no relevant experience to fit into new jobs and work environment.

OSE ^(e)	CES ^(f)	JRP ^(g)	DCN ^(h)	LLEF Admin Fee ⁽ⁱ⁾	Operating grants	Total
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	(48,028)
-	2,915,761	-	-	-	-	7,454,844
-	77,061	126,709	2,318,076	1,684,411	36,680,248	43,160,347
-	(434,653)	(126,709)	(2,318,076)	(1,684,411)	(36,385,576)	(42,163,991)
-	(114,038)	-	-	-	(294,672)	(408,710)
-	-	-	-	-	-	(1,528,906)
-	-	-	-	-	-	-
-	2,444,131	-	-	-	-	6,465,556

^(d) The Re-employment Support Scheme (“RESS”) is a scheme, funded by LLEF, that aims at helping to sustain re-employment for Singaporean job seekers who are at risk of structural unemployment.

^(e) The fund for Office Space Expansion and Set-up (“OSE”) is a grant received from LLEF for space expansion to cater for additional headcount required for the programme and capabilities that the Agency was building up to deal with the structural unemployment.

^(f) In November 1998, the Bukit Merah Skills Development Centre (“BMSDC”) was established as part of the off-budget measure to offer full-time training facilities for workers and to expand training resources for companies in Singapore. During the year, the centre is repositioned into a Centre for Employability Skills (“CES”) which coordinates and delivers courses, appraises and assesses workers’ and trainees’ skills and provides facilities for organisations to operate training and administer Employability Skills System (“ESS”), Workforce Skills Qualification (“WSQ”) and Skills Redevelopment Programme (“SRP”). The balance amount from the former BMSDC was transferred by the Institute of Education (“ITE”) to the Agency. The new centre manager is Nanyang Polytechnic.



7 Payables (Cont'd)

Note A
2006

	MDAS ^(a)	NSRS ^(b)	PJTP ^(c)	RESS ^(d)
	\$	\$	\$	\$
Balance at the beginning of year:				
Grants receivable	-	-	(40,449)	-
Grants received in advance	495,422	221,660	-	390,000
Receipts during the year	28,930,593	3,051,024	9,441,474	187,338
Transfer to income and expenditure statement	(25,056,540)	(2,435,444)	(9,401,025)	(407,730)
Transfer to deferred capital grants	-	-	-	-
Income/unutilised grant returned to government	-	(885,268)	-	-
Grants receivable at end of year	-	(48,028)	-	-
Grants received in advance at end of year	4,369,475	-	-	169,608

^(a) The Job Re-creation Programme (“JRP”) received funding from LLEF. It was launched in January 2005 to redesign jobs in ways that would enhance the productivity, improve work conditions, job prospects and the image of the jobs to make them attractive for Singaporeans. It is also to source and identify new job opportunities for Singaporeans and to train and help Singaporeans adjust to these new or redesigned jobs.

^(b) The Distributed Career Link Network (“DCN”) established in June 2003, comprised job centres operated by Community Development Council (“CDC”), self-help groups and NTUC. It is funded by LLEF to provide employment and training assistance in areas such as career coaching/counselling and training advice and subsidy to help workers upgrade their skills, broaden their job options and maximise their chances at getting a job. With the economic recovery, the DCN was rationalised for greater operational effectiveness and this resulted in employment services being consolidated in the five CDCs which provided geographical outreach to the job seekers as well as the NTUC. DCN’s operation was transferred to WDA in 2006.

^(c) The LLEF admin fee was approved by WDA’s Board under LLEF to be paid to WDA as administrative fee in FY2006 to support the resources required to manage and disburse LLEF funds. A budget of \$4.2 million was approved for this purpose.



OSE ^(e)	CES ^(f)	JRP ^(g)	DCN ^(h)	LLEF Admin Fee ⁽ⁱ⁾	Operating grants	Total
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	(40,449)
-	-	-	-	-	-	1,107,082
1,090,000	4,461,761	-	-	-	27,438,118	74,600,308
(90,959)	(1,546,000)	-	-	-	(26,554,783)	(65,492,481)
(999,041)	-	-	-	-	(883,335)	(1,882,376)
-	-	-	-	-	-	(885,268)
-	-	-	-	-	-	(48,028)
-	2,915,761	-	-	-	-	7,454,844



8 Skills Development Fund

The Skills Development Fund ("the SDF") was established in the Republic of Singapore on 1 October 1979 as a Government fund under the Skills Development Levy Act (Cap. 306). With effect from 1 September 2003, the administration of the SDF was transferred from the Ministry of Manpower ("MOM") to the Agency.

The SDF is 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 purpose of the above-mentioned purposes.

The net assets of the SDF that is administered by the Agency as at 31 March 2007 are as follows:

	2007 \$	2006 \$
Accumulated deficit at beginning of year	(108,114,504)	(142,365,154)
<u>Income</u>		
Skills development levy	108,310,881	91,955,383
Less:		
<u>Expenditure</u>		
Disbursements	93,954,323	69,127,682
Less: Refunds	(692,047)	(886,834)
Depreciation	492,127	502,755
Other expenditure	5,484,477	4,910,528
	99,238,880	73,654,131
<u>Non-operating income and expenditure</u>		
Investment Advisor expenses	(70,000)	(101,520)
Interest income	22,100,316	16,049,390
Gain on disposal of fixed assets	630	-
(Loss) / Gain on foreign exchange	(16)	1,528
	22,030,930	15,949,398
Net surplus for the year before operating grant	31,102,931	34,250,650
Operating grant	4,290,652	-
Net surplus for the year after operating grant	35,393,583	34,250,650
Accumulated deficit at end of year	(72,720,921)	(108,114,504)
Capital account	871,138,696	871,138,696
	798,417,775	763,024,192
Represented by:		
Property, plant and equipment	2,881,227	2,888,186
Less: Accumulated depreciation	(2,569,936)	(2,116,325)
	311,291	771,861
Receivables	3,020,015	8,296,690
Investments	201,487,775	243,579,611
Cash and cash equivalents	598,393,509	512,575,142
Payables	(4,794,815)	(2,199,112)
	798,417,775	763,024,192

