Productivity Fund Administration Board FY2025 Annual Report
S.157 of 2026
Presented to Parliament pursuant to
Sections 22 and 23 of the National Productivity Fund Act 2010.
Ordered by Parliament to lie upon the Table:
11 September 2026

PRODUCTIVITY FUND ADMINISTRATION BOARD ANNUAL REPORT

In the opinion of the directors, the annual report of the PRODUCTIVITY FUND ADMINISTRATION BOARD has been drawn up so as to present fairly the state of affairs of the PRODUCTIVITY FUND ADMINISTRATION BOARD as at 31 March 2026.

On behalf of the Board of Directors,

Mr Gan Kim Yong

Chairman

Date: 31 August 2026

Dr Beh Swan Gin

Executive Secretary

Date: 31 August 2026

ORGANISATION DETAILS

Board Secretary	Mr Jeremy Ang
Address	100 High Street #09-01 The Treasury Singapore 179434
Telephone	6332 7199
E-Mail	Jeremy_Ang@mti.gov.sg

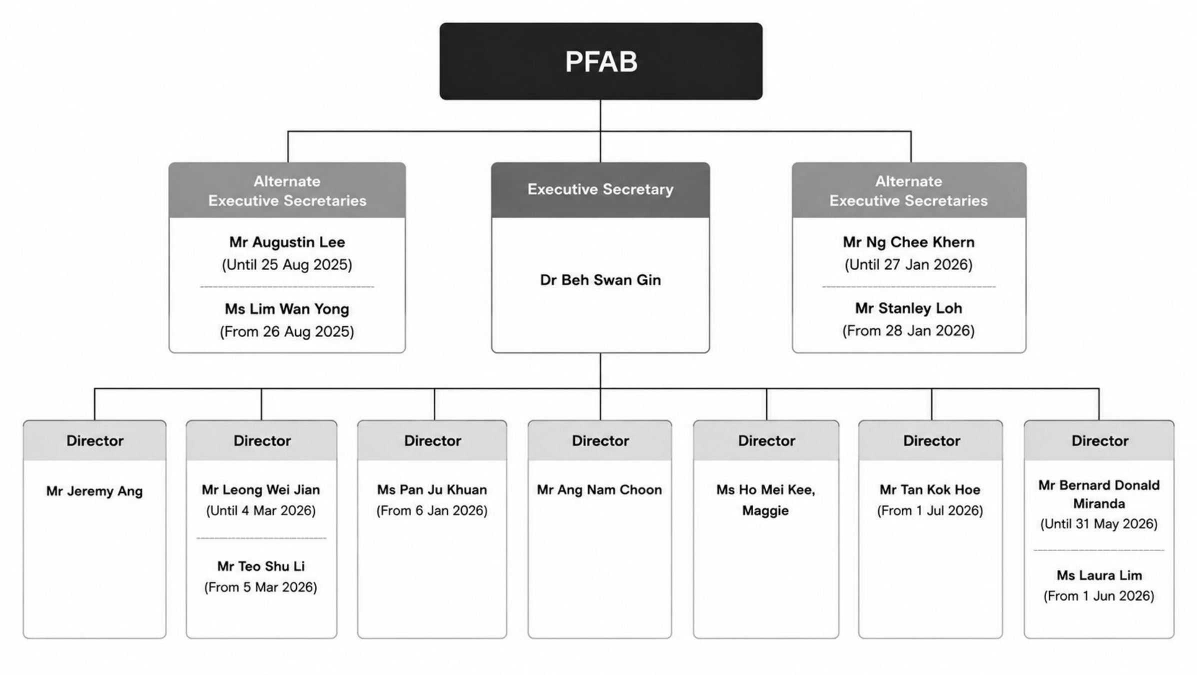
MISSION

1. To evaluate and review proposals relating to the usage of monies in the National Productivity Fund (NPF);

2. To approve the payment of monies from the NPF for the purposes set out in the NPF Act; and

3. To manage and administer the NPF in accordance with the NPF Act.

ORGANISATION STRUCTURE



BOARD MEMBERS

Name	Designation	Board Position
Mr Gan Kim Yong	Deputy Prime Minister, Minister for Trade and Industry (Trade)	Chairman [w.e.f. 12 Jun 2025]
Dr Tan See Leng	Minister for Trade and Industry (Energy and Industry)	Member [w.e.f. 1 Jun 2024]
Mr Desmond Lee	Minister for Education	Member [w.e.f. 12 Jun 2025]
Mr Jeffrey Siow	Minister for Transport and Second Minister for Finance	Member [w.e.f. 12 Jun 2025]
Ms Jasmin Lau	Acting Minister for Manpower	Member [w.e.f. 20 Aug 2026]

