Singapore Corporation of Rehabilitative Enterprises

SCORE

Building Bridges, Changing Lives

ANNUAL REPORT 2016

Rebuilding Lives, Enhancing Potential

40 years and beyond

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

VALUES

Honour

We live up to the highest standards of integrity

Oneness

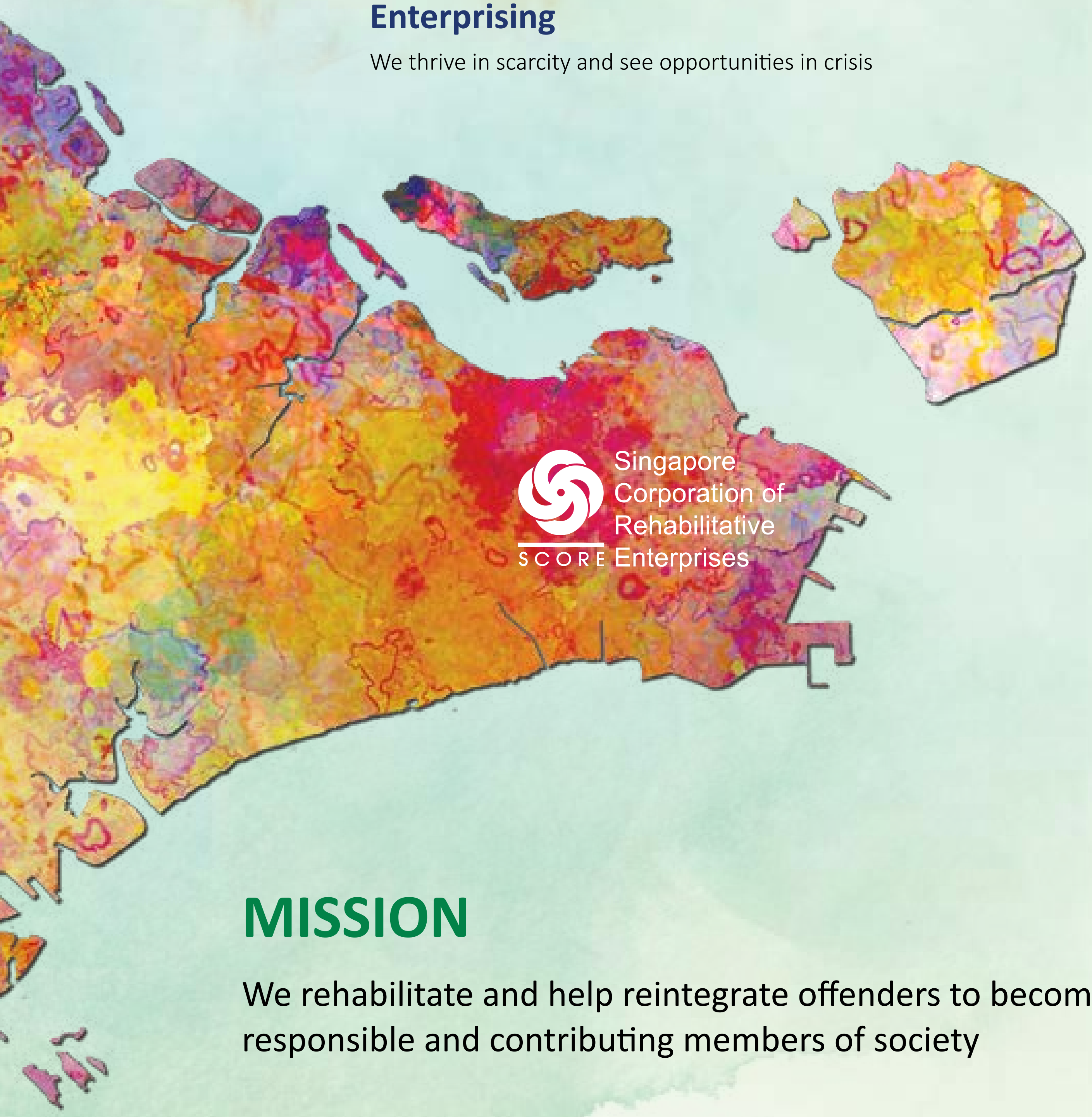
We work as a team

People-Oriented

We serve others to the best of our ability

Enterprising

We thrive in scarcity and see opportunities in crisis



MISSION

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

Rebuilding lives of ex-offenders by helping them enhance their employability potential

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 jobs more suited to their personalities and skills. Beyond that, we continue to empower ex-offenders through job 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.

Contents

Chairman's Message

MR CHNG HWEE HONG

Forty Years and Beyond

In the 40 years since the establishment of SCORE in 1976, through all the changes in the aftercare and employment landscape, SCORE has kept pace and evolved itself progressively to remain relevant in serving the skills training and employment needs of ex-offenders.

As we celebrated our 40th anniversary in 2016, besides reflecting on our milestones and achievements, we have set our sights on the future by initiating bold projects that would transform the way SCORE helps ex-offenders and engages our partners in the next few years.