9 Lifelong Learning Endowment Fund

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

The Agency has been appointed by MOM as the administrator of the LLEF to receive and deploy the grant for programmes that are congruent with the objectives of the LLEF.

The net assets of the LLEF that is administered by the Agency as at 31 March 2007 are as follows:

	2007	2006
	\$	\$
Accumulated surplus at the beginning of the year	860,506	252,402
<u>Income</u>		
Refund of unused grant from programme managers	1,228,489	1,516,618
Interest income	10,329	5,605
Seminar fees	-	11,500
Other income	-	11,160
	1,238,818	1,544,883
Less:		
<u>Expenditure</u>		
Grants disbursed	58,520,447	41,293,400
Marketing and promotion expenses	3,802,973	4,944,312
Administrative expenses	27,970	40,320
	62,351,390	46,278,032
Add:		
Grants received	61,808,999	45,341,253
Surplus for the year	696,427	608,104
Accumulated surplus at end of year	1,556,933	860,506
Represented by:		
Cash and cash equivalents	1,975,931	1,030,986
Payables	(418,998)	(170,480)
	1,556,933	860,506

The financial statements of the LLEF are prepared by MOM and audited by another firm of auditors.



10 Skills Redevelopment Programme

The Skills Redevelopment Programme (“the SRP”) is a national programme to help re-develop the skills of our workers and enhance their employability through certifiable skills training and upgrading. Under the SRP, companies can claim absentee payroll funding to defray manpower costs incurred when they send their employees (who are Singapore Citizens or Permanent Residents of Singapore) for approved training courses. The SRP was managed by the National Trades Union Congress (“NTUC”) up to 31 December 2006. With effect from 1 January 2007, the administration of the SRP was transferred from NTUC to the Agency. The programme is funded by MDAS.

The net assets of the SRP that is administered by the Agency as at 31 March 2007 are as follows:

	2007	2006
	\$	\$
Accumulated surplus at the beginning of the period	-	-
<u>Income</u>		
Refund of unused grant from programme managers	-	-
Interest income	-	-
	-	-
Less:		
<u>Expenditure</u>		
Grants disbursed	5,840,125	-
Administrative expenses	574	-
	5,840,699	-
Add:		
Grants received	49,979,041	-
Surplus for the period	44,138,342	-
Accumulated surplus at end of the period	44,138,342	-
Represented by:		
Receivable	24,089,782	-
Cash and cash equivalents	20,187,519	-
Payables	(138,959)	-
	44,138,342	-



11 Employee Benefit Costs

	2007	2006
	\$	\$
Wages and salaries	19,190,990	14,640,279
Employer's contribution to Central Provident Fund	2,147,871	1,685,888
Staff training and benefits	1,378,005	788,089
	22,716,866	17,114,256

Included in the employee benefit costs is key management's remuneration as follows:

	2007	2006
	\$	\$
Short-term employment benefits	3,005,798	3,052,164

Key management refers to employees designated as Directors and above who have the authority and responsibility for planning, directing and controlling the activities of the Agency.

12 Excess of Expenditure Over Income Before Grants

Excess of expenditure over income before grants has been arrived after charging/(crediting):

	2007	2006
	\$	\$
Depreciation of property, plant and equipment (Note 3)	882,080	847,376
Board members' allowance	57,054	41,290
Foreign exchange loss/(gain)	37	(4,118)
Loss on disposal of property, plant and equipment	5,399	14,513
Interest income		
- bank	(36,213)	(39,289)
- fixed deposits	(436,219)	(243,107)



13 Grants

	Notes	2007 \$	2006 \$
Government grants:			
- Manpower Development Assistance Scheme ("MDAS")	A	1,057,910	25,056,540
- National Skills Recognition System ("NSRS")	A	98,150	2,435,444
- People for Jobs Traineeship Programme ("PJTP")	A	-	9,401,025
- Re-employment Support Scheme ("RESS")	A	58,506	407,730
- Office Space Expansion and Set-up	A	-	90,959
- Centre for Employability Skills ("CES")	A	434,653	1,546,000
- Job Re-creation Programme ("JRP")		126,709	-
- Distributed CareerLink Network ("DCN")	A	2,318,076	-
- Lifelong Learning Endowment Fund-Admin Fee ("LLEF")	A	1,684,411	-
- Operating grants		36,385,576	26,554,783
		42,163,991	65,492,481
Deferred capital grants amortised	6	322,096	462,979
		42,486,087	65,955,460

14 Contribution to Consolidated Fund

The Agency is exempted from Singapore Income Tax under Section 13(1)(e) of the Income Tax Act.

The contribution to the Consolidated Fund is required under Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Cap. 319A). The contribution is pegged at the prevailing statutory corporate income tax rate of 20%.

