# AN INCLUSIVE SOCIETY, A NATION BEYOND SECOND CHANCES



Annual Report 2020

Yellow Ribbon sg Beyond Second Chances

This report is dedicated to our everyday heroes – our partners, employers, volunteers, donors and staff who stood at the frontline and walked the reintegration journey when it was most needed.

## VISION

We build bridges of hope for offenders and their families

We contribute to a safer community by successfully reintegrating offenders

We exemplify and lead in creating a more compassionate society that offers second chances

## MISSION

We rehabilitate and help reintegrate offenders to become responsible and contributing members of society

## VALUES

**HONOUR**
We live up to the highest standards of integrity

**ONENESS**
We work as a team

**PEOPLE-ORIENTED**
We serve others to the best of our ability

**ENTERPRISING**
We thrive in scarcity and see opportunities in crisis

Here at Yellow Ribbon Singapore, we inspire community action to unlock ex-offenders' potential by helping them enhance their skills acquisition and career growth

# OVERVIEW

## WHAT WE BELIEVE

We believe that sustained employment and progress made at work will help ex-offenders reintegrate into society, and we take a long-term view in guiding them towards this goal.

## WHAT WE DO

That is why we start with career planning and relevant training for suitable inmates to help them build practical skillsets for today and lifelong competencies for the future. We then help place them in career more suited to their personalities and skills. Beyond that, we continue to empower ex-offenders through career coaching.

## WHAT WE HOPE TO ACHIEVE

With our support and encouragement, ex-offenders can work towards their career aspirations and become contributing members of society.

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# CHAIRMAN'S MESSAGE

**It has been an unprecedented year due to the global COVID-19 pandemic. As I look back at 2020, I am grateful for the technology and infrastructure put in place that allowed staff to work from home effectively. Our staff has shown resilience under pressure and was agile in adapting to the dynamic demands of the pandemic.**

In the area of skills training for inmates and ex-offenders, we followed up on the Memorandum of Understanding (MOU) signed with the Singapore Precision Engineering and Technology Association (SPETA) in 2019 and signed a MOU with Nanyang Polytechnic (NYP) to develop the curriculum and deliver the diploma programmes in precision engineering. We also expanded TAP (Train and Place) and Grow to include the media industry and signed a MOU with Mediacorp Pte Ltd. The two courses in social media marketing, and content production and management commenced in November 2020. I am encouraged by the interest shown by media agencies to employ our inmates upon release in the media industry. This is an exciting development and I am hopeful that we will continue to inspire more employers to partner us and offer employment to ex-offenders in time to come. On this, I would like to express my appreciation to the leadership of SPETA, NYP and Mediacorp for pioneering this new initiative with Yellow Ribbon Singapore (YRSG).

Apart from TAP and Grow, we continued to develop training pathways and plans to guide us in the choice and conduct of skills training. We conceptualisd our Careers Masterplan, a training blueprint that maps out industry-based progression pathways that aim to strengthen ex-offenders' career mobility. A Skills Masterplan was developed to map out the throughcare approach for inmates and ex-offenders to acquire skills progressively from incare to aftercare. The masterplans complement one another, adopting a differentiated approach to meet the career and skills needs of the different segments of inmates. I am happy to note that 500 ex-offenders were trained in the community in 2020, where the number of modules offered expanded from 1 in 2019 to 6 in 2020.

Within prison, though skills training was disrupted by the circuit breaker and its accompanying safe management measures in subsequent phases, YRSG shifted its focus from conducting short employability skills courses to curriculums that built inmates' vocational skillset and digital literacy.

On the careers front, the staff of YRSG worked extremely hard, made additional calls and went the extra mile to rally employers to ensure a steady flow of opportunities for our inmates during the pandemic period. The employment assistance provided by YRSG alongside other national initiatives, such as the Jobs Growth Incentive (JGI) scheme, helped to safeguard the jobs of our citizens and mitigated COVID-19's impact on the employment of ex-offenders. As a result, 93% of all offenders assisted secured employment before their release. This was facilitated by the introduction of virtual interviews in prison in June, which saw an increase in employer participation during placement exercises.

Virtual interviews, which were first introduced as a solution to the suspension of physical visits to prison, became a mainstay due to its convenience in enabling employers to assess the suitability of inmates for various vacancies in their companies. This also led to an increase in the variety and volume of jobs made available to inmates.

2020 was a challenging year to engage the community. Many of the events that we had planned, including the Yellow Ribbon Prison Run, were postponed or had to be conducted virtually. However, the enthusiasm and commitment level of our staff remained high. They pivoted creatively and swiftly to organise virtual engagements and facilitated several giving-back initiatives by inmates and ex-offenders.

For events that were postponed, resources were rechannelled to support the national fight against the pandemic. From within prison walls, inmates stepped forward together with ex-offenders to sew 3,500 reusable masks for migrant workers, sew mask pouches for children of our beneficiaries, refurbished hospital blankets for COVID-19 patients and baked cookies to show their appreciation for COVID-19 frontliners.

Our collaboration with The Esplanade Co Ltd for Red Dot August saw a group of five ex-offenders, the Yellow Ribbon Performing Arts Centre (PAC) Alumni, performing songs from past years' Yellow Ribbon Songwriting Competitions via a live broadcast for public viewing. The concert recorded 1,695 views in total.



2020 was a significant year for the CARE Network, marking its 20th anniversary. While plans were disrupted by the pandemic, partners served the beneficiaries with fortitude even as they adapted their service model to cope with the crisis. It was a timely celebration of the dedication and resilience showed by many partners who stayed the course and helped to reduce re-offending and strengthen families over the past 20 years. The first ever CARE Network digital publication was published, which outlined the envisioned transformation of the Aftercare sector in the coming years. The CARE Network logo was also refreshed to reflect the Network's desire to move forward as a collective to provide wrap-around support for beneficiaries.

Joining the national effort to engage the citizenry, YRSG and Singapore Together (a Ministry of Culture, Community, and Youth initiative) co-hosted two virtual Emerging Stronger Conversations (ESC) in September and October 2020. Themed "Beyond Second Chances", the sessions advocated the importance of providing second chances and empowering ex-offenders in their reintegration journey. Among hundreds of nominations from across the world, the nationwide ESC effort was recognised as the winner of Apolitical's Global Public Service Team of the Year, for the category of Citizen-Centred Innovation.

Our people are at the heart of what we do. They are the invaluable assets to our organisation and our enablers of change. COVID-19 meant that we had to take special care to ensure the physical, emotional and mental well-being of our staff.

As YRSG transitioned to the work-from-home arrangement, care packs comprising snacks, thermometers and vitamin C tablets were curated to all staff as a display of solidarity during these troubled times. In support of colleagues who were on Stay-Home Notice, YRSG also extended grocery vouchers and arranged for food delivery.

Apart from virtual and hybrid townhalls, the YRSG Cares Committee rolled out a month-long programme packed with interesting activities, such as a leather craft workshop and a virtual Amazing Race at the end of the year that kept staff engaged and energised.

While the past year had tested our resilience and agility, we are encouraged by the dedication shown by YRSG staff. At the peak of COVID-19, staff stepped forward to the support the national COVID-19 management efforts at the foreign worker dormitories, call centres and as safe distancing ambassadors.

Together with our valued partners and volunteers we have emerged stronger and more prepared to face the challenges ahead.

2021 will be the last term of the current Board of Directors. As such, I would like to express my heart-felt appreciation for the support and guidance from all current Board colleagues. The contribution of each and every member towards our shared vision, mission and values makes YRSG what it is today. As we look back and celebrate our past achievements, I would also like to welcome the new Board of Directors in 2021. I am confident that their leadership and guidance will inspire YRSG to achieve new heights and push new frontiers in the area of reintegration.

**CHNG HWEE HONG**
Chairman
Yellow Ribbon Singapore

# YRSG'S BOARD MEMBERS

**AS AT 30 MARCH 2021**

All YRSG's Board members are appointed by the Minister of Home Affairs and hold office for a period of 3 years from the date of their appointments. There are 4 YRSG Board meetings in a year, with each Board meeting held per quarter.

The role of YRSG's Board includes:

- Providing strategic direction and guidance for YRSG to reintegrate offenders through employment;
- Advising on trends and opportunities in key industries, rehabilitation and reintegration of offenders, aftercare and the social landscape; and
- Reviewing and endorsing strategic work plans and proposals put up by YRSG's management.

**MR CHNG HWEE HONG**
Chairman

**MR PUAH KOK KEONG**
Deputy Chairman

**MR JASON LEOW**
Board Member

**DR KEE KIRK CHIN**
Board Member

**MR THIAGARAJAN S/O SUBRAMANIAM**
Board Member

**MR THOMAS PEK**
Board Member



**MR ABDUL ROHIM BIN SARIP**
Board Member

**MR DAVID TOH SENG HONG**
Board Member

**MS SHIE YONG LEE**
Board Member

**MS MABLE CHAN**
Board Member

**MR PETER ONG**
Board Member

**MS SHARON ANG EE HSIEN**
Board Member

**MR WAN SHUNG MING**
Board Member

**MR YEO MENG HIN**
Board Member

**MR ZHULKARNAIN ABDUL RAHIM**
Board Member

# BOARD COMMITTEES

**AS AT 30 MARCH 2021**

## AUDIT & RISK MANAGEMENT COMMITTEE

The **Audit & Risk Management Committee** oversees the internal and external audits on YRSG's risk management and internal control systems. Its reviews and findings ensure that YRSG's work processes are rigorous and robust, based on the principles of good governance and risk management.

**CHAIRMAN**
Mr David Toh Seng Hong

**MEMBER**
Dr Kee Kirk Chin
Mr Zhulkarnain Abdul Rahim
Ms Carolyn Kan Hsueh Yee
Mr Loh Teck En
Dr Jonathan Pan
Mr Chun Wai Seng
Mr Bernard Soh Hong Kuan
Ms Kuldip Gill
Ms Hah Yanying

**SECRETARIAT**
Mr Law Chee Kiang

## ESTABLISHMENT COMMITTEE

**The Establishment Committee** seeks to build a dedicated and passionate workforce necessary to deliver YRSG's mission. It advises on effective human resource policies and practices to attract, nurture and retain good staff.

**CHAIRMAN**
Mr Yeo Meng Hin

**MEMBER**
Ms Sharon Ang Ee Hsien
Ms Shirlyn Ng Siok Har
Mr Lim Kian Kok
Mr Ethan Tan
Mr Mayank Parekh
Ms Susan Mary de Silva
Ms Teo Chew Yam Debbie

**SECRETARIAT**
Ms Ng Huey Ling

## INVESTMENT & FINANCE COMMITTEE

The **Investment & Finance Committee** plays an integral role in ensuring YRSG's long-term financial sustainability. It provides oversight on YRSG's investment, financial and funding policies.

**CHAIRMAN**
Mr Abdul Rohim Bin Sarip

**MEMBER**
Mr Jason Leow
Mr Khoo Tiam Hock Vernon
Ms Koh Chiao-Jian Felicia
Mr Lau Tai San
Dr Ernest Kan

**SECRETARIAT**
Mr Ernest Lim

## EMPLOYABILITY & EMPLOYMENT COMMITTEE

The **Employability & Employment Committee** promotes the rehabilitation and reintegration of inmates and Selarang Halfway House (SHWH) residents. It advises on suitable inmate training programmes and operations of the SHWH. It also recommends funding schemes that YRSG could tap on to support its training and programmes for inmates and render resources for the rehabilitation and reintegration of SHWH residents.

**CHAIRMAN**
Mr Thiagarajan s/o Subramaniam

**MEMBER**
Mr Zhulkarnain Abdul Rahim
Ms Mable Chan
Mr Siew Heng Kwok
Mr Gary Goh Choon Siah
Mr Chua Chim Kang
Mr Lim Fung Wan Colin
Mr Daniel Teo
Ms Caroline Lim
Mr Tan Tho Eng Darren
Ms Susan Mary de Silva

**SECRETARIAT**
Mr Freddy Low

## REINTEGRATION COMMITTEE

The **Reintegration Committee** engages stakeholders across the nation to work collectively in reducing recidivism rates and connects them to relevant community resources. It encourages the adoption of interventions and progressive practices in specific reintegration domains like pro-social networks, skills upgrading and family strengthening. It assists the Board in fronting required engagements and serves as the nation's advocate for second chances in the aftercare sector.

**CHAIRMAN**
Mr Wan Shung Ming

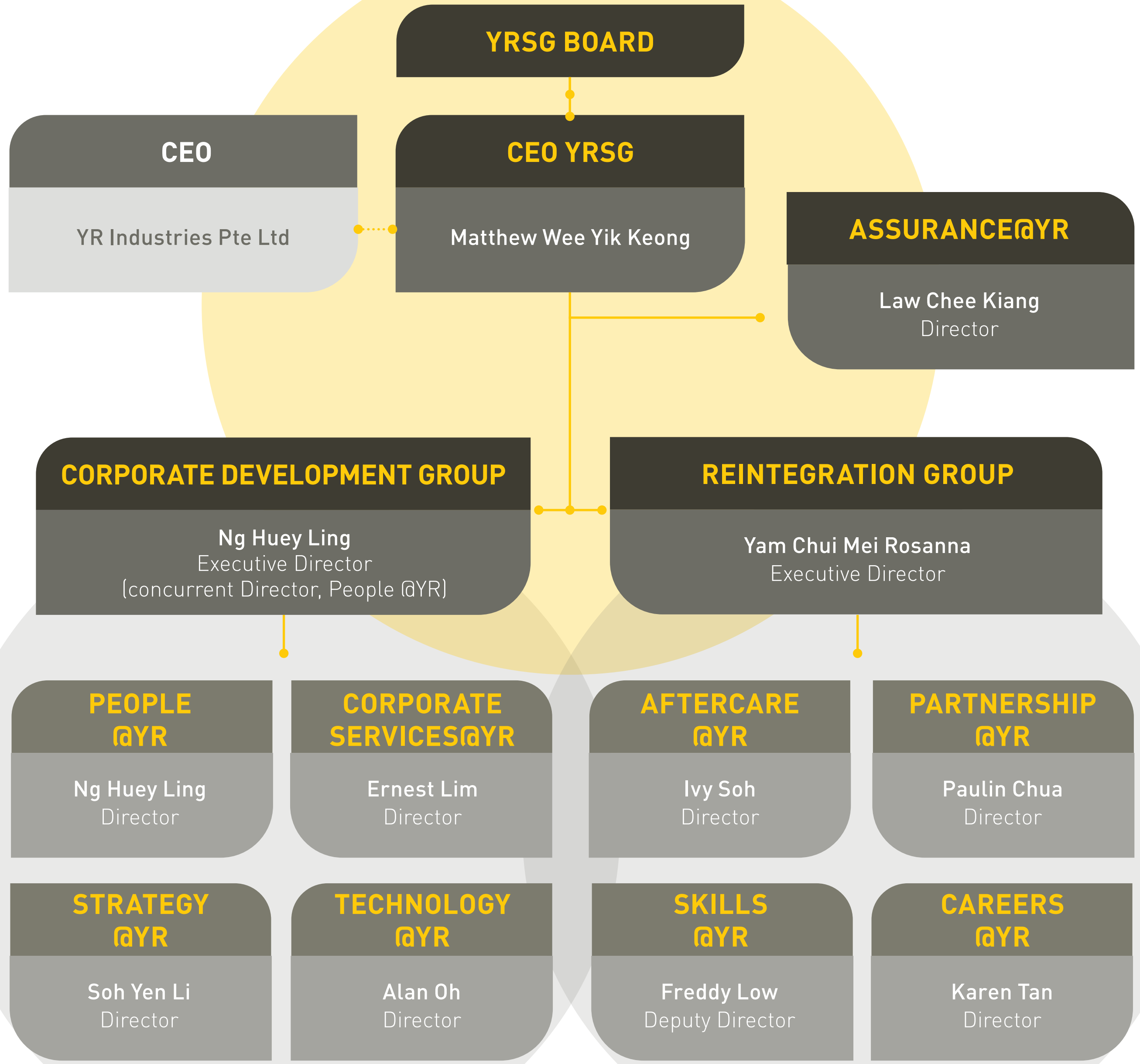
**MEMBER**
Mr Zhulkarnain Abdul Rahim
Mr Thomas Pek
Mr Terrence Goh Leng Chuang
Mr Lim Kok Thai
Mr Tan Aik Hock
Mr Khew Sin Khoon
Mr Anbarasu Rajendran
Mr Faiz Selamat
Ms Lim Chiu Loo
Mr Jabez Koh
Mr Azmi Bin Rahman
Mr Lim Lee Meng
Ms Hah Yanying

**SECRETARIAT**
Ms Ivy Soh



# OUR MANAGEMENT TEAM

**AS AT 30 MARCH 2021**



# OUR TRANSFORMATION

With effect from 1 May 2020, the Singapore Corporation of Rehabilitative Enterprises, otherwise known as SCORE, was officially rebranded as Yellow Ribbon Singapore (YRSG).

**WHAT OUR STAFF HAD TO SAY ABOUT THE REBRANDING**

"I like it. It is a good and timely move. It gives us a stronger identity and purpose."