Delivering On Our Mandate

Our focus is on our mandate and we remain steadfastly committed to rebuilding lives of ex-offenders by helping them enhance their employability potential.

We know that employment is a critical element to an ex-offender's successful reintegration. Every one of us in SCORE is driven by this belief, and SCORE is dedicated to implementing impactful programmes and services that will empower ex-offenders to upskill themselves and get employed.

In 2016, the percentage of inmates who were assisted by SCORE to secure jobs before their release remains high at 96% and we continue to enjoy strong support from employers as the number of employers registered with us crossed the 5,000 mark.

> *SCORE is dedicated to implementing impactful programmes and services that will empower ex-offenders to upskill themselves and get employed.*

We also introduced a profiling tool in 2016 to assess ex-offenders' aptitude to work in the F&B and Hospitality sectors. This has helped to match the ex-offenders with jobs that closely fit their skills and personality traits. A better job match helps ex-offenders to adapt better to work and stay gainfully employed. The ex-offenders would also gain a deeper understanding of their strengths and areas to improve on. At the same time, employers are more assured in their hiring decisions.

In 2017, we will introduce new Workforce Skills Qualifications (WSQ) courses that will further enhance the employability of ex-offenders. With more employers adopting technology in their work processes, and recognising the industry trend of the use of tablets at the workplace, SCORE will be introducing a new course in its pre-release training curriculum for inmates to familiarise themselves with tablets and learn how to perform simple workplace functions using tablets.

We are also aware that getting a job for ex-offenders is only the first step. Only sustained employment can bring about stability, progress and hope to their lives. To better understand how we can help ex-offenders remained employed, we will be collaborating with the Singapore Prison Service (SPS) on a data analytics project to identify the predictive factors for job retention. This will help SCORE to better target the relevant factors for the different inmate profiles.

Spreading Our Wings

To provide aftercare support to ex-offenders, SCORE has set up a wholly-owned subsidiary, YR Industries Pte Ltd (YRI). In November 2016, YRI operationalised our external laundry in the community, which mirrors and complements the laundry operating within prisons, to provide transitional employment for ex-offenders. At least 30% of the staff working at YRI are ex-offenders.

In 2016, YRI also stepped up the planning for the Selarang Halfway House (SHWH) operations in preparation to receive the first batch of residents in Jan 2017. The SHWH will provide structured aftercare support for eligible ex-offenders who are liable for the Mandatory Aftercare Scheme.

Our calls for the 'unlocking of the second prison' through the Yellow Ribbon Project spread beyond our shores and inspired our counterparts in the Czech Republic to organise their own Yellow Ribbon Run in May 2016 as part of the prestigious Prague International Marathon.

Chairman's Message (Cont'd)

SCORE and SPS were honoured to be invited to be part of this momentous occasion. This is a testimony that the message of giving second chances and acceptance of ex-offenders transcends geographical and cultural boundaries.

Galvanising The Community

The community plays an important part in the reintegration journey of ex-offenders. In 2016, SCORE worked with SPS and 8 halfway houses to develop the Halfway House Service Model (HSM) 3.0, to strengthen halfway houses' capabilities in delivering programmes to their residents. The co-creation process of the HSM 3.0 also brought about a deeper understanding between SCORE, SPS and the halfway houses.

As the CARE Network (CN) Secretariat, SCORE facilitated the renewal of CN's strategic directions in 2016, and established three longterm desired outcomes of (i) Collective Responsibility in Reducing Recidivism, (ii) Prevent Inter-Generational Offending, and (iii) A Network of Professional Aftercare Workers. The renewed strategic directions point the CN members to a common strategic focus in the rehabilitation and reintegration work ahead.

Recognising the importance of looking after the needs of the children of ex-offenders, SCORE and other CN partners jointly conceptualised a two-year pilot CN Children Support Programme for children of ex-offenders who are between 3 to 12 years old. The programme involves multiple agencies, from CN members to grassroots organisations and Family Service Centres (FSC), to provide a holistic system-level intervention.

Gearing Up For The Future

As we set our sights on the future, we saw the need to renew SCORE's branding to support our transformation ahead. In June 2016, we embarked on a branding project to define our brand proposition. Through extensive engagement with our stakeholders, we crystallised SCORE's brand proposition as 'Rebuilding lives of ex-offenders by helping them enhance their employability potential'. The new brand proposition will guide our transformation and communication efforts ahead.

SCORE's work programme administered in the workshops within prisons is an important strategy to enhance the employability of inmates. SCORE has undertaken a review of the operations and processes of the workshops and conceptualised a framework for Rehabilitative-

As we set our sights into the future, we saw the need to renew SCORE's branding to support our transformation ahead.

Focused Workshops (RFW) to revolutionise the way the way workshops are run. Under the RFW concept, inmates will be channelled into differentiated tracks based on their profiles and supported with relevant vocational training and performance coaching during the work programme. Through these, workplace behavioural skills will also be reinforced to help inmates transit smoothly to their future workplace.