	2007 \$	2006 \$
Current year	1,315,036	1,204,615
Over provision in respect of prior year	-	(170)
	1,315,036	1,204,445

15 Operating Lease Commitments

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

	2007 \$	2006 \$
Not later than one year	1,840,950	1,840,950
Later than one year and not later than five years	2,021,029	3,861,979

16 Capital Commitments

Capital commitments not provided for in the financial statements are as follows:

	2007 \$	2006 \$
Amount approved and contracted for	-	6,454
Amount approved but not contracted for	1,637,839	53,000

17 Financial Risk Management Objectives and Policies

The main risks arising from the Agency's financial instruments are foreign currency risk, interest rate risk, credit risk and price risk which are summarised below:

The Agency does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

17.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Agency's exposure to foreign currency risk is minimal as majority of its transactions are in Singapore dollars.



17 Financial Risk Management Objectives and Policies (Cont'd)

17.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Agency places cash balances with reputable financial institutions or government bodies.

The Agency's exposure to interest rate risk relates primarily to the Agency's fixed/short-term bank deposits. The Agency manages its interest rate risk by placing such balances on varying maturities and interest rate terms.

17.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Agency has no significant concentration of credit risk with any single counterparty as it operates substantially on cash term.

17.4 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

18 Financial Instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.



Financial Statements

For the Year Ended 31 March 2007

SKILLS DEVELOPMENT FUND

CONTENTS

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- 4 Balance Sheet
- 5 Income and Expenditure Statement
- 6 Statement of Changes in Capital and Accumulated Deficit
- 7 Cash Flow Statement
- 8 Notes to the Financial Statements



We have audited the accompanying financial statements of Skills Development Fund ("SDF"), which comprise the balance sheet as at 31 March 2007, and the income and expenditure statement, statement of changes in capital and accumulated deficit and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The SDF is administered by the Singapore Workforce Development Agency ("WDA").

WDA's management responsibility for the financial statements

The WDA's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Skills Development Levy Act, Cap. 306 ("the Act") and the accounting standards specified by the Ministry of Finance. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the WDA's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and the accounting standards specified by the Ministry of Finance so as to give a true and fair view of the state of affairs of the SDF as at 31 March 2007 and the results, changes in capital and accumulated deficit and cash flows of the SDF for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the SDF have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipts, expenditure, investment of monies, acquisitions and disposals of assets by the SDF during the financial year have not been in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton

Foo Kon Tan Grant Thornton
Certified Public Accountants

Singapore, 11 July 2007



	Notes	31 March 2007 \$	31 March 2006 \$
Assets			
Non-Current			
Property, plant and equipment	3	311,291	771,861
Held-to-maturity investments	4	201,487,775	203,234,492
		201,799,066	204,006,353
Current			
Held-to-maturity investments	4	-	40,345,119
Refund of assistance previously disbursed and underpaid levy receivable	5	473,099	163,213
Levy collection due from CPF Board		351,874	473,218
Other receivables	6	2,186,865	7,660,259
Prepayments		8,177	-
Cash and bank deposits	7	598,393,509	512,575,142
		601,413,524	561,216,951
Liabilities			
Current			
Assistance committed and payable and overpaid levy refundable		1,079,476	1,539,709
Trade and other payables	8	3,715,339	659,403
		4,794,815	2,199,112
Net current assets		596,618,709	559,017,839
Net assets		798,417,775	763,024,192
Represented by:			
Capital account		871,138,696	871,138,696
Accumulated deficit		(72,720,921)	(108,114,504)
		798,417,775	763,024,192

Ong Ye Kung
Chief Executive
Singapore Workforce Development Agency
11 July 2007

Foo Yong Fang
Deputy Director
Incentives & Finance

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



	Notes	Year ended 31 March 2007 \$	Year ended 31 March 2006 \$
Operating income			
Skills development levy from:			
- Private sector	9	104,694,373	88,418,805
- Statutory boards	9	1,640,940	1,674,861
- Government	9	1,966,059	1,861,702
Other income		9,509	15
		108,310,881	91,955,383
Operating expenditure			
Disbursements		93,954,323	69,127,682
Less: Refunds		(692,047)	(886,834)
Agency fee paid to CPF Board	10	380,935	383,775
Impairment for doubtful debts		(50,062)	31,890
Impairment for doubtful debts written back		-	(59,997)
Audit fee		16,865	16,000
Bad debts written off		17,180	-
CPF contributions		405,840	367,529
Depreciation	3	492,127	502,755
General administrative expenses		780,667	814,146
Professional fee		311,622	302,738
Rental expense		204,731	165,659
Salaries and allowances		3,306,690	2,829,414
Staff development		59,348	20,868
Staff welfare		50,661	38,506
		99,238,880	73,654,131
Operating surplus	11	9,072,001	18,301,252
Non-operating income/(expenditure)			
Investment advisor expenses		(70,000)	(101,520)
Interest income from:			
- bank deposits		16,094,429	10,130,171
- investment securities bonds		6,004,979	5,918,188
- others		908	1,031
Gain on disposal of property, plant and equipment		630	-
(Loss)/gain on foreign exchange		(16)	1,528
		22,030,930	15,949,398
Net surplus before grants		31,102,931	34,250,650
Grants			
Operating grants from Government	12	4,290,652	-
Surplus for the year		35,393,583	34,250,650

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



Statement of Changes in Capital and Accumulated Deficit

	Capital Account \$	Accumulated Deficit \$	Total \$
Balance at 1 April 2005	871,138,696	(142,365,154)	728,773,542
Net surplus for the year	-	34,250,650	34,250,650
Balance at 1 April 2006	871,138,696	(108,114,504)	763,024,192
Net surplus for the year	-	35,393,583	35,393,583
Balance at 31 March 2007	871,138,696	(72,720,921)	798,417,775