The rebranding strengthened both our association in the public eye on what we aim to do as well as our identity and pride in carrying out our mission.

**DURING OUR TRANSFORMATION, WE:**

**Coined a new tagline "Beyond Second Chances"** which articulates the next bound of the Yellow Ribbon cause. First, we believe ex-offenders are not mere recipients of second chances. When successfully reintegrated, they too can actively give back to society and pay it forward to help others. When individuals, organisations and employers accept ex-offenders, they do not just offer second chances, their action inspires others and collectively, we can build a safer, more inclusive and cohesive Singapore.

**Restructured ourselves to be more nimble**. The revised structure positions us to better redefine our work processes, optimise resources and prepare for the future by focusing on new capabilities such as research, policy, technology and analytics.

**Adopted a direct yet alternative naming convention** for our divisions, for example Strategy@YR for an informal yet dynamic touch.

The unveiling ceremony of SCORE's rebranding to Yellow Ribbon Singapore was held on 1 April 2020 'live' via Workplace from Facebook, where staff tuned in to the 'live' broadcast of the unveiling by the management team and the Rebranding Committee. A surprise treat consisting of yellow balloons and cupcakes were distributed to those who were physically present to celebrate this milestone together.

"Wonderful! Society will know who we are and the work that we do. Introducing myself is easier and more direct, there is no follow up question such as "What is SCORE?""

"The rebranding had helped uplift the organisation and the morale of our colleagues, potentially increasing staff retention and raising the profile of the organisation. I'm proud to be a YRSG officer!"

# OUR PEOPLE

COVID-19 required us rethink ways to engage our staff and keep them abreast of the latest organisational updates. Many of our events went virtual as work-from-home became the norm. We also had to take special care to ensure the physical, emotional and mental well-being of our staff.





## VIRTUAL AND HYBRID TOWNHALLS

YRSG's quarterly Townhalls went virtual for the first time during the circuit breaker, with YRSG management connecting with staff through Skype and ZOOM. Besides ensuring the staff are kept abreast of the latest organisational updates, the virtual Townhall also served as a platform for YRSG staff to share their views. During the Townhall in Q3, staff were invited to participate in the review of YRSG's Vision, Mission and Values by sharing their hopes and aspirations for the organisation.

## CARING FOR OUR OFFICERS

As YRSG transitioned to the work-from-home arrangement, welfare initiatives were ramped up to support our staff's physical, mental and emotional wellbeing. YRSG partnered Singapore Prison Service (SPS)' Operational Psychology Branch to provide confidential psychological support to staff who might be experiencing emotional distress. Thoughtfully curated care packs were also presented to all staff. In support of colleagues who were on Stay-Home Notice, YRSG also extended grocery vouchers and arranged for food delivery.

The YRSG Cares Committee also rolled out a month-long programme packed with interesting activities, such as a leather craft workshop that kept staff engaged and energised. YRSG staff participated in a virtual Amazing Race, where they put their brains together during the exciting event that marked the end of the year.

YRSG actively monitored the staff's engagement level while they worked from home. The feedback collected showed that even during the peak of COVID-19, YRSG staff remained optimistic despite the high stress level.

## SUPPORTING THE COMMUNITY

At the peak of COVID-19, YRSG staff stepped forward to support the national COVID-19 management efforts. A total of 8 staff volunteers were deployed to assist in various areas, including supporting migrant worker dormitory operations, ensuring adherence to safe distancing measures and answering queries from businesses on the tightening of measures.

YRSG also recruited 5 persons under the SG United initiative, in support of the nation's effort to help job seekers and fresh graduates develop their skills professionally so that they are equipped with relevant industry experience that would enable them to secure jobs when the economy picked up.

## ENABLERS – HR INITIATIVES

### ENHANCED POSTING FRAMEWORK

Following the introduction of a structured developmental posting framework in 2018, the framework was enhanced to include deployment options beyond YRSG, to the larger Ministry of Home Affairs (MHA) family. As part of efforts to enhance staff's career development, YRSG effected ad-hoc job rotations and facilitated officers' participation in secondments to other Home Team Departments. These initiatives provided staff exposure to a wider range of roles and expanded their range of competencies.

### TALENT ATTRACTION AND OUTREACH

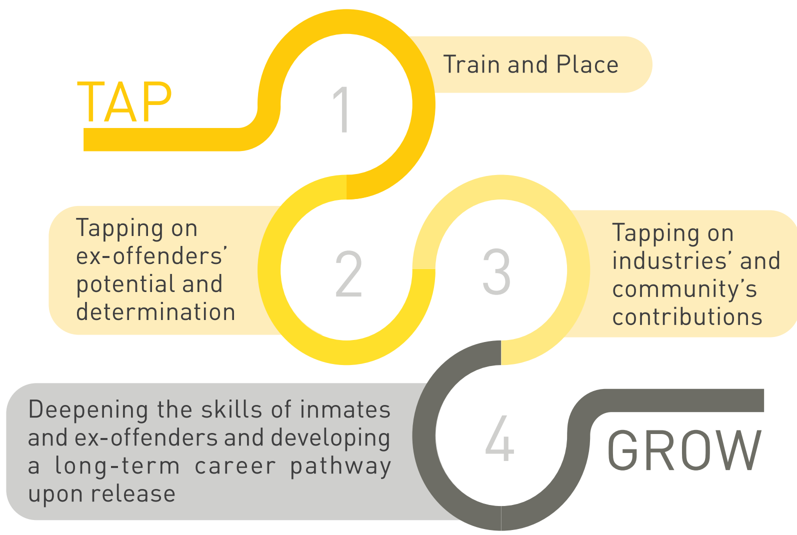
A set of talent attraction and outreach plans was developed in 2020, seeking to position YRSG as an employer of choice. The plans centred around 3 key focal areas, namely to strengthen YRSG's recruitment branding, diversify the outreach efforts to connect with a wider audience and create opportunities for like-minded individuals to experience YRSG's work. The internship programme was also refreshed, with new initiatives added to provide the interns with a positive and meaningful learning experience at YRSG.

### DATA ANALYTICS TRAINING FOR OFFICERS

Data analytics was identified as a cross-cutting skill that was integral to drive YRSG's transformation. YRSG organised data analytics training to enable officers to apply data analytics in their daily work.

YRSG piloted the TAP and Grow initiative this year, enabling ex-offenders to realise their career potential by moving beyond securing jobs to enabling long-term career development. TAP and Grow initiative strengthens the nexus between the acquisition and utilisation of skills through leveraging the Industry Transformation Maps (ITMs), to increase employment opportunities for inmates and ex-offenders in key growth sectors.

**WHAT IS TAP AND GROW?**




Under TAP and Grow, YRSG partners like-minded employers, training providers and community partners to set up training academies inside prisons. This enables inmates to undergo industry related training, develop the requisite skills to facilitate their recruitment into relevant industries and eventually grow in their new careers after they are released. In 2020, TAP and Grow was off to a promising start with the Media and Precision Engineering sectors. In 2021, the initiative will be expanded to the Logistics sector. YRSG will continue to tap on other growth sectors to support ex-offenders to re-join the national workforce.

# OUR PARTNERSHIPS



"With new skills and renewed motivation and determination in being given a second chance, ex-offenders can rejoin the national workforce with confidence and contribute actively to society."

**MR MATTHEW WEE YIK KEONG**
CEO YRSG



# THE INTRODUCTION OF VIRTUAL INTERVIEWS

Virtual interviews were introduced in June 2020, where YRSG employers used virtual meeting tools to interview inmates from a location convenient to them. First introduced as a solution to the suspension of visits to prison during the COVID-19 pandemic, virtual interviews increased employer participation during placement exercises due to its convenience, thus improving the variety and volume of jobs made available to inmates. Tablets were used to facilitate these interviews and safety measures were implemented to protect the inmates' privacy.

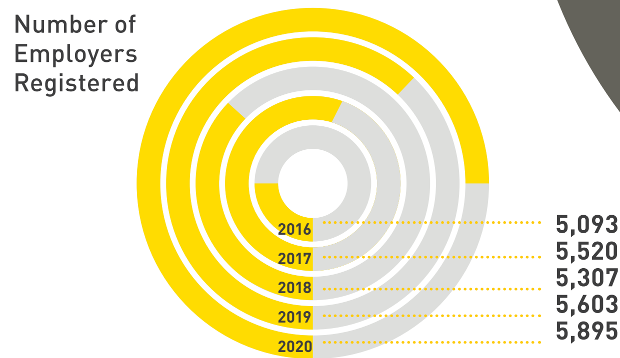
As virtual interviews were a novel concept to most inmates, we took time to ensure a smooth transition and quick adaptation of the new interviewing platform. The inmates' initial concerns centred around their lack of digital literacy and fear of not being able to clearly articulate their strengths and display their passion for the given job, due to their inexperience in using digital platforms. However, through briefings and question-and-answer sessions conducted by YRSG's career specialist team, the inmates were able to overcome these obstacles and secure jobs of their choice. The implementation of virtual interviews led to the successful job placement of inmates during the COVID-19 period and continues to be a reliable avenue used by employers who partner us.

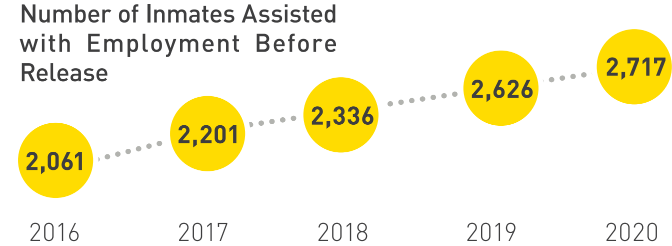
**690**
virtual job interviews were conducted from June to December 2020

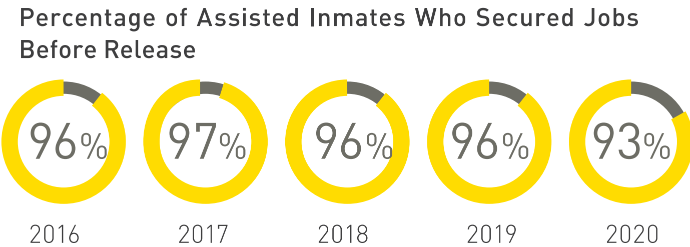
"I felt that the arrangement gave me a good opportunity and a chance to be interviewed during this difficult time. I am happy, motivated and look forward to working. I also feel appreciated that the employers are making time and effort to hold virtual interviews."

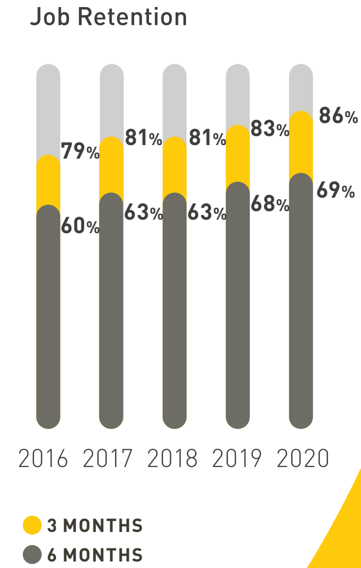
**WONG GIM SHUI (PSEUDONYM)**
Aug 2020

**PERFORMANCE HIGHLIGHTS**



# SKILLS AND CAREER MASTERPLANS FOR INMATES AND EX-OFFENDERS

**Despite the COVID-19 pandemic, YRSG continued to develop training pathways and forged mutually beneficial relationships with key industry stakeholders to enable inmates and ex-offenders' long-term skills and career development.**

Plans were developed to guide YRSG in the choice and conduct of skills training to achieve the eventual outcome of helping ex-offenders lead crime-free lives through gainful and progressive employment. This consisted of the development of several industry-focused pathways with key industries such as media and precision engineering, and the conceptualisation of a digital eco-system to acquaint inmates with technology.

Though skills training was disrupted by the circuit breaker and its accompanying safe management measures in subsequent phases, YRSG shifted our focus from conducting short employability skills courses to curriculums that built inmates' vocational skillset and digital literacy. Alongside other national initiatives to safeguard the jobs of our citizens, this helped to mitigate COVID-19's impact on the employment of ex-offenders.

## PERFORMANCE HIGHLIGHTS

**CAREERS MASTERPLAN:**

- A training blueprint that improves ex-offenders' career outcomes through industry-based progression pathways
- Strengthen ex-offenders' career mobility

**SKILLS MASTERPLAN:**

- Throughcare approach for inmates and ex-offenders to acquire skills progressively from incare to aftercare
- Adopt differentiated approach to meet career and skills needs of different segments of inmates
- Improve inmates' motivation to make informed learning and career choices through career guidance
- Implement Digital Literacy Masterplan to equip inmates with digital skills

**500**
ex-offenders trained in the community in 2020

Number of modules expanded from
**1 in 2019**
to
**6 in 2020**

## TARGETED SECTORS

| | TARGETED INDUSTRY | TYPES OF POSITIONS |
|---|---|---|
| SERVICES | Food Manufacturing | Food Production Worker, Production Technician, QC |
| | Logistics & Wholesale | Warehouse/Logistics Coordinator & Supervisor |
| MANUFACTURING | Precision Engineering | Machinist, Technician, QA/QC Technician |
| EMERGING SECTORS | Media | Online Content Creator, Production Assistant |

An overview of the skills training offered to inmates and ex-offenders in 2020 is as follows:

**THE WORKPLACE SKILLS (WPS) SERIES – OPERATIONS LEVEL**
- WSQ Develop Personal Effectiveness at Operations Level
- WSQ Communicate and Relate Effectively at the Workplace
- WSQ Apply Emotional Competence to Manage Self at the Workplace
- WSQ Adapt to Change

**WSQ CERTIFIED PRODUCTIVITY AND INNOVATION SPECIALIST**
- WSQ Apply Continuous Process Improvement Techniques
- WSQ Apply Basic Lean Techniques in the Workplace

**WORKPLACE LITERACY (WPL)**
- Computer Adaptive Test
- Workplace Literacy Conversational (Beginner/ Intermediate)

**WSQ HIGHER CERTIFICATE IN FOOD SERVICES (CULINARY ARTS)**
- WSQ Maintain Quality Control Procedures
- WSQ Follow Food and Beverage Safety and Hygiene Policies and Procedures
- WSQ Maintain Food and Beverage Production Environment
- WSQ Prepare Equipment and Ingredients
- WSQ Maintain Safe and Secure Working Environment
- WSQ Demonstrate Basic Moist Heat Cooking Methods
- WSQ Demonstrate Basic Dry Heat Cooking Methods
- WSQ Prepare Basic Western Stocks and Soups
- WSQ Prepare Pasta
- WSQ Prepare Western Cold Sauces
- WSQ Prepare Vegetables, Fruits, Nuts and Mushrooms
- WSQ Prepare Meat and Poultry for Cooking
- WSQ Prepare Fish and Seafood for Cooking

**WSQ CERTIFICATE IN GENERIC MANUFACTURING (CGM)**
- WSQ Perform Warehouse Operations
- WSQ Perform Stock Control and Housekeeping
- WSQ Use Basic Hand Tools and Equipment
- WSQ Operate Electrical Measurement Devices

**WSQ CERTIFIED OPERATIONS SPECIALIST (COS)**
- WSQ Apply 5S Techniques in Manufacturing
- WSQ Apply Workplace Safety and Health Policy
- WSQ Apply Teamwork in the Workplace
- WSQ Apply Quality

**MEDIA COURSES**
- Specialist Diploma in Social Media Marketing and Online Content Creation (SMMOCC)
- WSQ Diploma in Media (Content Production and Management) – Assistant Director

**WSQ OPERATE FORKLIFT**
- WSQ Operate Forklift

**COMPUTER LITERACY AND MICROSOFT OFFICE TRAINING**
- Computer Literacy
- Microsoft Office Excel Training
- Microsoft Office PowerPoint Training
- Microsoft Office Word Training

**WSQ PROVIDE SPECIALTY COFFEE SERVICE**
- WSQ Provide Specialty Coffee Service

**WSQ HIGHER CERTIFICATE IN FOOD SERVICES (PASTRY AND BAKING)**
- WSQ Follow Food and Beverage Safety and Hygiene Policies and Procedures
- WSQ Make Basic Cakes
- WSQ Demonstrate Baking Techniques, Mixing Methods and Piping Skills

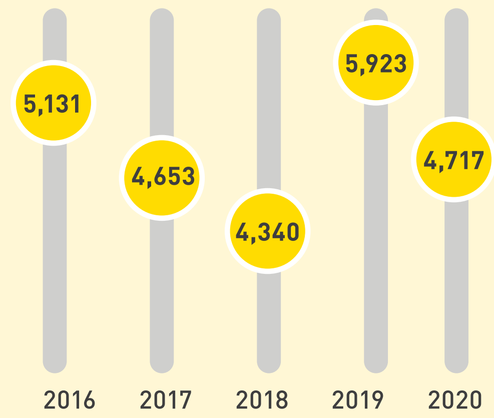
**SKILLS TRAINING IN THE COMMUNITY**
- WSQ Higher Certificate in Food Services (Culinary Arts)
- WSQ Operate Electrical Measurement Devices
- WSQ Use Basic Hand Tools and Equipment
- Skillsfuture for Digital Workplace
- Design Thinking 101
- Building an IoT (Internet of Things) Project