SCORE also re-engineered its business processes and upgraded its Enterprise Resource Planning system to enhance productivity. A new intranet portal was also launched to enhance knowledge management and facilitate staff engagement.

Acknowledgement

I would like to extend my deepest appreciation to Ms Goh Soon Poh and Mr Soh Wai Wah for their respective contributions as Deputy Chairman and member of the SCORE Board. They have provided invaluable contribution and support during their tenure. SCORE has benefitted greatly from their support and the ensuing stronger partnership with the Ministry of Home Affairs (MHA) and the Singapore Prison Service.

I would also like to to welcome Mr Puah Kok Keong, Deputy Secretary (Policy) of the Ministry of Home Affairs, and Mr Desmond Chin, Commissioner of Prisons, to the SCORE Board as Deputy Chairman and member respectively. Mr Puah brings with him diverse experience and knowledge, having undertaken various portfolios in the public service. Mr Chin is no stranger to SCORE, having served as its CEO from 2005 to 2010. I am sure that they will bring fresh perspectives to the board.

SCORE's transformation journey ahead will be challenging, but at the same time, it holds many exciting opportunities. I am confident that with the passion and dedication of SCORE management and staff, we will continue to inspire more partners to join hands with us to rebuild the lives of ex-offenders.

CHNG HWEE HONG
Chairman
Singapore Corporation of Rehabilitative Enterprises

Our Leadership

Board of Directors (As of 1 Apr 2017)

Mr Chng Hwee Hong
Chairman
Independent Director
United Overseas Insurance Ltd

Mr Puah Kok Keong
Deputy Chairman
Deputy Secretary (Policy)
Ministry of Home Affairs

Mr Abdul Rohim Bin Sarip
Member
Lawyer & Managing Partner
A. Rohim Noor Lila & Partners

Mr Chay Wai Chuen
Member
Singapore's Non-Resident Ambassador to the Slovak Republic, and Independent Non-Executive Director, Frasers Centrepoint Asset Management (Commercial) Ltd

Professor David Chan
Member
Director, Behavioural Sciences Institute, and Professor of Psychology, School of Social Sciences
Singapore Management University

Mr David Toh Seng Hong
Member
Partner
PricewaterhouseCoopers LLP
Singapore

Dr Kee Kirk Chin
Member
Chairman and CEO
Apex Healthcare Berhad

Ms Lien Siaou-Sze
Member
Senior Executive Coach
Mobley Group Pacific Ltd

Mr Ng Kok Siong
Member
Chief Corporate Development Officer
CapitaLand Limited

Mr Peter Ong
Member
Associate Editor, Lianhe Zaobao
Singapore Press Holdings

Ms Sharon Ang Ee Hsien
Member
Director, Sector Planning &
Development Division
Ministry of Social & Family
Development

Mr Desmond Chin
Member
Commissioner
Singapore Prison Service

Mr Thiagarajan s/o Subramaniam
Member
Director
Public Sector Industrial Relations
National Trades Union Congress

Mr Wan Shung Ming
Member
Director
Tin Sing Goldsmiths Pte Ltd

Mr Yeo Meng Hin
Member
Senior Vice President,
Human Resources Asia Pacific
DHL Global Forwarding Management
(Asia Pacific) Pte Ltd

Our Team

Management Team (As of 1 Apr 2017)

From left to right:

Reintegration & Aftercare Cluster

Ravi Subramanian
Senior Director, Reintegration & Aftercare

Koh Beng Hong
Director, CARE Network Office

Jason Ng
Director, Reintegration

Tan Yew Teck
Chief Audits & Risk Officer

Stanley Tang
Chief Executive Officer

Rehabilitative Enterprises Cluster

Rosanna Yam
Senior Director, Rehabilitative Enterprises

Paulin Chua
Director, Business Enterprise & Industry

Corporate Services Cluster

Loh Teck En
Senior Director, Corporate Services

Ng Gee Tiong
Director, Planning & Organisational Development

Alan Oh
Director, Finance & Administration

Our Team

Unit Heads (As of 1 Apr 2017)

Standing (L to R):

Chua Yi Qing
Senior Assistant Director (Logistics Management and Planning)

Wu Chenghui
Senior Assistant Director (Administration)

Kenny Lee
Internal Auditor (Safety & Risk Management)

Leslie Jin
Assistant Director (Community Engagement)

John Low
Assistant Director (Food Services)

Steven Lee
Senior Assistant Director (Finance)

Marc Chong
Assistant Director (Retention Support)

Seated (L to R):

Lina Lim
Internal Auditor (Audits & Compliance)

Lisa Tan
Senior Assistant Director (Human Resource)

Waida Jumaat
Senior Assistant Director (Food Services)

Nikole Xu
Assistant Director (Employer Engagement)

Puah Ping Hui
Senior Assistant Director (Business Outsourcing & Industrial Space Leasing)