- (a) The capital account represents the Government's capital contribution for the establishment of the Skills Development Fund.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



	Year ended 31 March 2007	Year ended 31 March 2006
Notes	\$	\$
Cash Flows from Operating Activities		
Net surplus before grants	31,102,931	34,250,650
Adjustments for:		
Depreciation of property, plant and equipment	492,127	502,755
Gain on disposals of property, plant and equipment	(630)	-
Amortisation of bond premium	2,091,836	2,320,620
Investment income	(24,192,152)	(18,370,010)
Surplus for the year before working capital changes	9,494,112	18,704,015
Decrease in levy collection due from CPF Board	121,344	2,186,747
Increase in refund of assistance previously disbursed and underpaid levy receivable	(309,886)	(36,963)
(Increase)/decrease in other receivables and prepayments	(15,628)	169,951
(Decrease)/increase in assistance committed and payable	(460,233)	43,446
Increase/(decrease) in other creditors and accrued expenses	3,055,936	(3,726)
Net cash generated from operating activities	11,885,645	21,063,470
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(31,557)	(133,220)
Acquisition of bonds	-	(19,575,000)
Fixed deposits	(235,500,000)	(181,700,000)
Proceeds from maturity of bonds	40,000,000	20,000,000
Interest received	29,672,997	13,360,458
Proceeds from disposal of property, plant and equipment	630	-
Net cash used in investing activities	(165,857,930)	(168,047,762)
Cash Flows from Financing Activity		
Grants received from Government	7,330,000	-
Unutilised grants transferred to Workforce Development Agency	(3,039,348)	-
Net cash generated from financing activity	4,290,652	-
Net decrease in cash and cash equivalents	(149,681,633)	(146,984,292)
Cash and cash equivalents at beginning of year	278,075,142	425,059,434
Cash and cash equivalents at end of year	7 128,393,509	278,075,142

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



1 General Information

The Skills Development Fund (the "SDF") was established in the Republic of Singapore on 1 October 1979 as a Government fund under the Skills Development Levy Act (Chapter 306). With effect from 1 September 2003, the administration of the SDF was transferred from the Ministry of Manpower ("MOM") to the Singapore Workforce Development Agency ("WDA").

The financial statements of the SDF for the year ended 31 March 2007 were authorised for issue by the WDA Board on 11 July 2007.

The SDF is 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 purpose of the above-mentioned purposes.

The SDF which is administered by WDA is exempted from income tax under Section 13(1)(e) of the Income Tax Act.

The registered office and principal place of operations of the SDF is located at 1 Marina Boulevard #16-01, One Marina Boulevard, Singapore 018989.

2(a) Basis of Preparation

The financial statements are prepared in accordance with the accounting standards as specified by the Ministry of Finance and the provisions of the Skills Development Levy Act, Cap. 306.

As specified by the Ministry of Finance, Statutory Boards are to comply with all the Singapore Financial Reporting Standards ("FRS"), except for disclosure of related party transactions as required by FRS No. 24, Related Party Disclosures.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with the FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.



Significant accounting estimates and judgements (Cont'd)

The critical accounting estimates and assumptions used and areas involving a high degree of judgements are described below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 8 years. The carrying amount of the agency's property, plant and equipment at 31 March 2007 was \$311,291.

2(b) Interpretations and Amendments to Published Standards Effective in 2006

On 1 April 2006, the Agency adopted the new or revised FRS and INT FRS that are mandatory for application on 1 January 2006. This includes the following FRS and INT FRS which are relevant to the SDF as a single entity:

FRS 19 (Amendment)	Employee Benefits
FRS 21 (Amendment)	The Effect of Changes in Foreign Exchange Rates
FRS 32 (Amendment)	Financial Instruments: Disclosure and Presentation
FRS 39 (Amendment)	Financial Guarantee Contracts
INT FRS 104	Determining whether an Arrangement Contains a Lease

The adoption of the above FRS and INT FRS did not result in any significant changes to the SDF's accounting policies.

2(c) FRS and INT FRS Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not effective:

FRS 1 (Amendment)	Amendments Relating to Capital Disclosure
FRS 32	Financial Instruments: Presentation
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 107	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	Scope of FRS 102
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment
INT FRS 111	FRS 102 - Group and Treasury Share Transactions
INT FRS 112	Service Concession Arrangements

Some of these Standards and Interpretations are not applicable to the SDF. The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the SDF.



2(d) Summary of Significant Accounting Policies

Income recognition

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

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

Interest income from fixed deposit is recognised on a time proportion basis using the effective interest method.

Grants

Government grants consisting of operating grants to meet part of the current year's operating expenditure are recognised as income in the same year.

Grants are accounted for on an accrual basis.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method to write off the cost of these assets over their expected useful lives as follows:

Furniture and fittings	8 years
Office equipment	5 years
Computers	3 - 5 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively.

Fully depreciated assets are retained in the books of accounts until they are no longer in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating deficit.



Financial assets

Financial assets include cash and financial instruments. Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets, less those recognised using hedging accounting, are recognised on their settlement date. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

- **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the SDF has the positive intent and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium in acquisition. Amortisation is calculated according to FRS No. 39, Effective Interest method to write off any premium or discount on acquisition of bonds over the period from acquisition to their maturity.