KEY MANAGEMENT PERSONNEL

Name	PFAB Designation
Dr Beh Swan Gin	Executive Secretary
Mr Augustin Lee	Alternate Executive Secretary [Until 25 Aug 2026]
Ms Lim Wan Yong	Alternate Executive Secretary [From 26 Aug 2026]
Mr Ng Chee Khern	Alternate Executive Secretary [Until 27 Jan 2026]
Mr Stanley Loh	Alternative Executive Secretary [From 28 Jan 2026]
Mr Jeremy Ang	Director
Mr Leong Wei Jian	Director [Until 4 Mar 2026]
Mr Teo Shu Li	Director [From 5 Mar 2026]
Ms Pan Ju Khuan	Director [From 6 Jan 2026]
Mr Ang Nam Choon	Director (Finance)
Ms Ho Mei Kee, Maggie	Director (Finance)
Mr Tan Kok Hoe	Director (Finance) [From 1 Jul 2026]
Mr Bernard Donald Miranda	Director (Corporate Operations) [Until 31 May 2026]
Ms Laura Lim	Director (Corporate Operations) [From 1 Jun 2026]

MAJOR SHAREHOLDER OF SUBSIDIARY COMPANIES (WHERE APPLICABLE)

s/n	Name of Subsidiary Company	% Shareholdings in Company
	None	NA

KEY ACCOMPLISHMENTS/HIGHLIGHTS

On 1 Nov 2010, the National Productivity Fund (NPF) and Productivity Fund Administration Board (PFAB) were established under the NPF Act 2010 to support initiatives related to productivity enhancement and continuing education and training at both the national and sectoral levels. In Aug 2023, the NPF Act was amended to expand the scope of the NPF to cover investment promotion.

As announced at Budget 2025, the Government topped up the NPF with another $3 billion to support the new Refundable Investment Credit (RIC) scheme and other investment promotion efforts. The total fund size as at 31 March 2026 was $13.5 billion.

The PFAB evaluates and reviews proposals for the use of NPF and administers the NPF.

In FY2025, PFAB approved the funding for the following projects:

i) $3,330.12 mil for EDB Investment Promotion activities for FY24 – FY25.

ii) $20.80 mil top-up to extend the SkillsFuture Enterprise Credit Scheme until the redesigned SFEC is launched in 2H2026.

iii) $260.00 mil to Skills and Workforce Development Agency (SWDA), for the redesigned SkillsFuture Enterprise Credit Scheme.

iv) $108.25 mil to provide part-time training allowance (PT TA) under the SkillsFuture Level Up Programme (SFLP), supporting mid-career workers who pursue substantive part-time training. The PT TA is disbursed at a flat rate of $300 per month to defray incidental training-related expenses.

v) $9.43 mil to maintain the SkillsFuture Credit System (SFCv2) from FY26 - FY28. SFCv2 is the IT system that manages the disbursement of SkillsFuture Credits, and its funding expired at the end of FY25.

In administering the NPF, the PFAB has established policies to ensure proper governance and accountability of NPF monies. These policies include the appointment of the PFAB Executive Secretary as the NPF Accounting Officer, the delegation of approving authorities, and the implementation of an audit framework.

As advised by the Ministry of Finance, the PFAB has been investing unutilised NPF monies with the Government to earn interest.

OUTLOOK FOR THE NEXT FISCAL YEAR

Per Budget 2026, the NPF was topped up with $6 billion to continue to support productivity enhancement, continuing education and training as well as investment promotion activities.

FINANCIAL STATEMENTS

The PFAB's audited Financial Statements are attached in Annex B.

PRODUCTIVITY FUND ADMINISTRATION BOARD

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

Board information

Registered office	100 High Street #09-01 The Treasury Singapore 179434	
Chairman	Gan Kim Yong (Deputy Prime Minister and Minister for Trade and Industry (Trade)) (with effect from 12 June 2025)	
Members	Desmond Lee	(Minister for Education) (with effect from 12 June 2025)
	Tan See Leng	(Minister for Trade and Industry (Energy and Industry))
	Jeffrey Siow	(Minister for Transport and Second Minister for Finance) (with effect from 12 June 2025)
	Jasmin Lau	(Acting Minister for Manpower) (with effect from 20 August 2026)
Executive Secretary	Beh Swan Gin	
Independent auditor	Deloitte & Touche LLP Public Accountants and Chartered Accountants 6 Shenton Way OUE Downtown 2 #33-00 Singapore 068809	