Lee Geok Buay
Assistant Director (Finance)

Our Committees

(As of 1 Apr 2017)

Seated (L to R): Mr Abdul Rohim Bin Sarip, Dr Kee Kirk Chin (Chairperson), Mr David Toh Seng Hong

Standing (L to R): Mr Chiam Jia Fong, Mr Soh Tze Churn Jack

Not in picture: Ms Lynn Chng Lay Peng

Audit & Risk Management Committee

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

Seated (L to R): Mr Ethan Tan, Mr Yeo Meng Hin (Chairperson), Ms Sharon Ang Ee Hsien

Standing (L to R): Ms Shirlyn Ng Siok Har, Ms Mable Chan Kam Man, Mr Lim Kian Kok

Not in picture: Mr Chia Boon Cher

Establishment Committee

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

Our Committees

(As of 1 Apr 2017)

Industry & Development Committee

The Industry & Development Committee ensures that SCORE's work programmes are aligned to the changing needs of industries. It provides advice on all aspects of SCORE's industrial activities, from industry trends and developments to potential business opportunities.

Seated (L to R): Mr Abdul Rohim Bin Sarip, Mr Wan Shung Ming (Chairperson), Mr Ng Kok Siong

Standing (L to R): Mr Seah Boon Kheng Rodney, Mr Terrence Goh Leng Chuang, Ms Jannie Wan Peck Fong, Mr Khew Sin Khoon, Mr Tan Aik Hock

Not in picture: Ms Siti Suriani Bte Abdul Majid

Investment & Finance Committee

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

Seated (L to R): Mr David Toh Seng Hong, Mr Chay Wai Chuen (Chairperson), Ms Koh Chiao-Jian Felicia

Standing (L to R): Mr Khoo Tiam Hock Vernon, Mr Lau Tai San, Mr Hor Siew Fu

Not in picture: Mr Oh Wee Khoon

Seated (L to R): Ms Lee Kwai Sem, Mr Thiagarajan s/o Subramaniam (Chairperson), Mr Peter Ong

Standing (L to R): Mr Daniel Teo, Mr Dedar Singh Gill, Mr Gary Goh Choon Siah, Mr Siew Heng Kwok

Not in picture: Prof David Chan, Mdm Lien Siaou-Sze, Mr Chua Chim Kang, Mr Lim Fung Wan Colin

Rehabilitation Committee*

The Rehabilitation 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 SCORE could tap on to support its training programmes for inmates and render resources for the rehabilitation and reintegration of SHWH residents.

**Rehabilitation Committee was renamed from Training Committee as at 9 May 2016*

Seated (L to R): Ms Sharon Ang Ee Hsien, Mr Peter Ong (Chairperson), Ms Chew Lee Ching

Standing (L to R): Mr Jimmy Lee Keng Ann, Associate Professor Vincent Chua

Not in picture: Ms Josephine Gan

SPECIAL PROJECTS COMMITTEES

Branding Committee

The Branding Committee aims to strengthen SCORE's brand position so that it can better reach its stakeholders and forge stronger partnerships. To achieve this, it guides SCORE in formulating and implementing a comprehensive and sustainable brand strategy.

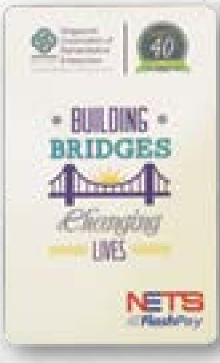
Celebrating SCORE's 40th Anniversary


BUILDING
BRIDGES
Changing
LIVES
NETS
FlashPay

Celebrating SCORE's 40th Anniversary

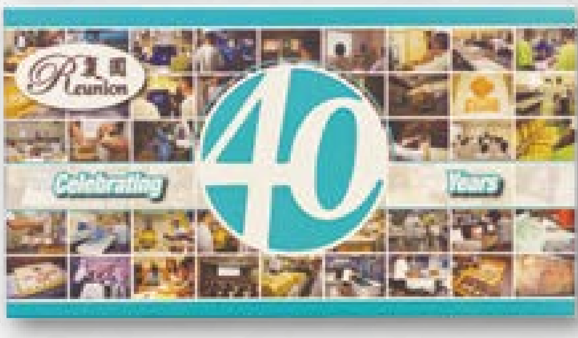
SCORE marked its 40th anniversary by reminiscing on its heritage in its corporate events and staff engagement efforts. The year-long campaign was launched with a logo competition where staff could submit their designs for the 40th anniversary logo. The winning design was then used in all the marketing communications for SCORE's 40th anniversary.

Through the campaign, SCORE reflected on its place in history, and how far it has come. It also outlined its long-term plans and aspirations for the future, inspiring staff and partners to look ahead confidently as we endeavor to create a greater impact on the lives of ex-offenders. A series of commemorative corporate collaterals were produced to celebrate the milestone. SCORE's heritage was also showcased and celebrated at events like SCORE Appreciation Awards and Staff Appreciation Night.