In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in the income and expenditure statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income and expenditure statement.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the SDF provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.



- **Loans and receivables (Cont'd)**

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income and expenditure statement. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed. Any reversal is recognised in the income and expenditure statement.

Receivables are provided against when objective evidence is received that the SDF will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

- **Determination of fair value**

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the SDF establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, bank deposits with a short maturity of three months or less from the end of the financial year and deposits held at call with a central government agency.

Financial liabilities

The SDF's financial liabilities include grant approved for disbursement and other payables.

Financial liabilities are recognised when SDF becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the income and expenditure statement.

Payables are initially carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the SDF. Subsequently, payables are measured at amortised cost, using the effective interest method.

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to income and expenditure statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the income and expenditure statement when incurred.

Provisions

Provisions are recognised when the SDF has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Employee benefits**Contribution to Central Provident Fund**

The SDF contributes to the Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The SDF’s contributions to CPF are charged to the income and expenditure statement in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Provision is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to the balance sheet date.

Impairment of assets

The carrying amounts of the SDF’s assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belongs will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation.

Any impairment loss is charged to the income and expenditure statement unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

**Impairment of assets (Cont'd)**

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income and expenditure statement, a reversal of that impairment loss is recognised as income in the income and expenditure statement.

Functional currency

Items included in the financial statements of the SDF are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the SDF ("the functional currency"). The financial statements of the SDF are presented in Singapore dollars, which is also the functional currency of the SDF.

Conversion of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the income and expenditure statement in the period in which they arise.

Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items, such as equity investments classified as available-for sale financial assets, are included in the fair value reserve within equity.

However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management objectives and policies are provided in Note 14.



3 Property, Plant and Equipment

	Office furniture and equipment \$	Computer \$	Total \$
Cost			
At 1 April 2005	25,713	2,735,669	2,761,382
Additions	3,335	119,885	133,220
Disposals	(2,950)	(3,466)	(6,416)
At 31 March 2006	36,098	2,852,088	2,888,186
Additions	-	31,557	31,557
Disposals	-	(38,516)	(38,516)
At 31 March 2007	36,098	2,845,129	2,881,227
Accumulated depreciation			
At 1 April 2005	22,713	1,597,273	1,619,986
Depreciation for the year	1,895	500,860	502,755
Disposals	(2,950)	(3,466)	(6,416)
At 31 March 2006	21,658	2,094,667	2,116,325
Depreciation for the year	3,348	488,779	492,127
Disposals	-	(38,516)	(38,516)
At 31 March 2007	25,006	2,544,930	2,569,936
Net book value			
At 31 March 2007	11,092	300,199	311,291
At 31 March 2006	14,440	757,421	771,861



4 Held-to-maturity Investments

	2007 \$	2006 \$
Quoted government bonds, at cost		
adjusted for amortisation of premium and discount	176,487,775	218,579,611
Quoted corporate bond	25,000,000	25,000,000
	201,487,775	243,579,611
Less: Due after one year	201,487,775	203,234,492
Due within one year	-	40,345,119
The fair values for the bonds were as follows:		
Quoted government bonds	176,876,300	214,359,200
Quoted corporate bond	24,709,000	23,991,625
	201,585,300	238,350,825

The fair values are determined by reference to the quoted prices on the buying rates of Singapore Government Securities bond.

The weighted average effective interest rate of the bonds at balance sheet date is 2.57% (2006 - 2.45%) per annum and have maturity dates ranging from April 2008 to July 2011.

Amortisation of bond premium amounting to \$2,091,836 (2006 - \$2,320,620) was charged to income and expenditure statement during the year.

5 Refund of Assistance Previously Disbursed and Underpaid Levy Receivable

	2007 \$	2006 \$
Refund of assistance previously disbursed and underpaid levy receivable	480,907	221,083
Less: Provision for impairment of receivables	(7,808)	(57,870)
	473,099	163,213



6 Other Receivables

	2007	2006
	\$	\$
Interest receivable	2,178,092	7,658,937
Others	8,773	1,322
	2,186,865	7,660,259

7 Cash and Bank Deposits

Cash and bank deposits comprise the following balance sheet amounts:

	2007	2006
	\$	\$
Cash and bank balances	3,493,509	575,142
Fixed deposits:		
Maturity of three months or less after year end	124,900,000	277,500,000
Maturity of more than three months after year end	470,000,000	234,500,000
	598,393,509	512,575,142

The fixed deposits with financial institutions mature on varying dates within 4 months (2006 - 6 months) from the financial year end. The weighted average effective interest rate of these deposits is 2.89 % (2006 - 2.04%) per annum.

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

	2007	2006
	\$	\$
Cash and bank balances	3,493,509	575,142
Fixed deposits with maturity of three months or less after year end	124,900,000	277,500,000
	128,393,509	278,075,142



8 Trade and other Payables

	2007	2006
	\$	\$
Trade payables	56,256	35,049
Other payables	3,099,602	68,265
Accrued expenses	559,481	556,089
	3,715,339	659,403

Included in other payables is an amount of \$3,066,917 due to Singapore Workforce Development Agency.

9 Skills Development Levy

The levy is based on 1% of the monthly remuneration or \$2, whichever is greater, for employees earning \$2,000 or less per month.

10 Agency Fee Paid to CPF Board

The fees were paid to the Central Provident Fund ("CPF Board") for services rendered in the collection of skills development levy from employers in the private sector and statutory boards.