PRODUCTIVITY FUND ADMINISTRATION BOARD

REPORT AND FINANCIAL STATEMENTS

C O N T E N T S

PRODUCTIVITY FUND ADMINISTRATION BOARD

STATEMENT BY PRODUCTIVITY FUND ADMINISTRATION BOARD

In our opinion,

(a) the accompanying financial statements of Productivity Fund Administration Board ("the Board") as set out on pages 6 to 19 are properly drawn up in accordance with the provisions of the National Productivity Fund Act 2010 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the state of affairs of the Board as at 31 March 2026 and the results, changes in equity and cash flows of the Board for the year ended on that date;

(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are in accordance with the provisions of the Act; and

(c) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

On behalf of the Board

....
Gan Kim Yong
Chairman

....
Dr Beh Swan Gin
Executive Secretary

Singapore
31 August 2026

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF

PRODUCTIVITY FUND ADMINISTRATION BOARD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Productivity Fund Administration Board (the "Board"), which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 19.

In our opinion, the accompanying financial statements of the Board are properly drawn up in accordance with the provisions of the National Productivity Fund Act 2010 (the "Act") and Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the state of affairs of the Board as at 31 March 2026 and the results, changes in equity and cash flows of the Board for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Statement by Productivity Fund Administration Board set out on page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF

PRODUCTIVITY FUND ADMINISTRATION BOARD

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

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

(b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Board in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF

PRODUCTIVITY FUND ADMINISTRATION BOARD

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Aw Xin-Pei.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

31 August 2026

PRODUCTIVITY FUND ADMINISTRATION BOARD

STATEMENT OF FINANCIAL POSITION
31 March 2026

	Note	2026	2025
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	478,802,576	76,137,238
Interest receivable from Monetary Authority of Singapore ("MAS")		48,420,077	47,660,664
Grant prepayments		1,204,991,786	20,474,169
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	7	3,000,000,000	456,549,000
Financial assets measured at amortised cost	8	3,170,580,000	3,384,382,000
Total current assets		7,902,794,439	3,985,203,071
Non-current asset			
Financial assets measured at amortised cost	8	2,083,411,000	5,007,125,000
Total assets		9,986,205,439	8,992,328,071
LIABILITIES AND EQUITY			
Current liabilities			
Grant payables		144,253	6,698,631
Other payables		699,097	320,495
Grants received in advance	9	3,169,870,000	3,978,180,000
Total current liabilities		3,170,713,350	3,985,199,126
Non-current liability			
Grants received in advance	9	5,778,569,651	4,184,054,074
Equity			
Accumulated surplus		1,036,922,438	823,074,871
Total liabilities and equity		9,986,205,439	8,992,328,071

See accompanying notes to financial statements.

PRODUCTIVITY FUND ADMINISTRATION BOARD

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2026

	Note	2026	2025
		$	$
Income			
Interest income	10	214,198,453	193,063,380
Expenditure			
Grant disbursements		(2,213,794,423)	(167,591,880)
Professional fees		(240,229)	(263,773)
Computer services		(110,607)	(59,747)
Others		(50)	(50)
		(2,214,145,309)	(167,915,450)
(Deficit) Surplus before government grants		(1,999,946,856)	25,147,930
Government grants	9	2,213,794,423	167,591,880
Total surplus for the year, representing total comprehensive income for the year		213,847,567	192,739,810

See accompanying notes to financial statements.

PRODUCTIVITY FUND ADMINISTRATION BOARD

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2026

	Accumulated surplus
	$
Balance at 1 April 2024	630,335,061
Total surplus for the year, representing total comprehensive income for the year	192,739,810
Balance at 31 March 2025	823,074,871
Total surplus for the year, representing total comprehensive income for the year	213,847,567
Balance at 31 March 2026	1,036,922,438

See accompanying notes to financial statements.