Corporate Collaterals

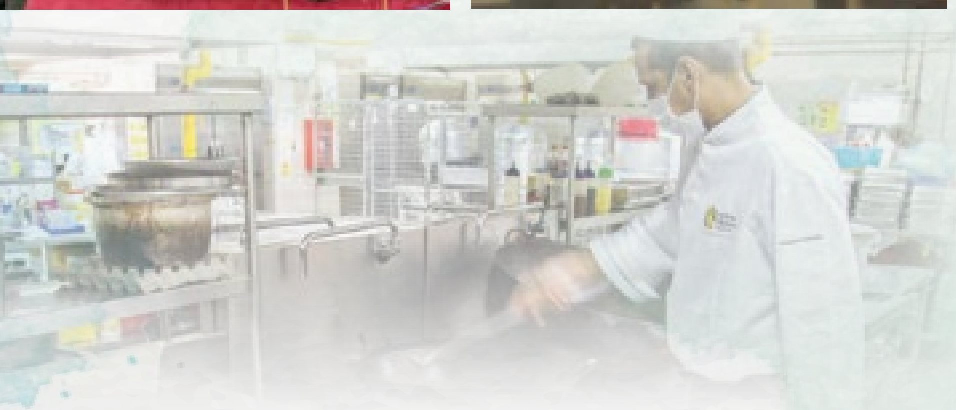
- Windbreaker
- Flashpay card
- Mooncake box



Celebrating SCORE's 40th Anniversary

Looking Beyond 40 Years

The operationalisation of YR Industries Pte Ltd (YRI) and the commencement of the operations of external laundry and SHWH are significant milestones in the transformation journey of SCORE. Basking in the energy generated from the 40th anniversary celebrations, SCORE undertook the branding exercise which sharpened its identity, proposition and aspirations. In the years to come, we invite our stakeholders to work with us to build a future with these exciting desired outcomes.



Enhancing Employability


SCORE Baker

Enhancing Employability

Work Programme

Work Programme for inmates is administered through commercially-run business units within prisons. It aims to cultivate positive work ethics, impart market-relevant skills, and develop teamwork and communication skills.

The Work Programme is implemented in 3 ways, namely through the Private Sector Participation Scheme, SCORE-managed industries and SCORE's subsidiary, YRI.

Private Sector Participation Scheme (PPS)

SCORE leases workshop spaces in prisons to the private sector under the PPS. These private firms set up factories within prisons and provide management and supervision, equipment and technical expertise while SCORE and SPS manage the offenders. These industries include food manufacturing, electronic assembly, post-print production and call centre operations. In 2016, PPS firms leased a total of 28 workshops.

SCORE-managed Industries

SCORE-managed industries currently occupy 22 workshops. The industries managed by SCORE include:

Food Services

SCORE Food Services manages the Central Kitchens in Cluster A, Cluster B and Admiralty West Prison. The unit also manages the Catering Kitchen and the Bakery.

The Central Kitchens provide meals for about 11,500 inmates and serve 23,000 meals daily. The Catering Kitchen provides external catering for corporate and private functions. All kitchens are awarded Grade 'A' by the National Environment Agency (NEA) until 2017 and Halal certification by the Majlis Ugama Islam Singapura (MUIS) until 2018.

SCORE Bakery, which is HACCP (Hazard Analysis Critical Control Points) certified, manufactures white and wholemeal sandwich loaves and artisanal products. As an Original Equipment Manufacturer (OEM), it supplies bakery products to external customers which include hospitals, airlines, restaurants and retail bakeries.

Business Outsourcing

SCORE works closely with local Small and Medium Enterprises (SMEs) to undertake sub-contracting jobs such as post-print production, data entry services, sub-assembly and quality inspection.

Changi Prison Complex (CPC) Warehouse and Print Workshop

SCORE manages two warehouses in CPC and provides inventory management and distribution services to institutional users. Warehouse items managed and distributed include inmates' essential items, canteen and other logistical items.

The Print Workshop prints inmates' attires for Cluster A, Cluster B and Changi Women's Prison. The workshop also expanded its printing coverage to Tanah Merah Prison in June 2016.

YR Industries Pte Ltd (YRI)

Operating from inside the Changi Prison Complex, the Laundry processes at maximum capacity of 48 tonnes daily and creates training opportunities for about 500 inmates at any one time.

The Laundry has been ISO 9001:2008 certified since 2010. It also abides by the Australian/New Zealand Standard Laundry Practice (AS/NZS 4146:2000) and local infection control standards.

Rehabilitative-Focused Workshops (RFW)

SCORE is working towards developing Rehabilitative-Focused Workshops (RFWs) under its work programme. In the incare phase, through RFWs, inmates will acquire behavioural and vocational skills to increase their employability potential. Besides building employability skills through performance coaching, work programme hubs will be set up to develop industry-driven trade skills according to the economy's needs. Key enablers which involve the setting up of realistic work environments as well as putting in place the right rewards and incentives would set the foundation for implementation. Upon release, ex-offenders who have gone through the work programme should be able to secure quality jobs and have better employment prospects. In the long run, these would contribute to lower recidivism rates.