**OTHERS**
- Executive Entrepreneurship Programme
- Certificate in Delivering Impactful Presentations with Confidence
- Understanding Internet of Things

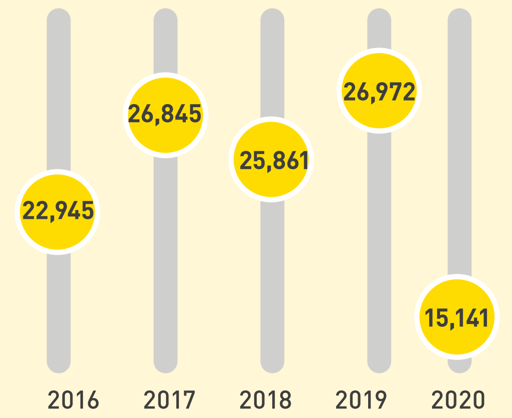


## PERFORMANCE HIGHLIGHTS

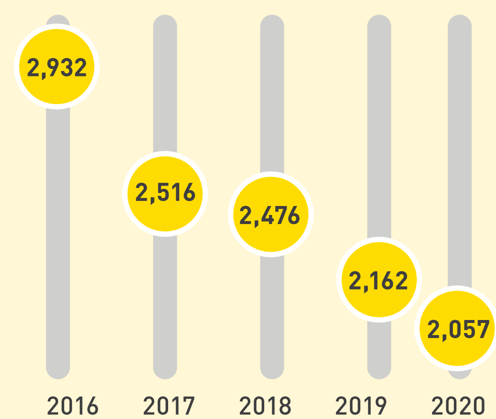
No. of inmates trained



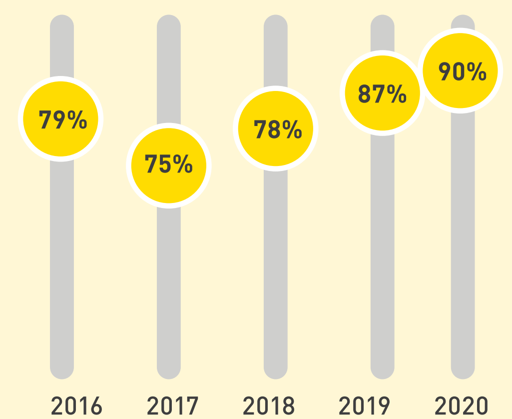

No. of training places taken up by inmates




No. of inmates engaged in work programme daily




Percentage of eligible inmates engaged in work programme





# GALVANISING THE COMMUNITY AMIDST THE COVID-19 PANDEMIC

COVID-19 required us reimagine ways to mobilise the community to rally around the Yellow Ribbon cause. Many of our events had to be postponed and alternatives had to be sought. Those that carried on were held virtually or adopted a hybrid mode, fundamentally changing the way we engage the community.

# YELLOW RIBBON PROJECT

Launched in 2004 as a national public engagement campaign advocating second chances

Seeks to **create awareness** on the need for second chances, **generate acceptance** and **inspire community action** to support the rehabilitation and reintegration of ex-offenders

With COVID-19 and the cancellation of physical events, resources were rechannelled to support the national fight against the pandemic. It also presented an opportunity for inmates and ex-offenders to step up and pay it forward, jointly with community partners. Throughout 2020, multiple waves of collective efforts were directed to bring cheers to the frontliners and vulnerable populations.

MARCH

## APPRECIATION OF HOME TEAM GUARDIANS AND HEALTHCARE ANGELS

**PARTNERS/ CONTRIBUTORS**

- Inmates from Institution A3
- Residents from The Helping Hand, Green Haven, Teen Challenge (Singapore) and HEB-Ashram Halfway House

**RECIPIENTS**

- Healthcare workers across the 13 hospitals in Singapore
- Staff from National Centre for Infectious Diseases (NCID), Immigration and Checkpoints Authority (ICA) and Singapore Police Force (SPF)

This first initiative paid tribute to the dedicated COVID-19 frontliners. Inmates baked 6,000 packets of cookies, which were delivered by volunteer residents from various Halfway Houses to the healthcare institutions and Home Team agencies around Singapore.

APRIL

## MASKS FOR MIGRANT WORKERS

**PARTNERS/ CONTRIBUTORS**

- CYC Made to Measure
- Female inmates from Institution A4's tailoring workshop
- Selarang Halfway House (SHWH) residents

**RECIPIENTS**

- Migrant workers living in dormitories

A total of 1,605 reusable masks were sewn by female inmates from Institution A4 and SHWH residents for distribution to the migrant workers.

## REFURBISHMENT OF BLANKETS FOR COVID-19 COMMUNITY FACILITIES

**PARTNERS/ CONTRIBUTORS**

- Inmates from Changi Prison Complex
- YR Industries

**RECIPIENTS**

- Singapore EXPO community care facilities for COVID-19

Answering the National University Health System's call for help on the need for blankets at the COVID-19 community care facilities to keep the patients warm, a total of 400 pieces of YR Industries-owned blankets were mended by inmates. The refurbished blankets were then sent to the YR Industries Loyang plant to be freshly laundered before delivery.

"I am truly grateful to be able to sew the mask pouches. It may be a small humble contribution, but I am contented to be able to do something for the community, while in prison,"

**SARAH (PSEUDONYM)**
Inmate volunteer


JUNE

## CARE KIT WITH LOVE

**PARTNERS/ CONTRIBUTORS**

- CapitaLand Hope Foundation
- Female inmates from Institution A4's tailoring workshop
- SHWH residents

**RECIPIENTS**

- Beneficiaries of Rainbow Centre Singapore

As part of the collaboration with the CapitaLand Hope Foundation, female inmates from Institution A4 sewed around 1,400 mask pouches for the beneficiaries of Rainbow Centre Singapore.

## CARE AND CONCERN FOR LOWER INCOME FAMILIES

**PARTNERS/ CONTRIBUTORS**

- SHWH residents
- Bravehearts SRM Services Pte Ltd (transportation company founded by Mr Vijay Kumar, a YRP supporter and former offender)

**RECIPIENTS**

- Yellow Brick Road (YBR) beneficiaries of the Yellow Ribbon Fund (YRF)

To support lower income families through COVID-19, residents of SHWH packed 110 care packs comprising necessities, which were delivered by Bravehearts to the YBR beneficiaries.

JULY

## CARE AND CONCERN FOR THE ELDERLY

**PARTNERS/ CONTRIBUTORS**

- SHWH residents
- Infinite Transport Pte Ltd (delivery company founded by Mr Jabez Koh, a YRP supporter and former offender)

**RECIPIENTS**

- Senior citizens from Kembangan Chai Chee Senior Activity Centre (KCC SAC)

To support the elderly group, 150 care packs were packed by SHWH residents and distributed by Infinite Transport to the senior citizens who reside alone in rental housing.

AUGUST

## PERFORMANCE FOR RED DOT AUGUST

**PARTNERS/ CONTRIBUTORS**

- The Esplanade Co Ltd
- Intune Music Pte Ltd
- Yellow Ribbon Performing Arts Centre (YR PAC) Alumni

The Yellow Ribbon PAC Alumni, made up of five ex-offenders, performed at Esplanade for Red Dot August together with veteran artistes, Aaron Matthew Lim and Peng Chi Sheng from Intune Music. The performance titled "Music for the Soul – Beyond Second Chances", featured five original songs written by inmates for the Yellow Ribbon Songwriting Competition over the years. The performance was broadcasted online on 19 August.

SEPTEMBER

## SPREADING FESTIVE CHEER AND JOY DURING MID-AUTUMN FESTIVAL

**PARTNERS/ CONTRIBUTORS**

- Inmates from Institution A2 and A3
- Lions Club of Singapore Tanah Merah

**RECIPIENTS**

- Seniors of Lions Home for the Elders, Lions Befrienders and St. Joseph's Home

In collaboration with the Lions Club of Singapore Tanah Merah, 400 mooncakes (baked by Institution A3 inmates) and folded paper cranes with handwritten messages (from Institution A2 inmates) were distributed to the seniors.

OCTOBER

## FUNDRAISING FOR THE PRESIDENT'S CHALLENGE

**PARTNERS/ CONTRIBUTORS**

- CapitaLand Hope Foundation
- Inmates from Institution A4

As part of the partnership with CapitaLand, 300 mask pouches were sewn by inmates in support of the fundraising efforts for the President's Challenge.

DECEMBER

## APPRECIATION FOR DORMITORIES CLEANERS

**PARTNERS/ CONTRIBUTORS**

- Inmates from Institutions A2, A3 and A4
- Inmates from Visual Arts Hub (VAH) and Multi-media Hub (MMH)
- SHWH residents
- Bravehearts SRM Services Pte Ltd

**RECIPIENTS**

- Cleaners at S11 Punggol and Sungei Tengah Lodge

129 appreciation packs were packed by SHWH residents and delivered by Bravehearts to migrant workers' dormitories for distribution to the cleaners. Inmates contributed to many of the appreciation pack items, including reusable masks and mask pouches (A4), twirl cards and Christmas ornaments (A2), Christmas cookies (A3), and gift wraps and money packets (VAH and MMH).

# YELLOW RIBBON FUND

Set up in
2004

**1st national charity** that funds rehabilitative and aftercare programme for inmates and ex-offenders, family support programmes for families and children of the incarcerated

The COVID-19 pandemic and the economic downturn in 2020 meant that YRF had to adapt its efforts to raise funds. New initiatives included virtual fundraising campaigns, providing beneficiaries with essentials such as grocery vouchers, and equipping school going children with digital devices, complete with data plans, to ease the impact of COVID-19 on their lives and livelihood.

## ENABLING CHILDREN'S ACCESS TO E-LEARNING

The implementation of the circuit breaker measures in April necessitated home-based learning for the children of ex-offenders. Recognising that not all children were adequately equipped to transit to e-learning, YRF launched a campaign on Giving.sg to raise funds to provide tablets and data plans for children from the YBR programme. The campaign raised over $27,580.

## MUSICAL FUNDRAISER: FLY HIGH

On 6 September 2020, YRF organised its first ever online charity musical, "Fly High", in collaboration with the Singapore Repertory Theatre. The overwhelming response warranted a second screening on 12 September 2020. With the support of many big-hearted donors, a total of $122,150 was raised. In good faith, many donors requested to pass on their tickets to the YRF beneficiaries so that the children had the opportunity to watch the musical with their families.


## SILENT CHARITY AUCTION

YRF's inaugural online auction raised a total of $256,771. Featured items included a 3-course fine dining meal prepared by inmate chefs, 3 calligraphy works from Master Lim Tze Peng, artworks from the VAH, and wines donated by the YRF Main Committee members.


## BAG-TO-SCHOOL CAMPAIGN

To encourage students to put their best foot forward for the new academic year, a campaign to fund Back-to-School packs was launched in end October 2020. This initiative saw YRP volunteers packing the bags with school essentials, Christmas cookies and reusable mask pouches made by inmates. Our partner, Infinite Transport, delivered the packs to 200 of our beneficiaries.

# CARE NETWORK

CARE is an acronym for the **Community Action for the Rehabilitation of Ex-Offenders**

The CARE Network **engages the community** in rehabilitation, **coordinates aftercare efforts**, and **promotes innovative practices** to enable ex-offenders' re-entry as contributing citizens

**VISION**

To **instil hope**, **confidence** and **create opportunities** for ex-offenders

2020 was a significant year for the Network, marking its 20th Anniversary. While plans were disrupted by the pandemic, partners served the beneficiaries with fortitude even as they adapted their service model to cope with the crisis. It was a timely celebration of the dedication and resilience showed by those who stayed the course and helped to reduce re-offending and strengthen families over the past 20 years.

## CARE NETWORK-NANYANG POLYTECHNIC DRAMA PRODUCTION: RIPPLES

The CARE Network collaborated with Nanyang Polytechnic (NYP) to stage a drama production, entitled "Ripples", to pay tribute to the unsung heroes – volunteers, professionals and the community, who made second chances possible. The event, held on 18 January 2020, was graced by President Halimah Yacob and attended by around 800 guests comprising CARE Network partners, Aftercare volunteers, professionals and students.



## CN+ TOGETHER – A NETWORK OF OPPORTUNITIES

The CARE Network held its inaugural hybrid event to commemorate its 20th Anniversary on 11 December 2020. Themed "CN+ Together – A Network of Opportunities", the participants celebrated the accomplishments of desistors and the collective efforts of partners who had journeyed together for the past 20 years. The event was graced by Associate Professor Muhammad Faishal Ibrahim, Minister of State for Home Affairs and National Development. 200 CARE Network partners across the people, private and public sectors attended the event, either virtually or in person.

The event featured a community video, specially curated by LASALLE students, and communicated the envisioned transformation of the Aftercare sector in the coming years with the launch of CARE Network's first digital publication. In addition, CARE Network unveiled its refreshed logo, reflecting the Network's desire to move forward as a collective to provide wrap-around support for beneficiaries.

"The next 20 years will be equally, if not, more challenging, and will require fresh ideas and approaches, but anchored on the same dedicated spirit of the CARE Network. I look forward to working with the CARE Network towards reducing re-offending and reintegrating ex-offenders back into society."

**A/P MUHAMMAD FAISHAL IBRAHIM**
Minister of State for Home Affairs and National Development

Scan to read the publication.

### CARE NETWORK COMMUNITY VIDEO

**PRODUCTION TEAM**

- LASALLE Broadcast Media Programme (Andy Hui, Shaquille Fabri, Tan Kyra, Muhammad Irfan, Jun Years, Niranjan Samuel Bennet)

**FEATURED PERSONS**

- Mr Jeffrey Beh, Chairman SACA (Founding member of CARE Network)
- Mr Chng Hwee Hong, Chairman YRSG, Co-chairman CARE Network
- Ms Shie Yong Lee, Commissioner of Prisons, Co-chairman CARE Network
- Ms Sabrina Chong Abdullah, ISCOS Titan (Desistor)
- Mr Mohammad (pseudonym), SANA Peer Leader (Desistor)

Produced in collaboration with LASALLE Broadcast Media Programme, the video traced the formation of the Network in 2000, significant achievements over the years, and the impact to beneficiaries. In the video, the CARE Network leaders also shared their dreams and aspirations for the Network moving forward.

Scan to watch the video.

### CARE NETWORK DIGITAL PUBLICATION

Over the next few years, the Network aims to enhance the Aftercare landscape through two strategic thrusts, to advance the capabilities of individuals and capacity of the aftercare agencies, and strengthen the throughcare and reintegration journey for offenders. The plans, as outlined in the digital publication, are the product of the collective efforts of the CARE Network community, comprising partners who participated in the strategic review of the Network initiated in 2019. These partners jointly drove the development and implementation of the recommendations throughout 2020 into the next bound.

### REFRESHED CARE NETWORK LOGO

The CARE Network logo was updated with an added swirl around the human figure to symbolise the collective efforts and wrap-around care for beneficiaries.

The updated logo also included CARE Network's tagline, to instill hope, confidence and create opportunities for ex-offenders.

# EMERGING STRONGER CONVERSATIONS

Joining the national effort to engage the citizenry, YRSG and Singapore Together (MCCY) co-hosted two virtual Emerging Stronger Conversations (ESCs) on 29 September 2020 and 7 October 2020. The event was graced by Associate Professor Muhammad Faishal Ibrahim, Minister of State for Home Affairs and National Development and attended by more than 60 participants from all walks of life, including corporate partners, social service agencies, volunteers, associations, desistors and members of public.



Themed "Beyond Second Chances", the sessions advocated the importance of providing second chances and empowering ex-offenders in their reintegration journey. The sessions were well-received, and participants shared their aspirations on how every person could play a part to create a more resilient and conducive post COVID-19 Singapore in support of ex-offenders' reintegration.

Among hundreds of nominations from across the world, the nationwide ESC effort was recognised as the winner of Apolitical's Global Public Service Team of the Year, for the category of Citizen-Centred Innovation. The award celebrates teams with a focus on implementing innovative policy that places citizens' needs at the heart of their work. This is an affirmation of our shared commitment to citizen engagement and ensuring every voice is heard to keep Singapore safe and secure, even in challenging times.