PRODUCTIVITY FUND ADMINISTRATION BOARD

STATEMENT OF CASH FLOWS
Year ended 31 March 2026

	Note	2026	2025
		$	$
Operating activities			
(Deficit) Surplus before government grants		(1,999,946,856)	25,147,930
Adjustment for:			
Interest income	10	(214,198,453)	(193,063,380)
Operating cash flows before movements in working capital		(2,214,145,309)	(167,915,450)
Grant prepayments		(1,184,517,617)	(8,777,245)
Grant payables		(6,554,378)	5,400,240
Other payables		378,602	105,053
Net cash used in operating activities		(3,404,838,702)	(171,187,402)
Investing activities			
Purchase of financial assets (Note A)		(3,000,000,000)	(2,000,000,000)
Proceeds from redemption of financial assets measured at FVTOCI	7	456,549,000	99,089,000
Proceeds from redemption of financial assets measured at amortised cost	8	3,137,516,000	10,037,000
Interest received		213,439,040	88,488,239
Net cash from (used in) investing activities		807,504,040	(1,802,385,761)
Financing activity			
Grants received from Consolidated Fund, representing net cash generated from financing activity	9	3,000,000,000	2,000,000,000
Net increase in cash and cash equivalents		402,665,338	26,426,837
Cash and cash equivalents at beginning of year		76,137,238	49,710,401
Cash and cash equivalents at end of year	6	478,802,576	76,137,238

Note A

The purchase of financial assets include non-cash transactions as shown below:

	Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total
	$	$	$
At 1 April 2024	497,876,000	6,371,569,000	6,869,445,000
Non-cash changes – Purchases	61,178,000	61,000,000	122,178,000
Purchase of financial assets	-	2,000,000,000	2,000,000,000
Redemption of financial assets	(3,416,000)	(31,025,000)	(34,441,000)
Proceeds from redemption of financial assets	(99,089,000)	(10,037,000)	(109,126,000)
At 31 March 2025	456,549,000	8,391,507,000	8,848,056,000
Purchase of financial assets	3,000,000,000	-	3,000,000,000
Proceeds from redemption of financial assets	(456,549,000)	(3,137,516,000)	(3,594,065,000)
At 31 March 2026	3,000,000,000	5,253,991,000	8,253,991,000

See accompanying notes to financial statements.

1 GENERAL

Productivity Fund Administration Board ("the Board") is a statutory body of the Prime Minister's Office, established under the National Productivity Fund Act 2010 ("the Act"). The Board is domiciled in Singapore and its principal place of business is located at 100 High Street, #09-01 The Treasury, Singapore 179434.

The principal activities of the Board are managing and administering the National Productivity Fund ("the Fund") established under the Act. The Fund receives contribution from the Consolidated Fund and is established under the Act for the purpose of:

(a) providing financing (but not loans) or incentives (including grants and scholarships) to any public authority, enterprise, educational institution or other person (whether in Singapore or elsewhere) undertaking or facilitating any programme on matters relating to productivity enhancement and continuing education;

(b) the payment of expenses incurred by the Board in the performance of its functions and the discharge of its duties under this Act, including any remuneration or allowances payable to the members of the Board who are not public officers; and

(c) the payment of all expenses incidental to or arising from the administration, investment and management of moneys in the Fund.

Under Section 6 of the Act, upon dissolution of the Fund, the balance of such moneys remaining in that Fund shall be transferred to the Consolidated Fund.

The financial statements are presented in Singapore Dollars, which is the functional currency of the Board.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the material accounting policies below, and are drawn up in accordance with the provisions of National Productivity Fund Act 2010, and Statutory Board Financial Reporting Standards ("SB-FRSs").

1.2 ADOPTION OF NEW AND REVISED STANDARDS

On 1 April 2025, the Board has adopted all the new and revised SB-FRSs pronouncement that are relevant to its operations. The adoption of these new/revised SB-FRSs pronouncement does not result in changes to the Board's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

1.3 NEW REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED

In the current year, the following FRS pronouncements that are relevant to the Board were issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2027

- SB-FRS 118: *Presentation and Disclosure in Financial Statements*

Management anticipates that the adoption of the above new or revised SB-FRSs and amendments to SB-FRS in future periods will not have a material impact on the financial statements of the Board in the period of their initial adoption, except for the following:

SB-FRS 118 *Presentation and Disclosures in Financial Statements*

SB-FRS 118 replaces SB-FRS 1, carrying forward many of the requirements in FRS 1 unchanged and complementing them with new requirements. In addition, some SB-FRS 1 paragraphs have been moved to SB-FRS 8 and SB-FRS 107. Furthermore, minor amendments to SB-FRS 7 and SB-FRS 33 *Earnings per Share* have been made.

SB-FRS 118 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- improve aggregation and disaggregation presented in the financial statements and disclosed in the notes.