Equipping Inmates with Skills

Equipping inmates with relevant skills is an important strategy of SCORE to enhance the employability of inmates.

The training offered to offenders is aligned to the Workforce Singapore's Workforce Skills Qualification (WSQ) framework. This alignment allows ex-offenders to pursue further skills upgrading under the WSQ framework upon their release.

Enhancing Employability

The courses that were provided to inmates in 2016 include:

Courses that inmates have undergone in 2016	
The Workplace Literacy (WPL)	WSQ Workplace Literacy Conversational (Beginner/Intermediate)
The Workplace Skills (WPS) Series - Operations Level	WSQ Develop Personal Effectiveness at Ops Level WSQ Communicate & Relate Effectively at the Workplace WSQ Maintain Personal Presentation and Employability WSQ Solve Problems & Make Decisions at Ops Level WSQ Apply Emotional Competence to Manage Self at the Workplace WSQ Adapt to Change
WSQ Certified Operations Specialist (COS)	WSQ Apply Quality Systems WSQ Apply Teamwork in the Workplace WSQ Apply Workplace Safety & Health Policy WSQ Apply 5S Techniques in Manufacturing
WSQ Certificate in Generic Manufacturing	WSQ Perform Warehouse Operations WSQ Perform Stock Control & Housekeeping Operations WSQ Use Hand Tools WSQ Operate Basic Measuring Devices WSQ Apply Quality Systems WSQ Apply Teamwork in the Workplace WSQ Apply Workplace Safety & Health Policy WSQ Apply 5S Techniques in Manufacturing
WSQ Certificate in Culinary Arts	WSQ Follow Food & Beverage Hygiene & Safety Policies & Procedures WSQ Maintain Quality Control Procedures WSQ Maintain Food & Beverage Production Environment WSQ Prepare Mise En Place 1 WSQ Maintain Safe and Secure Working Environment WSQ Demonstrate Basic Moist Heat Cooking Methods WSQ Demonstrate Basic Dry Heat Cooking Methods
WSQ Certificate in Food & Beverage Operations	WSQ Prepare & Serve Coffee & Tea WSQ Interact with and serve F&B to Guests WSQ Perform Hosting Duties WSQ Prepare for Service (Mise En Place) WSQ Follow Food & Beverage Hygiene & Safety Policies & Procedures WSQ Maintain F&B Service Environment WSQ Prepare Non-Alcoholic Beverages

Helping Inmates to Secure Jobs

The skills training for offenders are complemented by SCORE's placement services to ensure offenders are matched with the right jobs. As part of this process, SCORE conducts a series of assessments, profiling and job coaching to help the offenders understand the types of jobs suitable for them and appreciate the possible work challenges they could face at work. SCORE will then match these offenders with jobs, focusing on the job fit between their needs and the requirements of the jobs offered by employers. These employers are then invited to attend Placement Exercises held in prisons where face-to-face interviews are conducted.

Profiling Tool for a Better Job Match

A validated profiling tool was introduced in 2016 to assess ex-offenders' aptitude to work in the F&B and Hospitality sectors. This has helped to match the ex-offenders with jobs that closely fit their skills and personality traits. The ex-offenders would also gain a deeper understanding of their strengths and areas to improve on. A better job match can help ex-offenders to adapt to work and stay gainfully employed.

Enhancements to the Job Portal

The SCORE Job Portal went through an upgrade with a new interface to make it more user-friendly and secure for employers. The upgrade would also enable employers to provide more details about available job vacancies. This would help facilitate a better job match for jobseekers. The Job Portal will undergo further development to incorporate additional functions.

Further Skills Upgrading after Release

Recognising the need for ex-offenders to embrace continuous upgrading, SCORE works with employers to identify relevant skills that ex-offenders with good work performance can pursue to further enhance their skillset.

Enhancing Employability

SCORE Appreciation Awards

The SCORE Appreciation Awards Ceremony is an event organised to recognise the invaluable contribution of various partners who support SCORE in the rehabilitation and reintegration of ex-offenders.

Themed "Transforming Lives: 40 Years and Beyond", the SCORE Appreciation Awards 2016 saw 94 organisations and individuals recognised for their contributions in supporting the reintegration journey of ex-offenders.

Selected award winners and ex-offenders also shared their testimonies through an exhibition and video. These testimonies showcase how, given the appropriate support, ex-offenders can succeed if they are determined to change. It is hoped that this will also inspire many others to come forward to partner SCORE to help ex-offenders to return back to the community.

Approximately 300 invited guests, including employers, community partners, business partners and government agencies attended the event.

Together We Provide Opportunities for Ex-offenders to Grow

Here are two success stories of ex-offenders who have done well at work. Their achievements would not have been possible without the strong support of their employers – Nando's Chickenland Singapore Pte Ltd and RedMart Limited.