## TOPICS SURFACED

**The top three topics crowdsourced from the participants were: Social support, jobs, and health and wellbeing. The ideas generated would be pursued under the relevant YRSG workplan items.**

- Strong social support from the family, community, co-workers and support groups is a desistance factor
- Humanise the stories of ex-offenders
- Provide platforms for ex-offenders to volunteer as befrienders and trainers


- More partnerships with the private sector. Tap on Corporate Social Responsibility efforts
- Potential career pathway in the healthcare sector (sense of purpose from helping others)
- Professionalise desisting members to become Peer Support Specialists

- Focus on inner care of self
- Inculcate greater sense of personal responsibility
- Provide emotional support through counselling
- Drive the intrinsic motivation in ex-offenders to find meaning in what they do

# OUR BUSINESS SUBSIDIARY – YR INDUSTRIES PTE LTD

## BUSINESS RESILIENCE IN MANAGING THE COVID-19 PANDEMIC

2020 was a challenging year for YR Industries Pte Ltd (YRI). The COVID-19 pandemic affected many businesses in Singapore, and YRI was not spared. A review of its business operations was conducted to address the challenges posed by COVID-19. Some of the measures put in place include:

- Strengthening Business Continuity Plans (BCP) to ensure deliverables to customers remain unaffected. The plans were regularly reviewed to align with Multi-Ministry Taskforce's direction on circuit breaker and phased approach on safe opening
- Diversifying supply chain arrangements to reduce concentration risks
- Entering into procurement contracts for contingency meals supplies for inmates
- Modifying operations to adjust to the COVID-19 safe distancing measures at the workplace. This also included the deployment of 2-teams to manage business operations
- Conducting regular reviews to reduce cost impact of measures and increase cost efficiency



## SUPPORTING THE NATIONAL COVID-19 EFFORTS

YRI's laundries provided linen services to the community care facility at the Singapore EXPO, and certain hotels that were used to accommodate guests serving their Stay-Home Notices (SHN). YRI also facilitated the giving back of inmates to society in support of the national fight against the pandemic. See page 24 for inmates' contribution to the refurbishment of blankets for community care facilities at EXPO and the baking of cookies for COVID-19 frontliners.

## NEW CENTRAL KITCHEN AT SELARANG PARK COMPLEX (SPC)

Since September 2020, YRI had also taken up the management of a new central kitchen at SPC. The new facility has a capacity to serve up to 7,000 meals daily. About 80 inmates are engaged daily at the SPC kitchen to hone their culinary skills and operate automated industrial kitchen equipment.

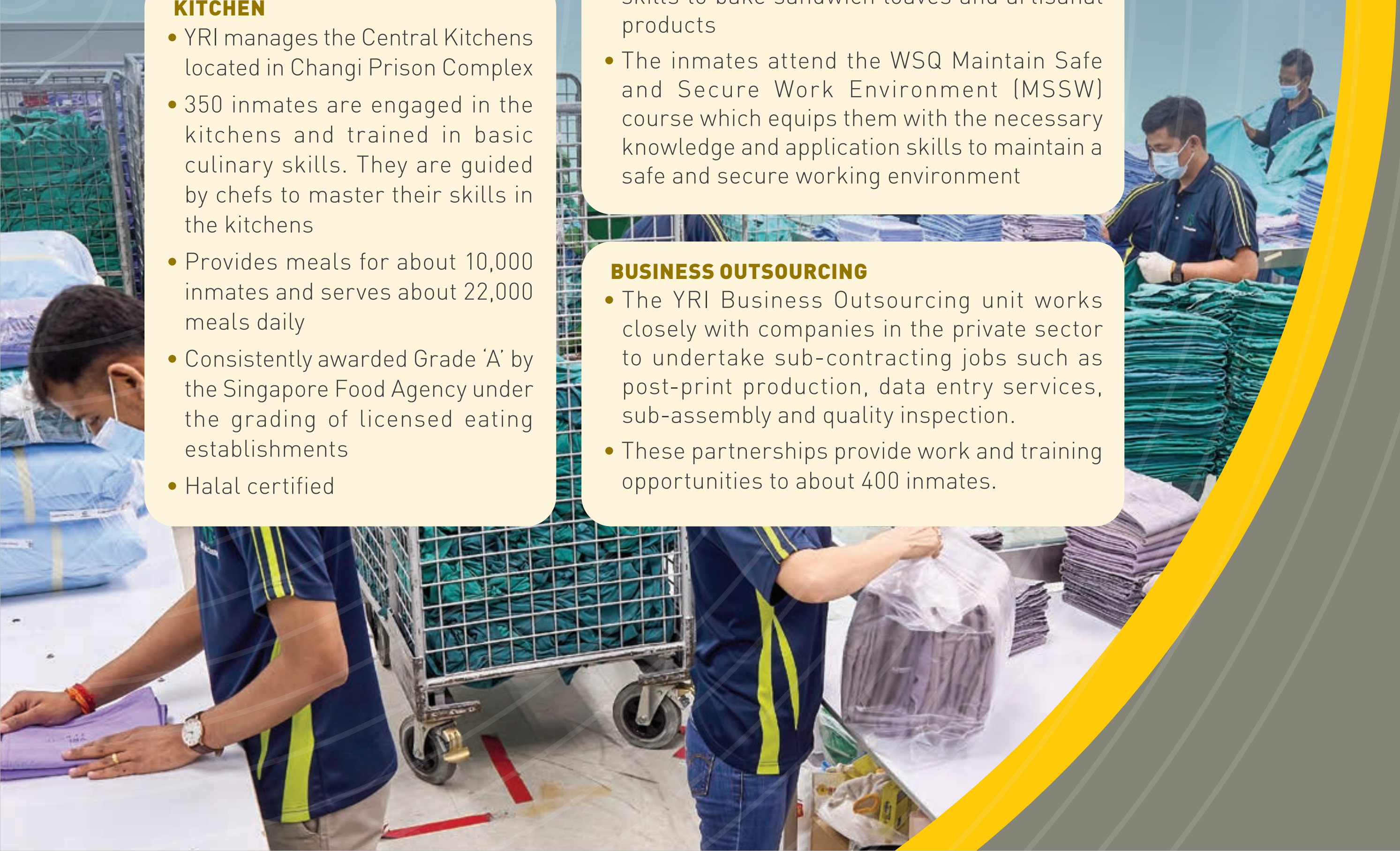
## YR INDUSTRIES PTE LTD'S KEY BUSINESSES

### LAUNDRY
- Two purpose built laundry plants at Changi Prison Complex and Loyang Way
- Provides linen services to almost 75% of Singapore's acute hospitals for more than 40 years
- 400 inmates engaged at the laundry plant within Changi Prison Complex
- 25% of the Loyang Plant's laundry operators are ex-offenders
- Robust processes that comply to both MOH's infection control and international quality standards (AS/NZS 4146:2000)
- ISO 9000:2015 certified

### KITCHEN
- YRI manages the Central Kitchens located in Changi Prison Complex
- 350 inmates are engaged in the kitchens and trained in basic culinary skills. They are guided by chefs to master their skills in the kitchens
- Provides meals for about 10,000 inmates and serves about 22,000 meals daily
- Consistently awarded Grade 'A' by the Singapore Food Agency under the grading of licensed eating establishments
- Halal certified

### BAKERY
- YRI Bakery manufactures a range of sandwich loaves, artisanal products such as European bread, muffins and cookies
- To celebrate key festivals, seasonal goodies such as pineapple tarts, mooncakes and Christmas stollen are also available for sale
- As an Original Equipment Manufacturer (OEM), YRI Bakery supplies products to external customers such as hospitals, airlines, restaurants and retail bakeries
- Consistently awarded Grade 'A' since 2008 by the Singapore Food Agency under the grading of licensed eating establishments
- Hazard Analysis Critical Control Point (HACCP) Certified
- About 150 inmates are engaged in the YRI Bakery. These inmates are guided by experienced bakers to acquire the relevant skills to bake sandwich loaves and artisanal products
- The inmates attend the WSQ Maintain Safe and Secure Work Environment (MSSW) course which equips them with the necessary knowledge and application skills to maintain a safe and secure working environment

### BUSINESS OUTSOURCING
- The YRI Business Outsourcing unit works closely with companies in the private sector to undertake sub-contracting jobs such as post-print production, data entry services, sub-assembly and quality inspection.
- These partnerships provide work and training opportunities to about 400 inmates.





# ORGANISATION EXCELLENCE

Despite the COVID-19 pandemic, YRSG's staff adapted and worked tirelessly with its consultants and key stakeholders (SPS, private participating firms and contractors) to establish, implement and maintain a well-structured YRSG Occupational Health and Safety Management System in accordance with ISO 45001:2018 International Standard. ISO 45001:2018 is the new International Standard for Occupational Health and Safety Management Systems adopted by Singapore. It replaced the previous Standard SS506:Part 1:2009/OHSAS 18001:2007.

YRSG was audited and certified by Singapore Accreditation Council Accredited Certification Body (SACCB) for the new International Standard ISO 45001:2018 for Occupational Health and Safety Management Systems on 21 August 2020 and renewed its bizSAFE STAR status granted by Singapore WSH Council.

bizSAFE STAR status is a recognition by WSH Council to companies for delivery of excellence in Workplace Safety and Health Management System by having their company's Occupational Health and Safety Management System certified by SACCB to be in compliance with International Standard ISO 45001:2018 for Occupational Health and Safety Management Systems.


# AWARDS AND ACCOLADES 2020

## EXTERNAL AWARDS

**NATIONAL DAY AWARD**
Chng Hwee Hong
(Public Service Star)
Tan Mei Yung Lisa
(Commendation Medal)
Siaw Yoke Har Jaz
(Efficiency Medal)

**MINISTER FOR HOME AFFAIRS NATIONAL DAY AWARD**
Xu Yingxia Nikole

**HT INNOVA AWARD**
Bryan How

**HT INNOVA (PROJECT)**
**YRP – Community Outreach During COVID-19**
J Raathiga
Claudia Tan
Denise Chow
Ng Jin Ling
Nur'ain Seri Sakinah Binte Ahmad
Shariffa Bagham

**MHA STAR SERVICE AWARD**
Denise Chow
Shivaranjini d/o Kesavan
Siti Raihanah Ahmad

**DARE-TO-TRY (PROJECT)**
**YRF – Fundraising During COVID-19**
Koh Shukai
Ashley Leong
Carol Ho
Cheryl Poon
Faith Yu

**LONG SERVICE AWARD**
Adrian Sim Lai Huat
Chen Mee Yen Yvonne
Chong Kok Loon Marc
Hiu Gim Boon Alan
Huzair Hyder s/o Abdul Rahman
Khairull Danial Bin Ramlan
Koh Shukai
Ng Woon Ming Jason
Nur'ain Seri Sakinah Binte Ahmad
Ravi s/o Subramanian
Shivaranjini d/o Kesavan
Tan Po Chek
Teng Jie Hui Paul
Yeo Teck Meng Edmund

## INTERNAL AWARDS

**HOPE AWARD**
Amir Abu Bakar
Nuristianah Amran

**SPECIAL COMMENDATION AWARD**
Amerlynn Lu
Claudia Tan
Denise Chow
Elric Toh
Grace Chan
J Raathiga
Siaw Yoke Har Jaz
Mohammad Asyraf Aziz
Muhammad Hareez Azmi
Naseerah Hajee Mohamed
Ng Jin Ling
Nur'ain Seri Sakinah Binte Ahmad
Sebastian Sim
Shirley Look
Shazwani Babjee
Wong Meng Hui
Nur Hazirah Hoh
Ong Chwee Seng
Shirley Look
Shivaranjini d/o Kesavan
Siti Raihanah Ahmad
Toh Zhirong
Wong Meng Hui

**OUT-OF-BOX CHAMPION**
Bryan How
Dawn Tan
Nur Izzati Salleh
Siti Raihanah Ahmad

**EXTRA MILES, EXTRA SMILES**
Bryan How
Denise Chow
Siaw Yoke Har Jaz


瘾君子自首戒毒
释囚当保安重生

更多雇主参加招聘计划
释囚工作机会
疫情期间增加


Ex-offenders sing about turning over a new leaf


Greater support to help rehabilitate ex-offenders


Bincang idea beri lebih sokongan kepada banduan

Total Media Coverage:
318*

Social Media Coverage:
197

Mainstream Media Coverage:
121

*includes YRP, YRF and CN

# ANNUAL REPORT 2020 WORKING COMMITTEE

## ADVISOR

**PAULIN CHUA**
Director, Partnership@YR

## EDITOR

**SHAZWANI BABJEE**
Assistant Director, Partnership@YR

## CONTRIBUTORS

**KENNY LEE**
Senior Assistant Director, Assurance@YR

**HO CHIN CHUAN**
Senior Assistant Director, People@YR

**LESLIE JIN**
Senior Assistant Director, Strategy@YR

**SHAHIDAH MD SHARIF**
Associate (Transformation & Planning),Strategy@YR

**AMERLYNN LU**
Associate, Partnership@YR

**NELSON ONG**
Senior Associate, Skills@YR

**NICHOLAS CHAN**
Career Coach, Careers@YR

**WONG MENG HUI**
Secretariat, Care Network, Aftercare@YR

**ALLAN NG**
Projects and Planning Manager,
Planning and Customer Relations,
Business Group, YR Industries Pte Ltd

**YELLOW RIBBON SINGAPORE**
**(FORMERLY KNOWN AS SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES)**
(Established in Singapore. Unique Entity Number: T08GB0049F)
**AND ITS SUBSIDIARY**

FOR THE PERIOD FROM
1 JANUARY 2020 TO 31 MARCH 2021

# FINANCIAL STATEMENTS

# CORPORATION INFORMATION

| | |
|---|---|
| **UNIQUE ENTITY NUMBER (UEN)** | T08GB0049F |
| **REGISTERED OFFICE** | 980 Upper Changi Road North Singapore 507708 |
| **BOARD MEMBERS** | Chng Hwee Hong (Chairman)<br>Puah Kok Keong (Deputy Chairman)<br>Shie Yong Lee (Member)<br>Abdul Rohim Bin Sarip (Member)<br>Sharon Ang Ee Hsien (Member)<br>David Toh Seng Hong (Member)<br>Jason Leow Juan Thong (Member)<br>Kee Kirk Chin (Dr) (Member)<br>Mable Chan (Member)<br>Peter Ong (Member)<br>Thiagarajan s/o Subramaniam (Member)<br>Thomas Pek (Member)<br>Wan Shung Ming (Member)<br>Yeo Meng Hin (Member)<br>Zhulkarnain Abdul Rahim (Member) |
| **BANKERS** | DBS Bank Limited<br>The Hongkong and Shanghai Banking Corporation Limited |
| **INDEPENDENT AUDITOR** | Foo Kon Tan LLP<br>Public Accountants and Chartered Accountants<br>24 Raffles Place, #07-03 Clifford Centre Singapore 048621 |



# CONTENTS

# STATEMENT BY THE BOARD

## for the financial period from 1 January 2020 to 31 March 2021

In our opinion,

(a) the accompanying consolidated financial statements of the Yellow Ribbon Singapore (the "Corporation") and its subsidiary (collectively known as the "Group"), which comprise the statements of financial position of the Group and the Corporation as at 31 March 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the period from 1 January 2020 to 31 March 2021, together with the notes thereon, are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the Public Sector (Governance) Act), the Singapore Corporation of Rehabilitative Enterprises Act, Chapter 298 (the "Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Corporation as at 31 March 2021 and of the results, change in equity and cash flows of the Group for the period from 1 January 2020 to 31 March 2021;

(b) at the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they fall due;

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

(d) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the financial period have been in accordance with the provisions of the Public Sector (Governance) Act, the Singapore Corporation of Rehabilitative Enterprises Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

### Change of name

With effect from 1 May 2020, Singapore Corporation of Rehabilitative Enterprises has been rebranded as Yellow Ribbon Singapore.

### Change of financial year end date

On 6 January 2020, Parliament of Singapore approved the change of the financial year end of the Corporation from 31 December of each calendar year to 31 March of each calendar year and that the next financial period will be from 1 January 2020 to 31 March 2021.

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

On behalf of the Board

**CHNG HWEE HONG**
Chairman

**DAVID TOH SENG HONG**
Chairperson, Audit & Risk Management Committee

Dated: 24 August 2021



# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YELLOW RIBBON SINGAPORE

## (formerly known as Singapore Corporation of Rehabilitative Enterprises)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Yellow Ribbon Singapore (formerly known as "Singapore Corporation of Rehabilitative Enterprises") (the "Corporation") and its subsidiary (the "Group"), which comprise the statements of financial position of the Group and the Corporation as at 31 March 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period from 1 January 2020 to 31 March 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the Public Sector (Governance) Act), the Singapore Corporation of Rehabilitative Enterprises Act, Chapter 298 (the "Act") and Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 March 2021 and the results, changes in equity and cash flows of the Group for the financial period from 1 January 2020 to 31 March 2021.

### Basis for Opinion

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

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YELLOW RIBBON SINGAPORE

(formerly known as Singapore Corporation of Rehabilitative Enterprises)

**Other information**

Management is responsible for the other information. The other information comprises the Annual Report and Statement by the Board but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available, 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

**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 Public Sector (Governance) Act, the Act and Statutory Board Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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




# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YELLOW RIBBON SINGAPORE

(formerly known as Singapore Corporation of Rehabilitative Enterprises)


**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YELLOW RIBBON SINGAPORE
(formerly known as Singapore Corporation of Rehabilitative Enterprises)

**Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

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

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

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

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

**Report on other legal and regulatory requirements**

<u>Opinion</u>

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the financial period are, in all material respects, in accordance with provisions of the Public Sector (Governance) Act, the Act and the requirement of any other written law applicable to moneys of or managed by the Corporation; and

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




# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF YELLOW RIBBON SINGAPORE
(formerly known as Singapore Corporation of Rehabilitative Enterprises)


**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 Corporation 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**

The Corporation's 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 Public Sector (Governance) Act, the Act and the requirement of any other written law applicable to moneys of or managed by Corporation. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the requirements.