The Board is required to apply SB-FRS 118 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to SB-FRS 7 and SB-FRS 33, as well as the revised SB-FRS 8 and SB-FRS 107, become effective when the Board applies SB-FRS 118. SB-FRS 118 requires retrospective application with specific transition provisions.

Management anticipates that the application of these amendment may have an impact on the Board's financial statements in future periods. The Board is in the process of assessing the detailed impact of SB-FRS 118 on the Board's financial statements.

2 MATERIAL ACCOUTING POLICY INFORMATION

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

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

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

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

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

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term receivables when the recognition of interest would be immaterial.

Debt instruments classified as at FVTOCI

Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the statement of comprehensive income. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Impairment of financial assets

The Board assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instruments carried at amortised cost and FVTOCI. For receivables, the Board measures the loss allowance at an amount equal to lifetime ECL.

Derecognition of financial assets

The Board derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Board neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Board recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Board retains substantially all the risks and rewards of ownership of a transferred financial asset, the Board continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost include other payables. Other payables are measured subsequently measured at amortised cost, using the effective interest method, except for short-term payables when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Board derecognises financial liabilities when, and only when, the Board's obligations are discharged, cancelled or have expired.

REVENUE RECOGNITION - Interest income is recognised on an accrual basis, using the effective interest method.

GOVERNMENT GRANTS - Grants received from the Consolidated Fund are recognised at their fair value and such grants which are received but not yet utilised are included in grants received in advance. The grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants that are recovered and not re-designated for disbursements are recognised in other income.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents include cash at bank placed with a financial institution and deposits placed with Accountant-General's Department ("AGD") as a consolidated pool, cash balances and short-term deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

CONTRIBUTION TO CONSOLIDATED FUND - There is no contribution to be made to the Consolidated Fund, in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989, as the Board is not gazetted in this Act for the requirement.

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Board's material accounting policies

Except as disclosed below, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Classification of Special Singapore Government Securities

Management uses judgement based on its best estimate on the amount of grant disbursements required, to classify and designate the portion of financial assets (i) held solely for the collection of contractual cash flows and (ii) those held for collection of both collecting contractual cash flows and selling the financial assets.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

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

	2026	2025
	$	$
Financial assets		
Financial assets at amortised cost:		
- Special Singapore Government Securities	5,253,991,000	8,391,507,000
- Interest receivable from MAS	48,420,077	47,660,664
- Cash and cash equivalents	478,802,576	76,137,238
	5,781,213,653	8,515,304,902
Financial assets at FVTOCI	3,000,000,000	456,549,000
Financial liabilities		
Financial liabilities at amortised cost:		
- Other payables	699,097	320,495

(b) Financial risk management policies and objectives

The Board continually monitors its risk management process to ensure an appropriate balance between risk and control is achieved.

In its normal course of operations, the Board is exposed to insignificant market risk on its financial instruments. The risks associated to the financial instruments include credit risk, foreign currency exchange risk, interest rate risk, and liquidity risk.

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

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss. The Board adopts the policy of dealing only with high credit quality counterparties and financial institutions with high credit ratings. The major classes of financial assets of the Board are cash at bank, deposits placed with AGD, interest receivable from MAS and Special Singapore Government Securities which are subject to immaterial credit losses.

The Board mitigates its credit risk exposure through regular monitoring of the recoverability of the financial assets.

(ii) Foreign currency exchange risk management

The Board is not exposed to foreign currency exchange risk as all transactions and balances are denominated in Singapore dollars, which is also its functional currency.

(iii) Interest rate risk management

Interest rate risk refers to changes in market interest rates which would have an impact on the interest income from financial assets of the Board. The Board's exposure to interest rate risk is minimal as interest bearing assets consist of cash at bank, deposits placed with AGD and Special Singapore Government Securities which earn fixed interest rates.

(iv) Liquidity risk management

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

Liquidity risk is managed by matching the payment and receipt cycle. The Board has sufficient cash from operations and government grants to fund its capital investments and working capital requirements.

All financial assets and liabilities in 2025 and 2026 are repayable on demand or due within 1 year from the end of the reporting period, except for financial assets measured at amortised cost as disclosed in Note 8.

(v) Fair value of financial assets and financial liabilities

Except for the Special Singapore Government Securities disclosed in Notes 7 and 8, the carrying amounts of the Board's financial assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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

(c) Capital risk management policies and objectives

The Board monitors grants received from the Consolidated Fund to safeguard the ability to meet the long-term development needs of the Board and to continue as a going concern. The capital structure of the Board comprises only accumulated surplus. The Board is not subject to any externally imposed capital requirements. The Board's overall strategy remains unchanged from prior year.