11 Operating Surplus

Operating surplus has been arrived at after charging/(crediting):

	2007	2006
	\$	\$
Board members' allowance	4,095	14,288
Provision for impairment of receivables:		
- Provision for the year	7,808	37,831
- Provision no longer required	(41,770)	(65,939)
- Provision written off	(16,100)	(14,249)



12 Operating Grants from Government

	2007 \$	2006 \$
Operating grants received during the year	7,330,000	-
Unutilised operating grants transferred to WDA	(3,039,348)	-
	4,290,652	-

During the year, the Ministry of Finance (MOF) has approved an additional budget of \$15,330,000 to WDA to carry out projects in three key areas: Infrastructure & Systems Development, Training and Promotion & Publicity to improve service competitiveness in Singapore. Part of the fund has been transferred to the SDF as an income grant to enable WDA to harness the SDF mechanism to administer related training grants.

13 Commitments

13.1 Disbursements

	2007 \$	2006 \$
Training assistance committed for disbursement	135,480,672	128,299,826

13.2 Approved capital expenditure

	2007 \$	2006 \$
Expenditure approved by management but not contracted for	-	1,676,143

14 Financial Risk Management Objectives and Policies

The SDF is subject to price risk (including foreign currency risk and interest rate risk) and credit risk. The SDF recognises that management of financial risk is an important aspect to discharge its regulatory functions, objects and duties under the Skills Development Levy Act, Cap. 306. The SDF has adopted risk management practices to mitigate these risks in a cost effective manner.

The SDF does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.



14 Financial Risk Management Objectives and Policies (Cont'd)

14.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The SDF has minimal exposure to foreign exchange risk as it transacts mainly in Singapore dollars.

14.2 Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The SDF has cash balances placed with reputable banks and financial institutions and has limited exposure to interest rate risk as variable rate interest-bearing assets are mainly of short-term nature. Interest rate on its investment in bonds is fixed. The SDF manages its interest rate risk by placing such balances on varying maturities and interest rate terms.

14.3 Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The SDF holds its investment in bond to maturity, therefore market risk is minimal.

14.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The SDF's credit risk is primarily attributable to its cash and cash equivalents, financial assets and financial liabilities. Liquid funds are placed with financial institutions with high credit ratings.

The SDF's credit risks are minimal as bond investments are held with established financial institutions.

The carrying amount of other receivables, levy collection due from the CPF Board and cash and cash equivalents represents the SDF's maximum exposure to credit risk.

15 Financial instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values.



Financial Statements

For the Year Ended 31 March 2007

MINISTRY OF MANPOWER
LIFELONG LEARNING ENDOWMENT FUND

CONTENTS

- 2 Auditors' Report
- 4 Balance Sheet
- 5 Receipts and Expenditure Statement
- 6 Notes to the Financial Statements



We have audited the accompanying financial statements of the Lifelong Learning Endowment Fund, which comprise the balance sheet as at 31 March, 2007, and the receipt and expenditure statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Lifelong Learning Endowment Fund's policy is to prepare the financial statements on the cash receipts and disbursements basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion,

- (a) the financial statements of Lifelong Learning Endowment Fund are properly drawn up in accordance with the provisions of the Lifelong Learning Endowment Fund Act 2001 (the "Act"), and on the basis sets out in the preceding paragraph, present fairly, in all material aspects, the state of affairs of the Lifelong Learning Endowment Fund as at 31 March 2007 and the receipts and expenditure of the Lifelong Learning Endowment Fund for the year ended on that date;
- (b) the accounting and other records required by the Act to be kept by the Lifelong Learning Endowment Fund have been properly kept in accordance with the provisions of the Act; and
- (c) the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Lifelong Learning Endowment Fund have been done in accordance with the provisions of the Act.

The financial statements for the previous year were reported on by other auditors. The audit report dated 24 May 2006 issued by the predecessor auditors on the financial statements of the Fund for the financial year ended 31 March 2006 was unqualified.

Geetha A & Associates

GEETHA A & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
Singapore, 15 May 2007



Registered Office: Ministry of Manpower
 18 Havelock Road #07-01
 Singapore 059764

	Notes	2007 S\$	2006 S\$
Accumulated Fund			
Balance at end of the year	3	2,246,249,506	2,119,608,966
Represented by :			
Funds with Accountant-General	4	2,246,249,506	2,119,608,966

The Balance Sheet and Statement of Receipts and Expenditure were approved by :

Leo Yip Seng Cheong
 Permanent Secretary
 (Ministry of Manpower)

Anthony Tan
 Director/Corporate Planning Department
 (Ministry of Manpower)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



	Notes	2007 S\$	2006 S\$
Receipts during the year			
Capital contribution from Government		100,000,000	-
Income from investments		88,455,592	83,267,738
Other receipts	5	1,238,818	1,544,883
		189,694,410	84,812,621
Expenditure during the year			
Grants disbursed	6	59,216,874	41,901,502
Marketing and promotion expenses		3,802,973	4,944,312
Administrative expenses		34,023	51,320
		63,053,870	46,897,134
Excess of Receipts over Expenditure		126,640,540	37,915,487
Accumulated fund balance brought forward		2,119,608,966	2,081,693,479
Accumulated fund balance carried forward	3	2,246,249,506	2,119,608,966

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Ministry of Manpower on 15 May 2007.

1 Domicile and Activities

The Lifelong Learning Endowment Fund ("the Fund") is established in Singapore. The address of the Ministry's principal place of activity is at 18 Havelock Road, #07-01, Singapore 059764.