**Auditor's Responsibilities for the Compliance Audit**

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

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

Foo Kon Tan LLP

**FOO KON TAN LLP**
Public Accountants and Chartered Accountants

Singapore. 24 August 2021

# STATEMENTS OF FINANCIAL POSITION

as at 31 March 2021

| | | The Group | | The Corporation | |
|---|---|---|---|---|---|
| | | **31 March 2021** | 31 December 2019 | **31 March 2021** | 31 December 2019 |
| | Note | **$** | $ | **$** | $ |
| **ASSETS** | | | | | |
| **Non-Current** | | | | | |
| Property, plant and equipment | 3 | **17,436,384** | 19,452,122 | **9,427,158** | 10,777,235 |
| Right-of-use assets | 4 | **9,317,156** | 10,715,209 | **3,082,455** | 3,707,877 |
| Quoted financial assets | 5 | **-** | 1,000,000 | **-** | 1,000,000 |
| Investment in a subsidiary | 6 | **-** | - | **20,789,813** | 20,789,813 |
| | | **26,753,540** | 31,167,331 | **33,299,426** | 36,274,925 |
| **Current Assets** | | | | | |
| Inventories | | **165,087** | 251,134 | **-** | - |
| Quoted financial assets | 5 | **-** | 3,754,965 | **-** | 3,754,965 |
| Trade and other receivables | 7 | **20,033,592** | 18,272,702 | **20,387,949** | 18,444,654 |
| Cash and cash equivalents | 9 | **23,088,385** | 14,554,863 | **11,322,522** | 6,744,857 |
| | | **43,287,064** | 36,833,664 | **31,710,471** | 28,944,476 |
| **Total assets** | | **70,040,604** | 68,000,995 | **65,009,897** | 65,219,401 |

| | | The Group | | The Corporation | |
|---|---|---|---|---|---|
| | | **31 March 2021** | 31 December 2019 | **31 March 2021** | 31 December 2019 |
| | Note | **$** | $ | **$** | $ |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and Reserves** | | | | | |
| Capital account | 10 | **1,662,262** | 1,662,262 | **1,662,262** | 1,662,262 |
| Accumulated surplus | | **43,266,615** | 36,682,692 | **41,925,298** | 42,761,796 |
| Total equity | | **44,928,877** | 38,344,954 | **43,587,560** | 44,424,058 |
| **Non-Current Liabilities** | | | | | |
| Deferred tax liabilities | 11 | **989,000** | - | **-** | - |
| Term loan | 12 | **5,249,613** | 5,745,433 | **5,249,613** | 5,745,433 |
| Lease liabilities | 13 | **5,635,671** | 7,613,009 | **2,567,554** | 3,212,555 |
| | | **11,874,284** | 13,358,442 | **7,817,167** | 8,957,988 |
| **Current Liabilities** | | | | | |
| Term loan | 12 | **395,535** | 399,585 | **395,535** | 399,585 |
| Lease liabilities | 13 | **1,674,150** | 1,605,597 | **608,173** | 540,688 |
| Trade and other payables | 14 | **10,847,498** | 14,185,320 | **12,601,464** | 10,897,082 |
| Provisions | 15 | **320,260** | 107,097 | **-** | - |
| | | **13,237,443** | 16,297,599 | **13,605,172** | 11,837,355 |
| **Total liabilities** | | **25,111,727** | 29,656,041 | **21,422,339** | 20,795,343 |
| **Total equity and liabilities** | | **70,040,604** | 68,000,995 | **65,009,897** | 65,219,401 |
| **Net assets of the Yellow Ribbon Fund** | 16 | **6,585,742** | 6,427,696 | **6,585,742** | 6,427,696 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial period from 1 January 2020 to 31 March 2021

| | Note | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|---|
| Operating income | 17 | **68,346,801** | 58,559,246 |
| Other income | 18 | **324,902** | 464,098 |
| Expenses: | | | |
| • Depreciation of property, plant and equipment | 3 | **(2,875,439)** | (2,264,369) |
| • Depreciation of right-of-use assets | 4 | **(1,532,475)** | (1,141,772) |
| • Distribution costs | | **(1,603,952)** | (2,767,934) |
| • Finance costs | 19 | **(515,077)** | (388,085) |
| • General office expenses | | **(4,657,411)** | (3,678,414) |
| • Inmate earnings | | **(2,156,405)** | (1,905,464) |
| • Inmate training costs | | **(3,196,568)** | (3,966,753) |
| • Maintenance of equipment and premises | | **(2,686,038)** | (1,767,865) |
| • Manpower costs | 20 | **(26,833,641)** | (21,992,145) |
| • Material/production costs | | **(20,765,695)** | (18,368,953) |
| • Utilities | | **(3,474,757)** | (4,048,430) |
| • Others | | **(5,126,568)** | (3,220,985) |
| **Total expenses** | | **(75,424,026)** | (65,511,169) |
| Deficit before government grants | | **(6,752,323)** | (6,487,825) |
| Government operating grants | 8 | **14,345,246** | 7,179,961 |
| Surplus before taxation | | **7,592,923** | 692,136 |
| Taxation | 21 | **(989,000)** | - |
| Net surplus for the period/year, representing **total comprehensive income for the period/year** | | **6,603,923** | 692,136 |



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial period from 1 January 2020 to 31 March 2021

| **The Group** | Capital account $ | Accumulated surplus $ | Total equity $ |
|---|---|---|---|
| At 1 January 2019 | 1,662,262 | 35,990,556 | 37,652,818 |
| Total comprehensive income for the year | - | 692,136 | 692,136 |
| At 31 December 2019 | **1,662,262** | **36,682,692** | **38,344,954** |
| Total comprehensive income for the period | **-** | **6,603,923** | **6,603,923** |
| **Transactions with owners, recognised directly in equity** | | | |
| Dividends paid | **-** | **(20,000)** | **(20,000)** |
| **At 31 March 2021** | **1,662,262** | **43,266,615** | **44,928,877** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial period from 1 January 2020 to 31 March 2021

| | Note | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Deficit before government grants | | **(6,752,323)** | (6,487,825) |
| Adjustments for: | | | |
| Amortisation charge on quoted financial asset, net | 5 | **4,965** | 17,462 |
| Bad debts written off | | **5,571** | 7,451 |
| Depreciation of property, plant and equipment | 3 | **2,875,439** | 2,264,369 |
| Depreciation of right-of-use assets | 4 | **1,532,475** | 1,141,772 |
| Finance costs | 19 | **515,077** | 388,085 |
| Interest income from quoted financial assets | 18 | **(84,553)** | (194,843) |
| Interest income from bank deposits | 18 | **(175,505)** | (191,311) |
| Loss on disposal of property, plant and equipment | | **2,634** | 15,788 |
| Provision made/(reversed), net | 15 | **213,163** | (77,931) |
| Operating deficit before working capital changes | | **(1,863,057)** | (3,116,983) |
| Changes in trade and other receivables | | **891,463** | (4,105,254) |
| Changes in inventories | | **86,047** | 165,465 |
| Changes in trade and other payables | | **(2,742,963)** | 606,878 |
| Cash flows used in operations | | **(3,628,510)** | (6,449,894) |
| Government grants received, net | 8 | **10,926,963** | 9,769,078 |
| Net cash generated from operating activities | | **7,298,453** | 3,319,184 |



CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial period from 1 January 2020 to 31 March 2021

| | Note | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|---|
| **Cash Flows from Investing Activities** | | | |
| Interest income received | | **425,558** | 335,405 |
| Proceeds received upon maturity of quoted financial assets | 5 | **4,750,000** | 1,000,000 |
| Purchase of property, plant and equipment | 4 | **(862,335)** | (1,499,728) |
| Net cash generated from/(used in) investing activities | | **4,313,223** | (164,323) |
| **Cash Flows from Financing Activities** | | | |
| Dividend paid | | **(20,000)** | - |
| Interest paid | | **(515,077)** | (388,085) |
| Repayment of principal elements of lease liabilities | | **(2,043,207)** | (1,542,642) |
| Repayment of term loan | | **(499,870)** | (397,924) |
| Net cash used in financing activities | | **(3,078,154)** | (2,328,651) |
| Net increase in cash and cash equivalents | | **8,533,522** | 826,210 |
| Cash and cash equivalents at the beginning of period/year | | **14,554,863** | 13,728,653 |
| **Cash and cash equivalents at the end of period/year** | 9 | **23,088,385** | 14,554,863 |

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial period from 1 January 2020 to 31 March 2021

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| | Term loan<br>$<br>(Note 12) | Lease liabilities<br>$<br>(Note 13) | Total<br>$ |
|---|---|---|---|
| At 1 January 2019 | 6,542,942 | 6,419,548 | 12,962,490 |
| Cash flows: | | | |
| • Repayment of term loan | (397,924) | - | (397,924) |
| • Interest paid | (159,466) | (228,619) | (388,085) |
| • Repayment of lease liabilities | - | (1,542,642) | (1,542,642) |
| | (557,390) | (1,771,261) | (2,328,651) |
| Non-cash changes: | | | |
| • Adoption of SB-FRS 116 | - | 4,287,496 | 4,287,496 |
| • New leases (Note 4) | - | 54,204 | 54,204 |
| • Interest expense (Note 19) | 159,466 | 228,619 | 388,085 |
| | 159,466 | 4,570,319 | 4,729,785 |
| At 31 December 2019 | **6,145,018** | **9,218,606** | **15,363,624** |
| Cash flows: | | | |
| • Repayment of term loan | **(499,870)** | **-** | **(499,870)** |
| • Interest paid | **(220,316)** | **(294,761)** | **(515,077)** |
| • Repayment of lease liabilities | **-** | **(2,043,207)** | **(2,043,207)** |
| | **(720,186)** | **(2,337,968)** | **(3,058,154)** |
| Non-cash changes: | | | |
| • New leases (Note 4) | **-** | **134,422** | **134,422** |
| • Interest expense (Note 19) | **220,316** | **294,761** | **515,077** |
| | **220,316** | **429,183** | **649,499** |
| **At 31 March 2021** | **5,645,148** | **7,309,821** | **12,954,969** |



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 1 GENERAL INFORMATION

Yellow Ribbon Singapore (the "Corporation") is a statutory board established under the Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298). The address of its registered office is at 980 Upper Changi Road North, Singapore 507708.

The Corporation is under the purview of the Minister of Home Affairs. As a statutory board, the Corporation is subject to the directions of the Minister of Home Affairs and is required to follow policies and instructions issued from time to time by the supervising ministry.

The principal activity of the Corporation is to rehabilitate and help reintegrate offenders to become responsible and contributing members of society.

The principal activities of the subsidiary is disclosed in Note 6 to the financial statements.

The financial statements of the Group and of the Corporation for the period from 1 January 2020 to 31 March 2021 were authorised for the issue in accordance with a resolution of the Board on the date of the Statement by Board.

## 2(A) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of the Public Sector (Governance) Act, Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298) and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and Guidance Notes, as promulgated by the Accountant-General. The Accountant-General is appointed as the legal authority to prescribe accounting standards for statutory boards under the Accounting Standards Act 2007 (No. 39 of 2007) which came into effect on 1 November 2007.

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

The accounting policies used by the Group and the Corporation have been applied consistently to all periods presented in the financial statements.

The financial statements are presented in Singapore dollars ("SGD") which is the Corporation's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(A) BASIS OF PREPARATION (CONT'D)

Significant accounting estimates and judgements

In the process of applying the Group's and the Corporation's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

*(a) Significant judgement made in applying accounting policies*

(i) Determination of cash generating unit ("CGU") (Note 3)

Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof. A CGU is identified consistently from period to period for the same type of assets, unless a change is justified. The identification of CGUs requires significant judgement and can be one of the most difficult areas of impairment accounting. Other than identification of independent cash inflows, management also takes into account other factors such as revenue or asset separation, i.e. whether the streams of revenue derived from the groups of assets are independent of one another or whether assets that operated together to such an extent that they do not generate independent revenue streams. Management has identified the laundry-related assets located at the Loyang and Changi premises as a single CGU.

(ii) Determination of the lease term of right-of-use assets (Note 4)

The Group and the Corporation lease land, office premises and plant and machinery from government agencies and third parties to operate its business. In determining the lease term of right-of-use assets, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group and the Corporation become obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

For leases of land, office premises and plant and machinery, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Group and the Corporation are typically reasonably to certain to extend (or not terminate);



NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(A) BASIS OF PREPARATION (CONT'D)

Significant accounting estimates and judgements (Cont'd)

*(a) Significant judgement made in applying accounting policies (Cont'd)*

(ii) Determination of the lease term of right-of-use assets (Note 4) (Cont'd)

(b) If the leasehold land and office premises are expected to have significant remaining values, the Group and the Corporation are typically reasonably certain to extend (or not to terminate);

(c) Otherwise, the Group and the Corporation consider other factors including historical lease durations and the costs and business disruption required to replace the leased assets.

(iii) Accounting for government assistance (Note 8)

SB-FRS 20 Accounting for Government Grants and Disclosures of Government Assistance shall be applied when there is a transfer of resources from the government to an entity in return for meeting the stipulated conditions related to the operating activities of the entity and there is no service or goods provided back to the government by the entity. Government grant is recognised when there is reasonable assurance that it will comply with the conditions attached to them and the grants will be received. Government grant shall be recognised in the statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Significant judgement is required in determining the systematic basis, and timing of recognition of grant receivable and realisation in the statement of comprehensive income.

Included in the government grant income for the current financial period is $1.7 million, related to the Jobs Support Scheme ("JSS") received by the subsidiary as announced by the Singapore Government to provide wage support to employers during the period of economic uncertainties caused by the COVID-19 pandemic. In determining the timing of recognition of the JSS grant income, management has evaluated and assessed that the adverse impact of this economic uncertainties to the subsidiary commenced in April 2020 on the enforcement of the 2020 Singapore Circuit Breaker Measures by the Singapore Government.

(iv) Control over the Yellow Ribbon Fund

The Yellow Ribbon Fund (the "Fund") was established by the Corporation in June 2004 and is managed by the Main Committee, comprising volunteers and ex-officio appointments from the Ministry of Home Affairs ("MHA"), Singapore Prison Service and the Corporation, appointed by the MHA.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(A) BASIS OF PREPARATION (CONT'D)

Significant accounting estimates and judgements (Cont'd)

*(a) Significant judgement made in applying accounting policies (Cont'd)*

(iv) Control over the Yellow Ribbon Fund (Cont'd)

In assessing whether the Corporation is acting as a custodian or agent but does not exercise control over the Fund, management has considered the following:

1. The Fund is held in trust and/or managed by the Corporation as an agent;
2. The Corporation does not bear/ enjoy majority of the risks and rewards incidental to the activities of the Fund;
3. The Fund can only be used for specified purposes determined by MHA; and
4. The Corporation does not have the right to decide how the residual amounts in the Fund are to be used after the closure of the Fund.

Accordingly, such Fund is not included in the primary statements of the Corporation. Instead, the net assets of the Fund are presented at the bottom of the statement of financial position with disclosures in the notes to the financial statements in accordance with SB-FRS Guidance Note 3 Accounting and Disclosure for Trust Funds. (See Note 16 for more details)

*(b) Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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. The Group and the Corporation based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future development, however, may change due to market changes or circumstances arising beyond the control of the Group and the Corporation. Such changes are reflected in the assumptions when they occur.




# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(A) BASIS OF PREPARATION (CONT'D)

Significant accounting estimates and judgements (Cont'd)


*(b) Key sources of estimation uncertainty (Cont'd)*

(i) Depreciation of property, plant and equipment and right-of-use assets (Notes 3 and 4)

The costs of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment and right-of-use assets to be ranging (a) from 3 years to 16 years, and (b) from 6 to 16 years, respectively. Management reviews annually the estimated useful lives of property, plant and equipment and right-of-use assets based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

A decrease/increase in the estimated useful lives of property, plant and equipment and right-of-use assets would increase/decrease the depreciation expense of property, plant and equipment and right-of-use assets by $237,000 and $148,000 (2019 - $399,000 and $166,000) and $165,000 and $111,000 (2019 - $164,000 and $120,000), respectively.

(ii) Estimation of variable consideration for laundry sales (Note 15)

The contracts for the laundry sale include gas rebates and liquidated damages on loss/ damaged linen that give rise to variable considerations. These variable considerations are determined under the sales agreement.

Estimation of gas rebate and liquidated damages are sensitive to changes in circumstances and the Group's past experiences regarding the gas rebate and liquidated damages on loss/damaged linen may not be representative of customer's actual claimed. As at 31 March 2021, the provision of gas rebate and linen loss was $320,000 (2019 - $107,000).

(iii) Income tax (Note 21)

Significant judgement is involved in determining the provision for income tax. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(B) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

On 1 January 2020, the Group and the Corporation adopted all the new and revised SB-FRS and SB-FRS Interpretations ("INT SB-FRS"), effective for the current financial year that are relevant to them. The adoption of these new and revised SB-FRS pronouncements does not result in significant changes to the Group's and the Corporation's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

| Reference | Description | Effective date (Annual periods beginning on or after) |
|---|---|---|
| Amendments to SB-FRS 1 and SB-FRS 8 | Definition of Material | 1 January 2020 |
| Revised Conceptual Framework for Financial Reporting | | 1 January 2020 |

Amendments to SB-FRS 1 and SB-FRS 8: Definition of Material

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of "could influence" has been replaced with "could reasonably be expected to influence";
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SB-FRS 1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's and the Corporation's financial statements on initial application.