5 RELATED PARTY TRANSACTIONS

Some of the Board's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. These balances are unsecured and non-interest bearing.

The following significant transactions took place between the Board and related parties during the financial year:

	2026	2025
	$	$
Actual grants disbursed to other statutory boards	3,404,935,758	156,052,600
Actual grants (refunded) disbursed to other ministries	(50,000)	(5,000)
Write-off of grant receivable extended to other statutory boards	138,812	207,300

Compensation of key management personnel

The Board does not have any employees for the financial years ended 31 March 2026 and 31 March 2025. The Board's activities are administered by officers from the Ministry of Manpower, Ministry of Education and Ministry of Trade and Industry with the expenses incurred thereon not recharged to the Board.

6 CASH AND CASH EQUIVALENTS

	2026	2025
	$	$
Cash at bank	142,025	141,826
Deposits placed with AGD	478,660,551	75,995,412
	478,802,576	76,137,238

7 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2026	2025
	$	$
At beginning of the year	456,549,000	497,876,000
Purchase of financial assets	3,000,000,000	61,178,000
Redemption of financial assets	(456,549,000)	(102,505,000)
At end of the year	3,000,000,000	456,549,000

Fixed rate non-marketable Special Singapore Government Securities ("SSGS") were issued to the Board in compliance with the legal requirements of the Government Securities Act.

In the current financial year, the Board purchase additional SSGS amounting to $3,000,000,000 (2025:$Nil) using the proceeds received from the Consolidated Fund, $Nil (2025: $34,441,000) using the proceeds from matured SSGS reinvested, $Nil (2025: $26,737,000) using the proceeds from SSGS interest receivables.

At the end of the financial year, the SSGS have nominal value amounting to $3,000,000,000 (2025: $456,549,000), earns fixed interest rates at 1.48% (2025: 1.75% to 1.95%) per annum, and maturing December 2027 (2025: April 2025 to December 2029).

The SSGS have been classified as Level 2 in the fair value hierarchy and are valued based on discounted cash flows using market interest rates which are available to the Board at the end of the financial year and approximate their carrying amounts.

8 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2026	2025
	$	$
At beginning of the year	8,391,507,000	6,371,569,000
Purchase of financial assets	-	2,061,000,000
Redemption of financial assets	(3,137,516,000)	(41,062,000)
At end of the year	5,253,991,000	8,391,507,000
<u>Classified as:</u>		
Current	3,170,580,000	3,384,382,000
Non-current	2,083,411,000	5,007,125,000
Total	5,253,991,000	8,391,507,000

Fixed rate non-marketable Special Singapore Government Securities ("SSGS") were issued to the Board in compliance with the legal requirements of the Government Securities Act.

In the current financial year, the Board purchase additional SSGS amounting to $Nil (2025: $2,000,000,000) using the proceeds received from the Consolidated Fund and $Nil (2025: $61,000,000) using the proceeds from SSGS interest receivables.

At the end of the financial year, the SSGS have nominal value amounting to $5,253,991,000 (2025: $8,391,507,000), earns fixed interest rates between 2.63% to 3.05% (2025: 1.78% to 3.05%) per annum, and maturing between February 2030 to December 2030 (2025: April 2025 to December 2030).

9 GRANTS RECEIVED IN ADVANCE

	2026	2025
	$	$
At beginning of the year	8,162,234,074	6,329,825,954
Grants received from Consolidated Fund	3,000,000,000	2,000,000,000
Recognised in statement of comprehensive income:		
- Grant income	(2,213,794,423)	(167,591,880)
At end of the year	8,948,439,651	8,162,234,074
Classified as:		
Current	3,169,870,000	3,978,180,000
Non-current	5,778,569,651	4,184,054,074
Total	8,948,439,651	8,162,234,074

At the end of the financial year, the current grants received in advance of $3,169,870,000 (2025: $3,978,180,000) is expected to be disbursed within 12 months.

10 INTEREST INCOME

	2026	2025
	$	$
Interest income from:		
- Special Singapore Government Securities	213,225,288	192,261,198
- Others	973,165	802,182
	214,198,453	193,063,380

11 SHARE CAPITAL

There has been no issuance of share capital by the Board to the Minister for Finance, a body incorporated by the Minister for Finance (Incorporation) Act 1959, as required under the Finance Circular Minute No. M26/2008 dated 13 November 2008 issued by the Ministry of Finance, as the Board did not obtain capital funding from the Government.