SCORE is glad to partner employers like Nando's and RedMart to give second chances to offenders.

Moon* is an ex-offender who is currently working at Nando's Chickenland Singapore Pte Ltd.

Initially emplaced with Nando's on the Work Release Scheme, Moon started out as a front-of-house staff where she was able to apply the communications skills training she received from SCORE during her time in prison.

At Nando's, Moon showed herself to be a great team-player who took initiative to help out in any way she could, even if it meant reporting to work to cover for a fellow colleague at the last minute.

Her hard work paid off when she was recognised for being a fast-learner and an independent worker. Moon was then rotated to the kitchen, where she had earlier expressed her desire to develop her culinary skills.

Moon has been a great addition to the Nando's family, and has been promoted since joining them over 1 year ago. As a Buddy Trainer, she now supervises the training of the other employees at her outlet. She intends to continue her journey with Nando's and to stay with them for the long-run.

**Fictitious name*

Enhancing Employability

Darren* served several years in prison, and was profiled to be a high risk offender. Determined to turn over a new leaf, he attended various skills training to develop his employability and logistics skills during his incarceration.

Prior to his release, Darren went for SCORE's placement exercise, and secured a job at RedMart Limited as a warehouse associate. As a warehouse associate, he was tasked to keep stock of RedMart's inventory.

Not yet up to speed with rapid technological advancement, Darren took a longer period of time to manage the inventory's data collection with the hand-held scanning device and system. However, Darren persevered to familiarise himself with the scanner and the system, and was able to get past the technological hurdle.

Besides his determination to accomplish his tasks to the best of his abilities, RedMart also recognised Darren's positive work attitude, and acknowledged that he was a responsible and dependable worker.

As a result of his good performance, Desmond has been promoted to Senior Warehouse Associate, and is currently undergoing training to eventually assume the role of a Supervisor.

*Fictitious name

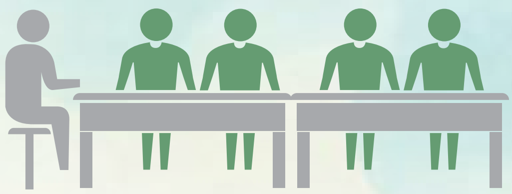
PERFORMANCE HIGHLIGHTS

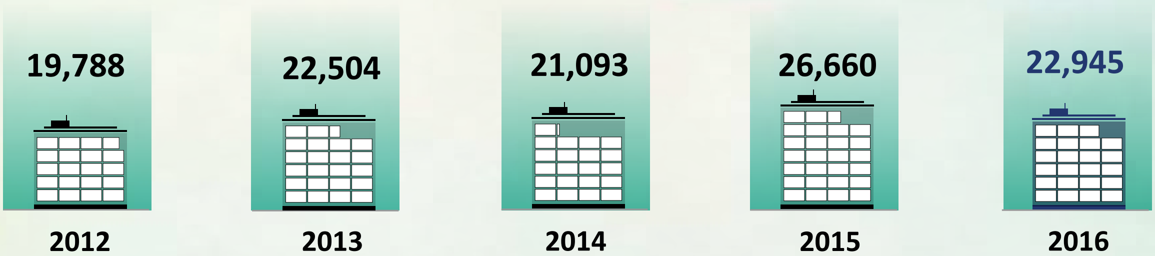
No. of Inmates Trained*

Note: = 1,000

**While the number of inmates trained has dropped, the total number of training places offered has increased. This means that each inmate was put through a higher number of courses.*