Revised Conceptual Framework for Financial Reporting

The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific SB-FRS requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.



NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(B) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)

Revised Conceptual Framework for Financial Reporting (Cont'd)

Some SB-FRS, their accompanying documents and SB-FRS practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SB-FRS, issued together with the revised Conceptual Framework, sets out updates to SB-FRS, their accompanying documents and SB-FRS practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's and the Corporation's financial statements on initial application.

## 2(C) STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Group and the Corporation have not adopted the new and revised SB-FRS, INT SB-FRS and amendments to SB-FRS that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SB-FRS pronouncements in future periods will not have a material impact on the Group's and the Corporation's financial statements in the period of their initial application, as discussed below:

| Reference | Description | Effective date (Annual periods beginning on or after) |
|---|---|---|
| Amendments to SB-FRS 116 | COVID-19 Related Rent Concessions | 1 June 2020 |
| Amendments to SB-FRS 16 | Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to SB-FRS 37 | Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Amendments to SB-FRS 1 | Classification of Liabilities as Current or Non-current | 1 January 2023 |

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(C) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Amendments to SB-FRS 116 COVID-19 Related Rent Concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in the statement of comprehensive income arising from the rent concessions.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

There is no material impact to the Group's and the Corporation's financial statements on initial application.

Amendments to SB-FRS 16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in statement of comprehensive income and measure the cost of those items in accordance with SB-FRS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Corporation's financial statements on initial application.



# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(C) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Amendments to SB-FRS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Corporation's financial statements on initial application.

Amendments to SB-FRS 1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Corporation's financial statements on initial application.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Consolidation**

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiary at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Corporation. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

<u>Subsidiary</u>

A subsidiary is an investee that is controlled by the Corporation. The Corporation controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Corporation controls an investee if, and only if, the Corporation has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

The Corporation reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Corporation considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of the voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant authorities at the time that decisions need to be made including voting patterns at previous shareholders' meetings.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Consolidation (Cont'd)**

<u>Loss of control</u>

When the Corporation loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Corporation had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SB-FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SB-FRS 109 or the cost on initial recognition of an investment in an associate or a joint venture, when applicable.

**Property, plant and equipment and depreciation**

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| **Leasehold building** | Over the remaining lease term of 15.5 years |
| **Plant, equipment and machinery** | 3 - 15 years |
| **Furniture, fixture and fittings** | 8 years |
| **Renovation** | 10 years |

Assets under construction are not depreciated.

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.

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Property, plant and equipment and depreciation (Cont'd)**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before that expenditure was made will flow to the Group and the Corporation and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisition and disposals during the financial period, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

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

**Leases**

The Group and the Corporation as lessees

The Group and the Corporation assess whether a contract is or contains a lease at inception of the contract. The Group and the Corporation recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets.

For these leases, the Group and the Corporation recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Corporation use the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.




# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)


**Leases (Cont'd)**

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group and the Corporation shall recognise those lease payments in the consolidated statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group and the Corporation have elected to not separate lease and non-lease components and account these as one single lease component. The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group and the Corporation remeasure the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Leases (Cont'd)**

The Group and the Corporation as lessees (Cont'd)

(b) Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Corporation incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SB-FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

| | |
|---|---|
| **Leasehold land:** | Over the remaining lease term of 15.5 years |
| **Office premises:** | Over the remaining lease term of 4.25 years |
| **Plant and machinery:** | Over the lease term of 3 to 5.5 years |

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Corporation expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group and the Corporation apply SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (Cont'd)

The Group and the Corporation as lessors

When the Group and the Corporation act as a lessor, they determine at lease inception whether each lease is a finance or an operating lease.

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

At inception or on modification of a contract that contains a lease component, the Group and the Corporation allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group and the Corporation apply SB-FRS 115 to allocate the consideration in the contract.

The Group and the Corporation apply the derecognition and impairment requirements in SB-FRS 109 to the net investment in the lease. The Group and the Corporation further regularly review estimated unguaranteed residual values used in calculating the gross investment in the lease.

**Investment in a subsidiary**

In the Corporation's separate financial statements, the investment in a subsidiary is carried at cost less accumulated impairment losses.

**Impairment of non-financial assets**

As at each reporting date, the Group and the Corporation review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Corporation estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Impairment of non-financial assets(Cont'd)**

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Inventories**

Linen inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**Financial instruments**

Financial instruments carried on the statements of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Group's and the Corporation's statement of financial position when the Group and the Corporation become a party to the contractual provisions of the instrument. Disclosures of the Group's and the Corporation's financial risk management objectives and policies are provided in Note 23.

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



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The Group's and the Corporations' financial assets at amortised cost comprise quoted financial assets, trade and other receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Corporation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Corporation have applied the practical expedient, the Group and the Corporation initially measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs.

Trade receivables are measured at the amount of consideration to which the Group and the Corporation expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Corporation's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Financial assets (Cont'd)**

**Investments in debt instruments**

Subsequent measurement of debt instruments depends on the Group's and the Corporation's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). The Group and the Corporation only have debt instruments measured at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of comprehensive income when the assets are derecognised or impaired, and through amortisation process.

<u>Derecognition</u>

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the statement of comprehensive income.

<u>Impairment of financial assets</u>

The Group and the Corporation assess on a forward-looking basis, the expected credit losses ("ECLs") associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Corporation expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).




# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Financial assets (Cont'd)**


<u>Impairment of financial assets (Cont'd)</u>

For trade receivables, the Group and the Corporation measure the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group and the Corporation do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group and the Corporation have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other receivables, the Group and the Corporation recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Corporation measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The Group and the Corporation consider a financial asset to be in default when internal or external information indicates that the Group and the Corporation are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Corporation.

At the end of each reporting period, the Group and the Corporation assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group and the Corporation on terms that the Group and the Corporation would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits and are subject to an insignificant risk of changes in value. For purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and deposits held with Accountant-General's Department.

### Capital account

The Corporation's capital account represents capital injections by the Ministry for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Cap 183), in its capacity as a shareholder under the debt-equity framework for statutory boards implemented with effect from 1 September 2004. Under this framework, capital projects will be partially funded by the Minister for Finance as equity injection and remaining through general funds of the Corporation.

### Financial liabilities

The Group's and the Corporation's financial liabilities include borrowings and trade and other payables.

Initial recognition and measurement

The Group and the Corporation determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Initial recognition and measurement (Cont'd)

Borrowings to be settled within the Group's and the Corporation's normal operating cycle are considered as "current". Other borrowings due to be settled more than 12 months after the reporting date are included in "non-current" borrowings in the statement of financial position. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Provisions

Provisions are recognised when the Group and the Corporation have 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.

Management reviews the provisions annually and where in his opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

### Trust fund

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

Yellow Ribbon Fund administers the funds on behalf of the holders of these funds. Upon dissolution of these funds, the remaining moneys in these funds shall be returned to the owners of the funds.

### Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Corporation have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Pension obligations**

The Group and the Corporation contribute 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 Group's and the Corporation's contributions to CPF are charged to the statement of comprehensive income in the year to which the contributions relate.

**Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting year.

**Revenue**

Revenue is recognised when the Group and the Corporation satisfy a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derive benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

(a) Leasing income

The Group provides Industrial Space Leasing which includes (i) a fixed monthly management fee for the use of industrial space under the Private Sector Participation Scheme; (ii) utilisation fees arising from inmate services rendered to third parties; and (iii) utility charges. Revenue from management fee is recognised over time, whilst revenue from utilisation fees and utility charges are recognised upon the satisfaction of the performance obligations at a point in time.

(b) Business outsourcing

The Group provides labour intensive service to multinational corporations as well as small and medium enterprises.

The amount of revenue recognised is based on the transaction price. Revenue from business outsourcing is recognised upon the satisfaction of the performance obligation at the point of time.

(c) Rendering of services

The Group sells standard kitchen meals, bread and catering services, and provides laundry, dry cleaning services and other residential care services.

The transaction price is allocated to the services based on their relative standalone selling prices. Revenue from rendering of services is recognised upon the satisfaction of the performance obligation at the point of time.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Revenue (Cont'd)**

(d) Halfway house management fee

Pursuant to the Memorandum of Understanding dated 2 June 2014, the Singapore Prison Service ("SPS") and the Corporation entered into an Implementation Agreement for the Group to manage and provide rehabilitative and aftercare services to the residents, residing at Selarang Halfway House before and after discharge from custody from 1 December 2016 to 31 December 2021, with a 2-year renewal option period.

The management fee includes (i) a pre-agreed Furniture and Equipment Fee received annually; (ii) 92% Per Capita Fee and (iii) the remaining 8% Per Capita Fee annually, payable when the agreed key performance indicators are met.

Management fee income on Furniture and Equipment Fee and the 92% Per Capita Fee are recognised over time, whilst the 8% Per Capita Fee is recognised upon the satisfaction of key performance indicators, i.e. at a point in time.

(e) Interest income

Interest income arising from bank deposits and investment securities are recognised on an accrual basis.

**Government grants**

Government grants received in advance are recognised on the Group's and the Corporation's statement of financial position upon receipt of the grant funds from the Government.

Grants from the Government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group and the Corporation will comply with all attached conditions. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants relating to assets are deducted against the carrying amount of the assets.

**Related parties**

The Corporation is established as a statutory board and is an entity related to the Government of Singapore. The Group's and the Corporation's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Group and the Corporation apply the exemption in Paragraph 25 of SB-FRS 24 Related Party Disclosures such that required disclosures are limited to the following information to enable users of the Group's and the Corporation's financial statements to understand the effect of related party transactions on the financial statements:

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Related parties (Cont'd)**

(a) the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and

(b) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors and senior management officers are considered key management personnel.

**Income taxes**

The Corporation is a tax-exempted institution under the provisions of the Income Tax Act (Chapter 134, 2008 Revised Edition). The subsidiary of the Corporation is subject to local income tax legislation.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.



# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**Income taxes (Cont'd)**

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

**Functional currencies**

Functional and presentation currency

Items included in the financial statements of the Group and the Corporation are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Corporation are presented in Singapore Dollar, which is also the functional currency of the Group and the Corporation.

**Conversion of foreign currencies**

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "other expenses". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 3 PROPERTY, PLANT AND EQUIPMENT

| The Group | Leasehold building | Plant, equipment and machinery | Furniture, fixtures and fittings | Renovation | Assets under construction | Total |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| **Cost** | | | | | | |
| At 1 January 2019 | 11,839,600 | 23,963,225 | 2,991,917 | 4,637,537 | - | 43,432,279 |
| Additions | - | 1,495,768 | 3,960 | - | - | 1,499,728 |
| Disposal/written off | - | (60,734) | (281,885) | - | - | (342,619) |
| At 31 December 2019 | **11,839,600** | **25,398,259** | **2,713,992** | **4,637,537** | **-** | **44,589,388** |
| Additions | **-** | **253,945** | **63,850** | **-** | **544,540** | **862,335** |
| Disposal/written off | **-** | **(385,390)** | **(15,893)** | **-** | **-** | **(401,283)** |
| **At 31 March 2021** | **11,839,600** | **25,266,814** | **2,761,949** | **4,637,537** | **544,540** | **45,050,440** |
| **Accumulated depreciation** | | | | | | |
| At 1 January 2019 | 2,364,078 | 17,153,723 | 2,699,835 | 982,092 | - | 23,199,728 |
| Depreciation for the year | 574,036 | 1,182,048 | 54,583 | 453,702 | - | 2,264,369 |
| Disposal/written off | - | (49,517) | (277,314) | - | - | (326,831) |
| At 31 December 2019 | **2,938,114** | **18,286,254** | **2,477,104** | **1,435,794** | **-** | **25,137,266** |
| Depreciation for the period | **717,151** | **1,530,885** | **60,578** | **566,825** | **-** | **2,875,439** |
| Disposal/written off | **-** | **(382,806)** | **(15,843)** | **-** | **-** | **(398,649)** |
| **At 31 March 2021** | **3,655,265** | **19,434,333** | **2,521,839** | **2,002,619** | **-** | **27,614,056** |
| **Carrying amount** | | | | | | |
| **At 31 March 2021** | **8,184,335** | **5,832,481** | **240,110** | **2,634,918** | **544,540** | **17,436,384** |
| At 31 December 2019 | 8,901,486 | 7,112,005 | 236,888 | 3,201,743 | - | 19,452,122 |




# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021


## 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Corporation | Leasehold building | Plant, equipment and machinery | Furniture, fixtures and fittings | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Cost** | | | | |
| At 1 January 2019 | 11,839,600 | 6,073,245 | 1,283,150 | 19,195,995 |
| Additions | - | 679,275 | - | 679,275 |
| Transfer to a subsidiary | - | (3,311,809) | (770,337) | (4,082,146) |
| Disposal/written-off | - | (43,788) | (272,981) | (316,769) |
| At 31 December 2019 | **11,839,600** | **3,396,923** | **239,832** | **15,476,355** |
| Additions | **-** | **60,859** | **63,850** | **124,709** |
| Disposal/written-off | **-** | **(380,941)** | **(15,892)** | **(396,833)** |
| **At 31 March 2021** | **11,839,600** | **3,076,841** | **287,790** | **15,204,231** |
| **Accumulated depreciation** | | | | |
| At 1 January 2019 | 2,364,078 | 4,215,467 | 1,149,105 | 7,728,650 |
| Depreciation for the year | 574,036 | 580,437 | 25,070 | 1,179,543 |
| Transfer to a subsidiary | - | (3,122,534) | (770,106) | (3,892,640) |
| Disposal/written-off | - | (43,416) | (273,017) | (316,433) |
| At 31 December 2019 | **2,938,114** | **1,629,954** | **131,052** | **4,699,120** |
| Depreciation for the period | **717,151** | **723,697** | **33,397** | **1,474,245** |
| Disposal/written-off | **-** | **(380,450)** | **(15,842)** | **(396,292)** |
| **At 31 March 2021** | **3,655,265** | **1,973,201** | **148,607** | **5,777,073** |
| **Carrying amount** | | | | |
| **At 31 March 2021** | **8,184,335** | **1,103,640** | **139,183** | **9,427,158** |
| At 31 December 2019 | 8,901,486 | 1,766,969 | 108,780 | 10,777,235 |

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Assets under construction relate to the installation of laundry equipment.

In the previous financial year, the Corporation disposed of certain plant and equipment carried at $189,506 to its subsidiary. The consideration was settled via the issuance of 189,506 new ordinary shares at $1 each in the share capital of the subsidiary (refer to Note 6).

The Group's and the Corporation's leasehold building with a carrying amount of $8,184,335 (2019 - $8,901,486) is mortgaged to a financial institution to secure the Group's and the Corporation's term loan as disclosed in Note 12 to the financial statements.

## 4 RIGHT-OF-USE ASSETS

| The Group | Leasehold building<br>$ | Office premises<br>$ | Plant and equipment<br>$ | Total<br>$ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2019 | 1,779,486 | 2,508,010 | 8,750,451 | 13,037,947 |
| New leases | - | 54,204 | - | 54,204 |
| At 31 December 2019 | **1,779,486** | **2,562,214** | **8,750,451** | **13,092,151** |
| New leases | **-** | **134,422** | **-** | **134,422** |
| **At 31 March 2021** | **1,779,486** | **2,696,636** | **8,750,451** | **13,226,573** |
| **Accumulated depreciation** | | | | |
| At 1 January 2019 | - | - | 1,235,170 | 1,235,170 |
| Depreciation for the year | 64,877 | 485,680 | 591,215 | 1,141,772 |
| At 31 December 2019 | **64,877** | **485,680** | **1,826,385** | **2,376,942** |
| Depreciation for the period | **139,022** | **654,841** | **738,612** | **1,532,475** |
| **At 31 March 2021** | **203,899** | **1,140,521** | **2,564,997** | **3,909,417** |
| **Carrying amount** | | | | |
| **At 31 March 2021** | **1,575,587** | **1,556,115** | **6,185,454** | **9,317,156** |
| At 31 December 2019 | 1,714,609 | 2,076,534 | 6,924,066 | 10,715,209 |



# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 4 RIGHT-OF-USE ASSETS (CONT'D)

| The Corporation | Leasehold building<br>$ | Office premises<br>$ | Total<br>$ |
|---|---|---|---|
| **Cost** | | | |
| At 1 January and 31 December 2019 | 1,779,486 | 2,462,272 | 4,241,758 |
| New leases | - | **134,422** | **134,422** |
| **At 31 March 2021** | **1,779,486** | **2,596,694** | **4,376,180** |
| **Accumulated depreciation** | | | |
| At 1 January 2019 | - | - | - |
| Depreciation for the year | 64,877 | 469,004 | 533,881 |
| At 31 December 2019 | **64,877** | **469,004** | **533,881** |
| Depreciation for the period | **139,022** | **620,822** | **759,844** |
| **At 31 March 2021** | **203,899** | **1,089,826** | **1,293,725** |
| **Carrying amount** | | | |
| **At 31 March 2021** | **1,575,587** | **1,506,868** | **3,082,455** |
| At 31 December 2019 | 1,714,609 | 1,993,268 | 3,707,877 |

The right-of-use assets are secured against the lease liabilities (refer to Note 13).