The Fund is set up by the Singapore Government ("the Government") under the Lifelong Learning Endowment Fund Act 2001 ("the Act") for the acquisition of skills and expertise by persons, and the development and upgrading of skills and expertise of persons to enhance their employability; and the promotion of the acquisition, development and upgrading of skills and expertise to enhance the employability of persons.

The Fund, which came into operation with effect from 12 March 2001, had an initial capital of \$500 million. The Government may make further payments of capital money into the Fund from time to time. Only income earned from the Fund will be used. The Fund is deemed to be a Government fund for the purposes of any written law in Singapore.

The Singapore Workforce Development Agency ("WDA") has been appointed as the programme manager of the Fund to receive and deploy the grant for programmes that are congruent with the objectives of the Fund.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements are expressed in Singapore dollars.

In line with the Government's accounting policy, the cash basis of accounting is adopted. On the basis, receipts are recognised when received rather than earned and expenses are recognised when paid rather than when incurred.



3 Accumulated Fund

	Notes	2007 S\$	2006 S\$
Capital contribution from Government	(a)	2,100,000,000	2,000,000,000
Income from investments	(b)	146,249,506	119,608,966
		2,246,249,506	2,119,608,966

- a) This relates to capital money paid into the Fund by the Government from the Consolidated Revenue Account. Under Section 4(4) of the Act, this amount shall not be used for any purpose other than for investment.
- b) This relates to investment income earned on the Fund balance. The investment income is arrived at after deducting investment expenses, grants made to institutions and other expenses as approved under the Act.

	Notes	2007 S\$	2006 S\$
Income from investments		146,249,506	119,608,966
Past reserves protected	(c)	(123,915,245)	(6,317,278)
Income from investments available for expenditure	(d)	22,334,261	113,291,688

- c) This relates to reserves which are protected as a result of Government requirements.

Investment income earned from the Fund previously will be protected when there is a change-over in government. This would ensure that the present government would only spend what it has earned in its term of office.



3 Accumulated Fund (Cont'd)

- d) This amount is available for payment of future approved expenses and distribution as grants to institutions to be applied for the purpose of all or any of the following purposes as defined under the Act:
- (i) the provision of financial assistance or incentives to persons to acquire, develop or upgrade, whether in Singapore or elsewhere, skills and expertise to enhance their employability;
 - (ii) the research or development, whether in Singapore or elsewhere, in or of learning methods and technology to enhance the acquisition, development or upgrading of such skills and expertise;
 - (iii) the promotion of the acquisition, development or upgrading of such skills and expertise;
 - (iv) the provision of financial assistance or incentives to persons to carry out, whether in Singapore or elsewhere, activities or programmes which are consistent with objects of the Fund;
 - (v) the establishment, expansion or maintenance of facilities, whether in Singapore or elsewhere, to be used for purposes consistent with the objects of the Fund; and
 - (vi) such other purposes consistent with the objects of the Fund, whether carried out in Singapore or elsewhere, as may be prescribed.

4 Funds with Accountant-General

This represents funds held by the Accountant-General on behalf of the Fund. The Fund is allocated investment income at prevailing Central Provident Fund's rate of return for Special and Retirement Accounts, currently at 4% (2006: 4%) per annum.

5 Other Receipts

	2007	2006
	S\$	S\$
Refund of unused grant	1,228,489	1,516,618
Interest income	10,329	5,605
Seminar fees	-	11,500
Miscellaneous receipts	-	11,160
	1,238,818	1,544,883



6 Grants Disbursed

During the financial year, the Fund made grants for the following programmes to approved institutions:

	2007	2006
	S\$	S\$
Programmes		
Public Employment Service Programme	7,263,783	7,650,512
Management of PES Information Systems	600,972	697,512
Place-Train-Adjust	6,000	12,573
Place and Train Programme	1,443,415	166,290
Aerospace Competitiveness Study	-	48,845
SMCP HealthCare	2,327,551	1,796,115
Pre-placement Programmes and Training of Counsellors	52,188	666,589
Enhancement of CDCS' Job Centres/Operating Infrastructure	380,598	-
Employment and Retention Promotion	659,928	384,026
Home Ownership Plus Education (HOPE) Programme	141,900	260,747
NEXSTEP Programme	556,045	-
Enhancement of DCNs' Effectiveness	312,873	385,938
Career Guidance and Employment Projects for New Entrants into the Labour Market (Employment & GET for out of school youths)	103,058	83,346
Self-Employment Assistance (SEA) Programme	14,984	91,830
“Conversational Mandarin at Workplace” - A MENDAKI and SCCC Initiative	31,104	-
Survey for Distributed CareerLink Network	19,005	-
Re-Employment Support Scheme (RESS)	2,396,366	3,110,152
Job Redesign	12,522,879	912,683
ADVANTAGE!	5,897,368	74,619
1-Institute-2-Systems	11,100,339	13,166,864
SRP Surrogate Employers Programme	6,910	82,944
Clinical Instructor Upgrading Course	57,500	40,000
Advance Certificate In Training And Assessment (ACTA) Training	175,616	-
Executive Development Course For Tourism And Food And Beverage Sectors	12,760	21,000
Executive Development Programme For The Retail Industry	37,164	219,170
Master Classes and Workshops for Arts and Media	22,788	-
Development and Implementation of Singapore Employability Skills System (ESS)	1,263,357	1,766,118
Development and Implementation of the Chinese Version of the Singapore Employability Skills System (ESS)	344,550	3,916
SME Manpower Scheme	1,600	83,000