Assets under hire purchase agreements

As at 31 March 2021, the Group leases plant and equipment with a carrying amount of $6.2 million (2019 - $6.9 million) under a number of hire purchase agreements

The consolidated statement of comprehensive income shows the following amounts relating to leases:

| The Group | 2021<br>$ | 2019<br>$ |
|---|---|---|
| Interest expense on lease liabilities (Note 19) | **294,761** | 228,619 |
| Rental expense of plant and equipment on short-term leases | **30,170** | 268,090 |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 5 QUOTED FINANCIAL ASSETS

| The Group and The Corporation | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| **Quoted debt instruments at amortised cost** | | |
| At beginning of period/year | **4,754,965** | 5,772,427 |
| Redemption | **(4,750,000)** | (1,000,000) |
| Amortisation charge | **(4,965)** | (17,462) |
| At end of period/year | **-** | 4,754,965 |
| | | |
| Non-current | **-** | 1,000,000 |
| Current | **-** | 3,754,965 |
| | **-** | 4,754,965 |

The table below sets out the details of the financial assets measured at amortised cost:

| | Interest rates | 31 December 2019 Maturity dates |
|---|---|---|
| Listed securities: | | |
| • Bonds - Singapore | 3.14% - 3.52% | February 2020 - March 2021 |

During the current financial year, the Group and the Corporation received $4,750,000 (2019 - $1,000,000) upon the maturity of debt instruments.

All the bonds carry a fixed coupon rate and are denominated in Singapore dollars. As at 31 December 2019, the fair values of the bonds amounted to $4,833,850 and were within Level 1 of the fair value hierarchy.



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 6 INVESTMENT IN SUBSIDIARY

| The Corporation | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| **Unquoted equity shares, at cost:** | | |
| At beginning of period/year | **20,789,813** | 20,600,307 |
| Additions | **-** | 189,506 |
| At end of period/year | **20,789,813** | 20,789,813 |

On 21 November 2019, 189,506 new ordinary shares at $1 each in the share capital of the subsidiary were issued to the Corporation for the transfer of plant and equipment with a net carrying amount of $189,506 (Note 3).

Details of the subsidiary are as follows:

| Name of subsidiary | Country of incorporation/ principal place of business | Proportion of ownership interest 31 March 2021 | Proportion of ownership interest 31 December 2019 | Principal activities |
|---|---|---|---|---|
| YR Industries Pte. Ltd.("YRI") [1] | Singapore | **100%** | 100% | Laundry and dry cleaning services except self-operated laundries and residential care services for ex-offenders, cooked food, manufacturing of bakery products and management of a halfway house. |

[1] Audited by Foo Kon Tan LLP

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 7 TRADE AND OTHER RECEIVABLES

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | **31 March 2021** | 31 December 2019 | **31 March 2021** | 31 December 2019 |
| | **$** | $ | **$** | $ |
| Trade receivables | **5,408,378** | 6,355,017 | **3,719,169** | 4,021,666 |
| Amount due from subsidiary (trade) | **-** | - | **5,566,433** | 5,578,972 |
| Accrued receivables | **4,828,426** | 7,289,554 | **2,461,042** | 4,975,092 |
| | **10,236,804** | 13,644,571 | **11,746,644** | 14,575,730 |
| Interest receivable | **26,329** | 191,829 | **26,329** | 164,311 |
| Grants receivables (Note 8) | **4,696,998** | 1,873,574 | **4,696,998** | 1,873,574 |
| Other recoverable | **795,019** | 564,931 | **-** | 209,267 |
| Refundable deposits | **3,638,031** | 1,466,734 | **3,619,041** | 1,432,754 |
| Financial assets at amortised cost | **19,393,181** | 17,741,639 | **20,089,012** | 18,255,636 |
| Prepayments | **640,411** | 531,063 | **298,937** | 189,018 |
| | **20,033,592** | 18,272,702 | **20,387,949** | 18,444,654 |

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days' terms. (2019 - 30 to 60 days).

Trade and other receivables are denominated in Singapore Dollar.

The Group's and the Corporation's exposure to credit risk is disclosed in Note 23 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 8 GRANTS RECEIVABLE/(GRANTS RECEIVED IN ADVANCE)

| **The Group** | **31 March 2021** | 31 December 2019 |
|---|---|---|
| | **$** | $ |
| At beginning of period/year | **(432,253)** | 2,156,864 |
| Unutilised grants returned in respect of previous financial years | **319,728** | - |
| Grants received in respect of the previous financial year | **(1,873,573)** | (2,305,316) |
| Grants received in respect of the current financial period/year (Note A) | **(9,373,118)** | (7,463,762) |
| Government grants received, net | **(10,926,963)** | (9,769,078) |
| Government grant recognised as income in the consolidated statement of comprehensive income (Note A) | **14,345,246** | 7,179,961 |
| At end of period/year | **2,986,030** | (432,253) |
| Comprises: | | |
| Grants receivables (Note7) | **4,696,998** | 1,873,574 |
| Grants received in advance (Note 14) | **(1,710,968)** | (2,305,827) |
| | **2,986,030** | (432,253) |

| **The Corporation** | | |
|---|---|---|
| At beginning of period/year | **(432,253)** | 2,156,864 |
| Unutilised grants returned in respect of previous financial years | **319,728** | - |
| Grants received in respect of the previous financial year | **(1,873,573)** | (2,305,316) |
| Grants received in respect of the current financial period/year | **(7,151,685)** | (7,463,762) |
| Government grants received, net | **(8,705,530)** | (9,769,078) |
| Government grant recognised as income in the Corporation's statement of comprehensive income | **12,123,813** | 7,179,961 |
| At end of period/year | **2,986,030** | (432,253) |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 8 GRANTS RECEIVABLE/(GRANTS RECEIVED IN ADVANCE) (CONT'D)

| The Corporation | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| Comprises: | | |
| Grants receivables (Note7) | **4,696,998** | 1,873,574 |
| Grants received in advance (Note 14) | **(1,710,968)** | (2,305,827) |
| | **2,986,030** | (432,253) |

Note A:

In the current financial period, the Group received grant income of $1,739,726 from the Job Support Scheme ("JSS"); and other grants of $481,707. The JSS was extended by the Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of COVID-19. The JSS grant income is allocated over the period of uncertainties to match the related staff costs for which the grant is intended to compensate.

## 9 CASH AND CASH EQUIVALENTS

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | 31 March 2021 $ | 31 December 2019 $ | 31 March 2021 $ | 31 December 2019 $ |
| Cash maintained with the Accountant-General's Department ("AGD") | **23,088,385** | 11,054,863 | **11,322,522** | 5,744,857 |
| Fixed deposits | **-** | 3,500,000 | **-** | 1,000,000 |
| | **23,088,385** | 14,554,863 | **11,322,522** | 6,744,857 |

At the reporting date, the carrying amounts of cash and cash equivalents are denominated in Singapore Dollar.

Cash maintained with the AGD are centrally managed under the Centralised Liquidity Management Framework ("CLM") based on the directive set out in the Accountant-General Circular's No. 4/2009. These are short-term deposits earning interest ranging from 0.28% to 1.77% (2019 - 1.86% to 2.13%) per annum.

As at 31 December 2019, the Group and the Corporation's fixed deposits bore interest ranging from 1.82% to 1.99% per annum and matured in February and June 2020, respectively.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 10 CAPITAL ACCOUNT

| The Group and the Corporation | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| Value of assets taken over from former Prison Industries | **1,443,262** | 1,443,262 |
| Capital grants from Singapore Government | **218,000** | 218,000 |
| Capital injection from Ministry of Finance | **1,000** | 1,000 |
| | **1,662,262** | 1,662,262 |

At the balance sheet date, the Corporation's share capital comprises fully paid-up 1,000 ordinary shares. The shares represent the capital injections by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Cap 183), in its capacity as a shareholder under the debt-equity framework for statutory boards implemented with effect from 1 September 2004. Under this framework, capital projects will be partially funded by the Minister of Finance as equity injection and remaining through general funds of the Corporation.

Dividends

The Ministry of Finance is entitled to receive dividends annually, computed based on the cost of equity applied to the Corporation's equity base and it is capped at the statutory board's annual accounting surplus.

In the current financial period, the Corporation declared and paid a dividend of $20,000 to the Minister for Finance.

## 11 DEFERRED TAX LIABILITIES

The movement in liabilities are as follows:

| | $ |
|---|---|
| At 1 January 2019 | - |
| Charged to the statement of comprehensive income (Note 21) | 989,000 |
| **At 31 March 2021** | **989,000** |

In the previous financial year, no deferred tax assets have been recognised due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 12 TERM LOAN

| The Group and The Corporation | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| Within one year | **395,535** | 399,585 |
| Later than one year but not later than five years | **1,739,847** | 1,642,190 |
| Later than five years | **3,509,766** | 4,103,243 |
| | **5,249,613** | 5,745,433 |
| | **5,645,148** | 6,145,018 |

The Singapore dollar denominated term loan is secured by a legal mortgage over the Group's and the Corporation's leasehold building with net carrying value of $8,184,335 (2019 - $8,901,486) (Note 3).

The details of the term loan are as follows:

| Term loan | Principal sum $ | Effective interest rate % p.a. | Repayment terms |
|---|---|---|---|
| Term loan #1 | 6,574,712 | 3.25% p.a. below the prevailing Enterprise Base Rate for the first year<br>3.15% p.a. below the prevailing Enterprise Base Rate for the second year<br>2% p.a. below the prevailing Enterprise Base Rate for the third year<br>1.4% p.a. below the prevailing Enterprise Base Rate thereafter | Monthly instalment shall be computed based on the principal loan outstanding and remaining loan period as at the date of conversion and is subject to variation in accordance with the interest rate. |



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 13 LEASE LIABILITIES

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | 31 March 2021 $ | 31 December 2019 $ | 31 March 2021 $ | 31 December 2019 $ |
| Undiscounted lease payments due: | | | | |
| Due not later than one year | **1,889,694** | 1,841,394 | **699,594** | 651,294 |
| Due later than one year but not later than five years | **5,060,160** | 7,035,621 | **1,642,485** | 2,364,809 |
| Due later than five years | **1,299,593** | 1,581,122 | **1,299,593** | 1,335,036 |
| | **8,249,447** | 10,458,137 | **3,641,672** | 4,351,139 |
| Less: Unearned interest cost | **(939,626)** | (1,239,531) | **(465,945)** | (597,896) |
| Present value of minimum lease payments | **7,309,821** | 9,218,606 | **3,175,727** | 3,753,243 |
| Presented as: | | | | |
| Non-current | **5,635,671** | 7,613,009 | **2,567,554** | 3,212,555 |
| Current | **1,674,150** | 1,605,597 | **608,173** | 540,688 |
| | **7,309,821** | 9,218,606 | **3,175,727** | 3,753,243 |

Interest expense on lease liabilities amounting to $294,761 (2019 - $228,619) (refer to Note 19). Total cashflows for all leases in the current financial year amounting to $2,337,968 (2019 - $1,771,261).

The lease liabilities are secured by the Group's and the Corporation's title to right-of-use assets (Note 4).

Lease liabilities are denominated in Singapore Dollar.

Interest rates are fixed at the contract date, and thus does not expose the Group and the Corporation to interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 14 TRADE AND OTHER PAYABLES

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | **31 March 2021 $** | 31 December 2019 $ | **31 March 2021 $** | 31 December 2019 $ |
| Trade payables | **2,899,610** | 4,298,655 | **566,952** | 676,757 |
| Amounts due to subsidiary (trade) | **-** | - | **7,282,930** | 19,284 |
| Accrued Food and Business Solutions cost | **330,153** | 363,388 | **-** | 3,552,409 |
| Accrued Laundry costs | **182,991** | 267,471 | **-** | |
| Accrued bonuses, manpower and related costs | **3,395,227** | 3,403,061 | **1,107,107** | 1,577,190 |
| Accrued utilities | **231,730** | 314,473 | **-** | - |
| Accrued expenses | **1,066,208** | 2,256,854 | **860,649** | 1,770,212 |
| Other payables | **487,027** | 655,896 | **468,449** | 621,937 |
| Financial liabilities at amortised cost | **8,592,946** | 11,559,798 | **10,286,087** | 8,217,789 |
| Grants received in advance (Note 8) | **1,710,968** | 2,305,827 | **1,710,968** | 2,305,827 |
| Output GST payables, net | **543,584** | 319,695 | **604,409** | 373,466 |
| | **10,847,498** | 14,185,320 | **12,601,464** | 10,897,082 |

Trade payables are non-interest bearing and are generally on 30 - 90 days credit terms (2019 - 30-90 days).

Trade and other payables are denominated in Singapore Dollar.



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 15 PROVISIONS

| The Group | Linen loss $ | Gas rebate $ | Total $ |
|---|---|---|---|
| At 1 January 2019 | 1,028 | 184,000 | 185,028 |
| Provision made during the year | 150,996 | 46,000 | 196,996 |
| Utilisation | (121,688) | (153,239) | (274,927) |
| | 29,308 | (107,239) | (77,931) |
| At 31 December 2019 | 30,336 | 76,761 | 107,097 |
| Provision made during the period | **188,736** | **214,000** | **402,736** |
| Utilisation | **(132,903)** | **(56,670)** | **(189,573)** |
| | **55,833** | **157,330** | **213,163** |
| **At 31 March 2021** | **86,169** | **234,091** | **320,260** |

The provision of linen loss pertains to the compensation for lost or damaged linen.

The provision of gas rebate is given to the customers for certain average gas unit price.

## 16 NET ASSETS OF THE YELLOW RIBBON FUND

The Corporation established Yellow Ribbon Fund (the "Fund") in 2004 as one of CARE Network's key initiative. The project seeks to engage the community in accepting ex-offenders and their families, giving them a second chance at life and to inspire a ripple effect of concerted community action to support ex-offenders and their families.

The Fund administers funding to the development and implementation of reintegration programmes for inmates and ex-offenders as well as family support programmes to strengthen family ties of inmates and ex-offenders.

Proceeds from the various fund-raising activities will go towards funding a variety of rehabilitation and reintegration programmes as well as family support programmes which are in line with the vision of CARE Network to their family members.

The Yellow Ribbon Fund was granted Institute of Public Character (IPC) status since August 2004. Its Charity Registration Number is 01808.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 16 NET ASSETS OF THE YELLOW RIBBON FUND (CONT'D)

The statement of financial activities of the fund are as follows:

| | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| **Income** | | |
| Donation income | **550,110** | 521,636 |
| Events income | **317,012** | 1,437,800 |
| Grants and bursaries | **1,564,372** | 1,160,329 |
| **Total income** | **2,431,494** | 3,119,765 |
| **Less: General expenditure** | | |
| Audit fees | **41,730** | 46,149 |
| Accounting fee | **33,000** | 35,400 |
| Bad debts written off | **12,466** | - |
| Depreciation | **-** | 6,017 |
| Fund raising expenses | **7,347** | 212,247 |
| General and miscellaneous expenses | **57,406** | 19,372 |
| Manpower costs | **523,551** | 455,761 |
| Other event expenses | **6,300** | 13,974 |
| Transport | **1,237** | 4,426 |
| YBR programme expenses | **-** | (17,103) |
| Total general expenditure | **683,037** | 776,243 |
| **Operating surplus for the period/year** | **1,748,457** | 2,343,522 |
| **Add/(less): Other income/(expenditure)** | | |
| Disbursement of funds | **(1,649,536)** | (2,336,330) |
| Interest income | **59,125** | 44,501 |
| | **(1,590,411)** | (2,291,829) |
| **Surplus for the period/year** | **158,046** | 51,693 |



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 16 NET ASSETS OF THE YELLOW RIBBON FUND (CONT'D)

The statement of financial position of the Fund are as follows:

| | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| **Non-current assets:** | | |
| Other receivables | **-** | 9,350 |
| **Current assets:** | | |
| Other receivables | **3,911** | 425,105 |
| Fixed deposits | **3,000,000** | 4,521,347 |
| Cash and bank balances | **3,803,364** | 1,766,562 |
| | **6,807,275** | 6,713,014 |
| **Total assets** | **6,807,275** | 6,722,364 |
| **Current liabilities:** | | |
| Other payables | **221,533** | 294,668 |
| **Net assets** | **6,585,742** | 6,427,696 |

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 17 OPERATING INCOME

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Business outsourcing, at a point in time | **2,162,966** | 1,991,386 |
| Halfway house management fee: | | |
| • At a point in time | **369,360** | 243,421 |
| • Over time | **7,934,788** | 5,921,520 |
| | **8,304,148** | 6,164,941 |
| Leasing income: | | |
| • At a point in time | **1,523,951** | 2,481,906 |
| • Over time | **649,551** | 728,766 |
| | **2,173,502** | 3,210,672 |
| Rendering of services, at a point in time | **55,706,185** | 47,190,725 |
| Other miscellaneous income, at a point in time | **-** | 1,522 |
| | **68,346,801** | 58,559,246 |