6 Grants Disbursed (Cont'd)

	2007	2006
	S\$	S\$
Programmes (Cont'd)		
Supply Chain Management Executive Upgrading Programme (Logistics Industry) Advertorial	18,000	20,525
Image Enhancement for Manufacturing Industry	-	35,900
Funding for Validation Specialist	-	1,307
Build Capabilities of TAFF	-	24,000
Post Placement Support for Edwards Life Sciences	-	450
Job Preparation Exercise for Conservancy Cleaning Sector	-	6,258
WDA-RSAF Licensed Aircraft Engineer Apprenticeship Scheme	-	138,000
Industry Manpower Development Partnership (Finance)	-	383,775
Hotel Event at Career 2005	-	45,921
Nursing Leaders' Workshop Series	-	3,830
Training Delivery To Frontliners In Preparation For Singapore 2006 Project	190,928	79,072
Training Delivery To Taxi Drivers In Preparation For Singapore 2006 Project	64,369	-
Work Support Programme	1,500,000	-
Enhance Employability and Competitiveness of Local Engineering Talent in Specific Areas (Electromagnetic compatibility, wireless connectivity)	8,683	-
In-Employment Immersion Programme for Process Industry	3,900	-
Skills Standard and Framework Development	2,861,035	1,905,702
Healthcare Manpower Planning And Benchmarking Project	200,000	-
Aerospace Industry Workforce Development Partnership (AIWDP)	120,000	123,360
Study to Identify Competencies Lacking in the Middle and Senior Management Executives of Companies in the Private Sector	52,395	-
Manpower Surveys	109,313	143,904
Labour Market Information System	248,397	246,697
Assessment Pathways to Improve and Raise Employability (ASPIRE) Scheme	12,840	-
Development of Assessment Only Pathway (AOP) System for WSQ Trainers and Assessment Fund	28,040	-
Waiver Of Accreditation Fees By Early Adopting Organisations	108,950	-
Enhancement of SDF EasyNet to disburse LLEF and Reinvestment Funds	9,293	-



6 Grants Disbursed (Cont'd)

	2007	2006
	S\$	S\$
Programmes (Cont'd)		
Waiver of Auditor Fees for Continuous Improvement Review of Approved Training Organisations under WSQ & NSRS	31,200	-
Development Of The Singapore Institute Of Retail Studies (SIRS)	275,000	547,644
Formation of National Infocomm Competency Academy	660,000	-
Facilitating And Implementing Healthcare Assistants Job Reclamation Plan	41,414	-
Launch of Food and Beverage Workforce Skills Qualification System	91,076	-
Outreach for Job Placement Services for the F&B Industry	4,816	2,741
Recruitment Activities for Vivocity and WRS Projects	304,480	-
Launch Of Tourism, Hotel & Accommodation Services WSQ Framework	176,057	-
Precision Engineering (PE) WSQ Launch	104,644	-
WDA's Radio Campaign with Hospitality Alliance Singapore and FM100.3	68,250	-
Customer Centric Initiative (CCI) Programme	23,752	15,782
Sports Coach Programme	-	11,361
Career 2006 Tourism Career Exhibition	-	20,000
Graduate Entry Master of Science in Speech and Language Pathology	-	324,000
NSRS & NCETF Training Subsidy Disbursement	-	8,335
NSRS & NCETF Skills Standard Development	-	184,500
LLEF Administration by WDA and NSRS & NCETF Administration	1,732,439	2,852,524
NSRS & NCETF Critical Training Programme Development	-	14,000
Annual License Fee for Use of FLOW	-	10,500
Pilot Work Trial Programme for Healthcare Industry (Nursing Homes)	-	15,630
Conference fee support for the 2005 Excellent Service Award Presentation & Best Practice Sharing Conference	-	15,863
Branding and Communication of NCETF	-	63,840
WDA Office Space Expansion and Set-up	-	1,090,000
Retail Marketing Brochure	12,000	-
Nursing / Allied Health Publicity Campaign - Feb 2007	36,816	-
3 Year Block Grant to Facilitate The Transition of HR Communities of Practice and Singapore HR Community Portal To SHRI	293,200	-
Age Management Guide (Special Employment Facilitation For Long Term Unemployed)	39,042	244,847
Tripartite Action Group (TAG)	-	600,000
Industry Manpower Development Partnership (Process)	-	65,000



6 Grants Disbursed (Cont'd)

	2007 S\$	2006 S\$
Programmes (Cont'd)		
Promotion of Good Human Capital Management (HCM) Practices	140,396	323,341
Wage Restructuring Coaching Assistance Grant	22,500	-
World HR Conference	155,170	-
Development Of A Lifelong Learning For Lifelong Employability (L3E) Portal	352,774	-
Design, Hosting and Administration and Analysis of an Electronic Online Survey	9,450	-
Minor Projects Vote	651,277	-
Book Gifts for Candidates of SMCP(Healthcare) and Place and Train for Enrolled Nurses	5,950	-
	58,520,447	41,293,398
WDA (a)	696,427	608,104
	59,216,874	41,901,502

Note (a) - this is represented by:

	Notes	2007 S\$	2006 S\$
Grants disbursed by WDA out of unused funds received from the Fund in the previous financial year		(860,506)	(252,402)
Unused portion of grants disbursed to WDA in the current financial year, available for carry forward to the next financial year		1,556,933	860,506
	(a)	696,427	608,104

7 Comparative Figures

The financial statements for the year ended March 31 2006, were not audited by Geetha A & Associates but by another firm of auditors.



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