## 18 OTHER INCOME

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Interest income from quoted debt investments at amortised cost | **84,553** | 194,843 |
| Interest income from bank deposits | **175,505** | 191,311 |
| Others | **64,844** | 77,944 |
| | **324,902** | 464,098 |



NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 19 FINANCE COSTS

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Interest expenses on: | | |
| • Term loan | **220,316** | 159,466 |
| • Lease liabilities | **294,761** | 228,619 |
| | **515,077** | 388,085 |

## 20 MANPOWER COSTS

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Salaries and related costs | **22,512,519** | 19,263,011 |
| Contributions to Central Provident Fund | **2,898,286** | 2,144,775 |
| | **25,410,805** | 21,407,786 |
| Seconded staff | **1,422,836** | 584,359 |
| | **26,833,641** | 21,992,145 |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 20 MANPOWER COSTS (CONT'D)

Compensation of key management personnel

The key management personnel compensation comprises:

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Board members' allowance | **200,336** | 163,125 |
| Directors' fees of a subsidiary | **42,414** | 41,255 |
| Other key management members' remuneration: | | |
| • Short-term employee benefits | **1,924,229** | 1,415,911 |
| • contribution to defined contribution plans | **211,961** | 130,565 |
| | **2,136,190** | 1,546,476 |
| | **2,378,940** | 1,750,856 |

## 21 TAXATION

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Current tax expense | **-** | - |
| Deferred tax expense: | | |
| • Origination and reversal of temporary differences, net | **812,000** | - |
| • Under provision in respect of prior year | **177,000** | - |
| | **989,000** | - |
| | **989,000** | - |

The tax expense on the results of the financial period/year varies from the amount of income tax determined by applying the applicable tax rate on the Group's surplus/(deficit) before tax as a result of the following:



NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 21 TAXATION (CONT'D)

| The Group | Period from 1 January 2020 to 31 March 2021 $ | Year ended 31 December 2019 $ |
|---|---|---|
| Surplus before taxation | **7,592,923** | 692,136 |
| Tax at statutory rate of 17% (2019 - 17%) | **1,290,797** | 117,663 |
| Tax effect on the Corporation's deficit not carried forward | **138,805** | 3,416 |
| Tax effect on non-taxable income | **(297,657)** | (27,108) |
| Tax effect on non-deductible expenses | **18,865** | 284,344 |
| Utilisation of deferred tax assets previously not recognised | **(338,810)** | (378,315) |
| Under provision in respect of prior year | **177,000** | - |
| | **989,000** | - |

Non-taxable income mainly comprises government grants. Non-deductible expenses mainly comprise non-capitalised assets, depreciation charge, interest on lease liabilities and provisions made for the financial period/year.

At the reporting date, the Group has unutilised tax losses of $Nil (2019 - $1,993,000) and unutilised donations of $2,000 (2019 - $2,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

## 22 CONTINGENT LIABILITIES

**Performance guarantees**

As at the reporting date, the Group has bankers' guarantee which have not been provided for in the financial statements.

| The Group | 31 March 2021 $ | 31 December 2019 $ |
|---|---|---|
| Bankers' guarantees issued on behalf of third parties | **-** | 95,328 |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Corporation maintain documented financial risk management policies. These policies set out the Group's and the Corporation's overall business strategies and its risk management philosophy. The Group and the Corporation are exposed to similar financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Group's and the Corporation's overall risk management programme focus on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Corporation's financial performance.

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

**Credit risk**

Credit risk is the risk of financial loss to the Group and the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Corporation's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Corporation have adopted a policy of only dealing with creditworthy counterparties. The Group and the Corporation perform ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and the Corporation consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and the Corporation have determined the default event on a financial asset to be when internal and/ or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments.

To minimise credit risk, the Group and the Corporation have developed and maintained the Group's and the Corporation's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's and the Corporation's own trading records to rate its major customers and other debtors. The Group and the Corporation consider available reasonable and supportive forward-looking information which includes the following indicators:



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

**Credit risk (Cont'd)**

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 to 60 days past due in making contractual payment.

The Group and the Corporation determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group and the Corporation categorised a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's and the Corporation's current credit risk grading framework comprises the following categories:

| Category | Definition of category | Basis for recognising expected credit loss ("ECL") |
|---|---|---|
| I | Counterparty has a low risk of default and does not have any past-due amounts. | 12-month ECL |
| II | Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL - not credit impaired |
| III | Amount is > 60 days past due or there is evidence indicating that the asset is credit-impaired (in default). | Lifetime ECL - credit impaired |
| IV | There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. | Amount is written off |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

**Credit risk (Cont'd)**

Credit risk concentration profile

The Group and the Corporation determine concentrations of credit risk by monitoring the business segment profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's and the Corporation's trade receivables by business segments at the reporting date is as follows:

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | **31 March 2021** | 31 December 2019 | **31 March 2021** | 31 December 2019 |
| | **$** | $ | **$** | $ |
| By business segments: | | | | |
| Industrial Space Leasing | **336,970** | 431,308 | **336,970** | 431,308 |
| Business Outsourcing | **68,672** | 289,807 | **-** | - |
| Bakery | **111,731** | 293,303 | **-** | - |
| Central Kitchens | **49,551** | 7,152,601 | **-** | 6,965,228 |
| Laundry | **1,488,257** | 3,852,081 | **-** | - |
| Others | **8,181,623** | 1,625,471 | **11,409,674** | 7,179,194 |
| | **10,236,804** | 13,644,571 | **11,746,644** | 14,575,730 |

Trade receivables

For trade receivables, the Group and the Corporation have applied the simplified approach in SB-FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Corporation determine the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

As at the end of the reporting period, the age analysis of trade receivables past due but not impaired was as follows:



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

**Credit risk (Cont'd)**

Trade receivables (Cont'd)

| The Group | **31 March 2021** | 31 December 2019 |
|---|---|---|
| | **$** | $ |
| Past due less than 1 month | **9,336,209** | 12,607,100 |
| Past due 1 to 2 months | **494,329** | 857,965 |
| Past due over 2 to 3 months | **55,512** | 139,569 |
| Past due over 3 months | **-** | 39,937 |

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations include the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

As at 31 March 2021, the Group and the Corporation have significant concentration in credit risk from a government agency. The Group and the Corporation have credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Group and the Corporation assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Corporation measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Market risk

Price risk

At the balance sheet date, the Group and the Corporation do not have any exposure to price risk following the maturity of the quoted financial assets measured at amortised cost. The investment in quoted debt instruments is managed by the Corporation's Investment and Finance Committee.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Corporation's financial instruments will fluctuate because of changes in market interest rate. The Group and the Corporation are minimally exposed to interest rate risk on its term loan with a financial institution and interest-bearing bank deposits. The Group and the Corporation have cash balances placed with reputable banks and financial institutions which generate interest income for the Group and the Corporation. The Group and the Corporation manage its interest rate risks by placing such balances on varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

A 1% change in interest rate on the term loan with a financial institution would not have a material impact on the Group's and the Corporation's net surplus/(deficit) for the financial period from 1 January 2020 to 31 March 2021 and year ended 31 December 2019.

### Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Corporation's reputation. The Corporation regularly reviews its liquidity reserves, comprising cash flows from its operations and government grants, to ensure sufficient liquidity is maintained at all times.

Contractual maturity analysis

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude impact of netting agreements:



# NOTES TO THE FINANCIAL STATEMENTS
for the financial period from 1 January 2020 to 31 March 2021

## 23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Liquidity risk (Cont'd)

Contractual maturity analysis (Cont'd)

| | | Contractual undiscounted cash flows between | | | |
|---|---|---|---|---|---|
| **The Group** | **Carrying amount** | **Total** | **Less than 1 year** | **2 and 5 years** | **Over 5 years** |
| | **$** | **$** | **$** | **$** | **$** |
| **As at 31 March 2021** | | | | | |
| **Financial liabilities** | | | | | |
| Term loan (Note 12) | **5,645,148** | **7,197,818** | **616,105** | **2,527,378** | **4,054,335** |
| Lease liabilities (Note 13) | **7,309,821** | **8,249,447** | **1,889,694** | **5,060,160** | **1,299,593** |
| Trade and other payables (Note 14) | **8,592,946** | **8,592,946** | **8,592,946** | **-** | **-** |
| | **21,547,915** | **24,040,211** | **11,098,745** | **7,587,538** | **5,353,928** |
| **As at 31 December 2019** | | | | | |
| **Financial liabilities** | | | | | |
| Term loan (Note 12) | 6,145,018 | 7,918,004 | 568,127 | 3,137,581 | 4,212,296 |
| Lease liabilities (Note 13) | 9,218,606 | 10,458,137 | 1,841,394 | 7,035,621 | 1,581,122 |
| Trade and other payables (Note 14) | 11,559,798 | 11,559,798 | 11,559,798 | - | - |
| | 26,923,422 | 29,935,939 | 13,969,319 | 10,173,202 | 5,793,418 |
| **The Corporation** | | | | | |
| **As at 31 March 2021** | | | | | |
| **Financial liabilities** | | | | | |
| Term loan (Note 12) | **5,645,148** | **7,197,818** | **616,105** | **2,527,378** | **4,054,335** |
| Lease liabilities (Note 13) | **3,175,727** | **3,641,672** | **699,594** | **1,642,485** | **1,299,593** |
| Trade and other payables (Note 14) | **10,286,087** | **10,286,087** | **10,286,087** | **-** | **-** |
| | **19,106,962** | **21,125,577** | **11,601,786** | **4,169,863** | **5,353,928** |
| **As at 31 December 2019** | | | | | |
| **Financial liabilities** | | | | | |
| Term loan (Note 12) | 6,145,018 | 7,918,004 | 568,127 | 3,137,581 | 4,212,296 |
| Lease liabilities (Note 13) | 3,753,243 | 4,351,139 | 651,294 | 2,364,809 | 1,335,036 |
| Trade and other payables (Note 14) | 8,217,789 | 8,217,789 | 8,217,789 | - | - |
| | 18,116,050 | 20,486,932 | 9,437,210 | 5,502,390 | 5,547,332 |

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 24 FINANCIAL INSTRUMENTS

### Fair values

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

However, the Group and the Corporation does not anticipate that the carrying amounts recorded at end of the reporting period would be significantly different from the values that would eventually be received or settled.

### Accounting classification of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

| | The Group | | The Corporation | |
|---|---|---|---|---|
| | **31 March 2021** | 31 December 2019 | **31 March 2021** | 31 December 2019 |
| | **$** | $ | **$** | $ |
| **Financial assets measured at amortised cost** | | | | |
| Quoted financial assets (Note 5) | **-** | 4,754,965 | **-** | 4,754,965 |
| Trade and other receivables (Note 7) | **19,393,181** | 17,741,639 | **20,089,012** | 18,255,636 |
| Cash and bank balances (Note 9) | **23,088,385** | 14,554,863 | **11,322,522** | 6,744,857 |
| | **42,481,566** | 37,051,467 | **31,411,534** | 29,755,458 |
| **Financial liabilities measured at amortised cost** | | | | |
| Term loan (Note 12) | **5,645,148** | 6,145,018 | **5,645,148** | 6,145,018 |
| Lease liabilities (Note 13) | **7,309,821** | 9,218,606 | **3,175,727** | 3,753,243 |
| Trade and other payables (Note 14) | **8,592,946** | 11,559,798 | **10,286,087** | 8,217,789 |
| | **21,547,915** | 26,923,422 | **19,106,962** | 18,116,050 |



# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 25 CAPITAL MANAGEMENT

The Group and the Corporation define "capital" to include capital account and reserves. The Group's and the Corporation's policy is to maintain a strong capital base to safeguard the ability to meet its long-term needs and to maintain creditor and market confidence. The Group and the Corporation are not subject to externally imposed capital requirements and there were no changes to the Group's and the Corporation's approach to capital management during the financial period.

## 26 FAIR VALUE MEASUREMENT

### Definition of fair value

SB-FRSs define fair value as 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.

### Fair value hierarchy

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1** - those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2** - those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3** - those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial period from 1 January 2020 to 31 March 2021

## 26 FAIR VALUE MEASUREMENT (CONT'D)

### Fair value measurement of financial assets

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

| | (Level 1) $ | (Level 2) $ | (Level 3) $ |
|---|---|---|---|
| **31 December 2019** | | | |
| **Financial assets:** | | | |
| Quoted financial assets (Note 5) | 4,754,965 | - | - |

The carrying amounts of the Group's and the Corporations' other financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

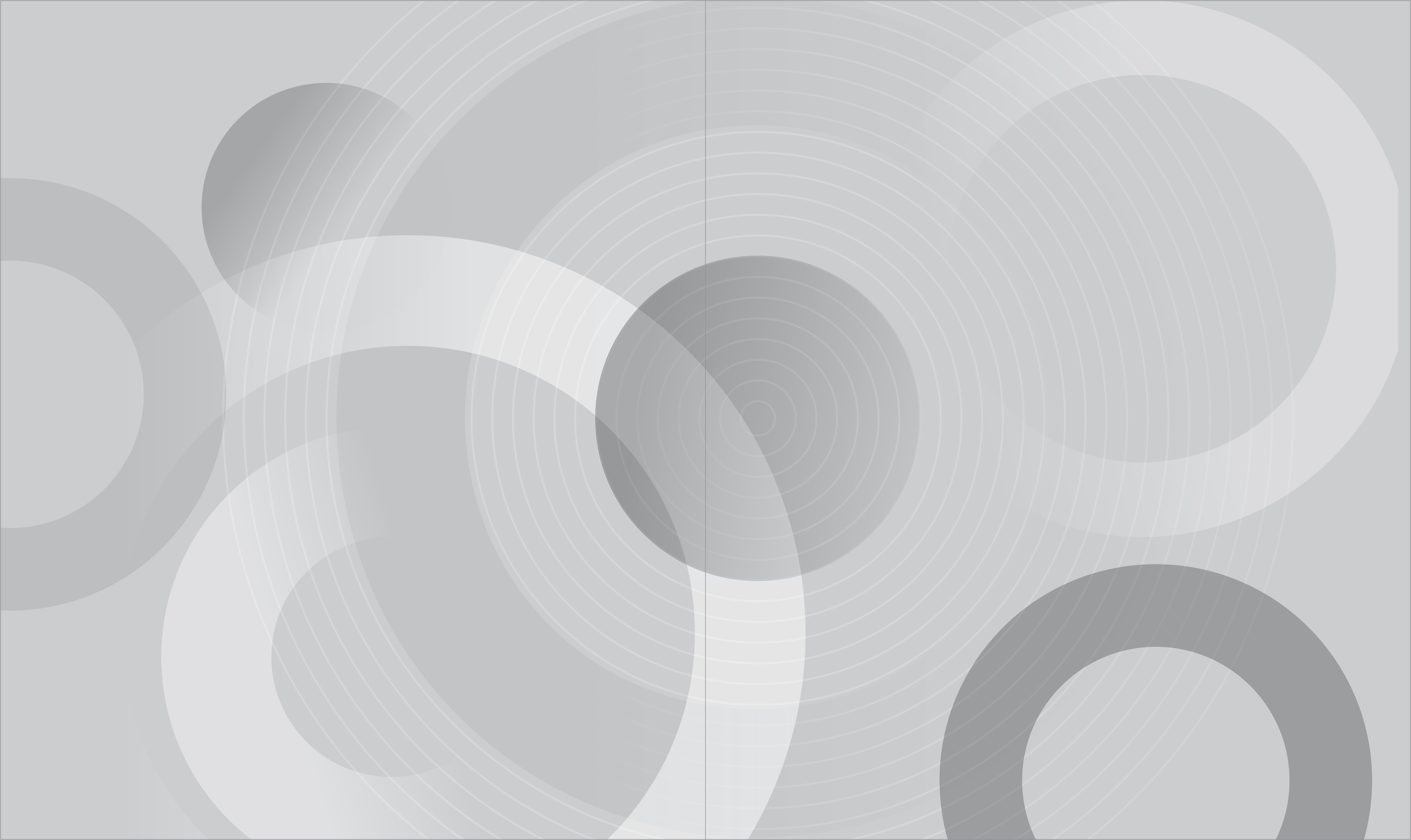
The Group and the Corporation do not anticipate that the carrying amounts recorded at end of the reporting period would be significantly different from the values that would eventually be received or settled.

## 27 COMPARATIVES

The current financial period's figures for the consolidated statement of comprehensive income, consolidated statement of cash flows and related notes presented are for the period from 1 January 2020 to 31 March 2021 due to changes of the financial year ended and are not comparable with prior year's figures which are prepared for 12 months ended 31 December 2019.

## 28 SUBSEQUENT EVENTS

Subsequent to the reporting date, the Board of Directors of the Corporation's subsidiary approved the plan to restructure its business segments. The estimate of the financial effects cannot be made as it is in the early stage of restructuring.



**Yellow Ribbon Singapore**

980 Upper Changi Road North,
Singapore 507708

(65) 1800 741 5567

(65) 6742 0078

www.yellowribbon.gov.sg

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