No. of training places taken up by inmates



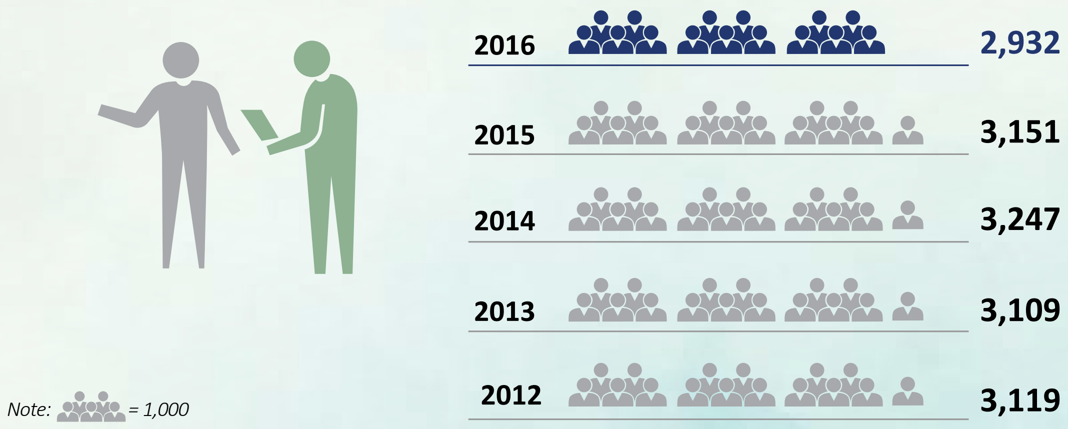


Note: = 1,000

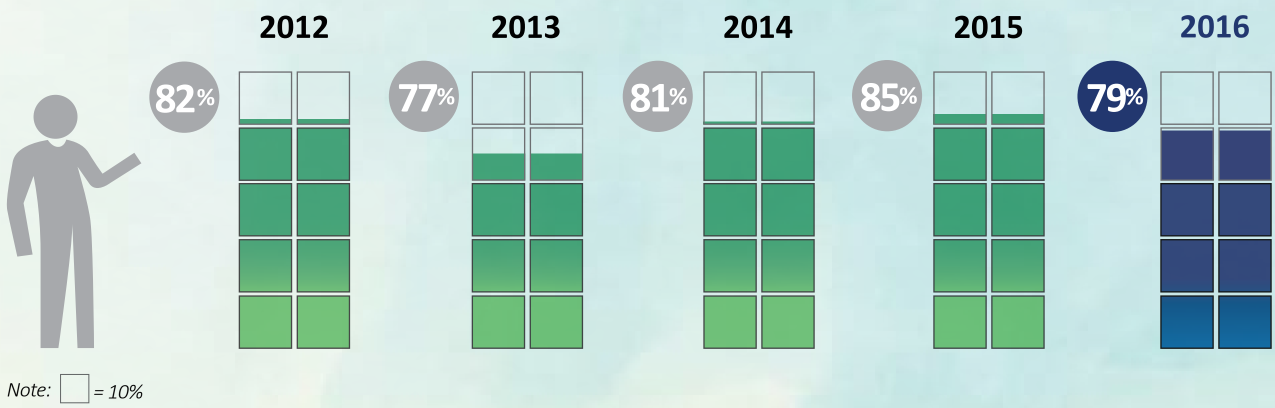
Enhancing Employability

PERFORMANCE HIGHLIGHTS

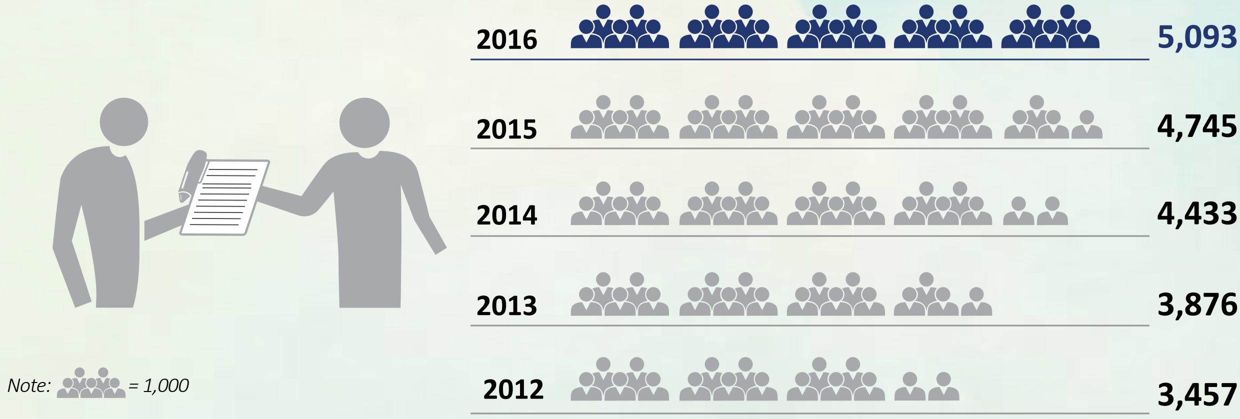
No. of eligible inmates engaged in work programme daily



Percentage of eligible inmates engaged in work programmes

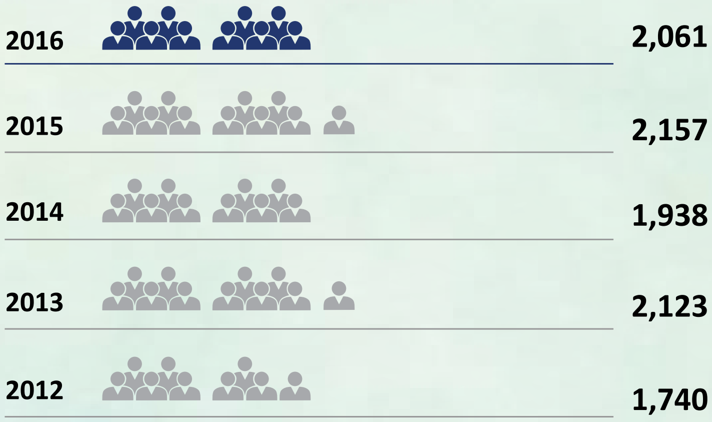


No. of employers registered



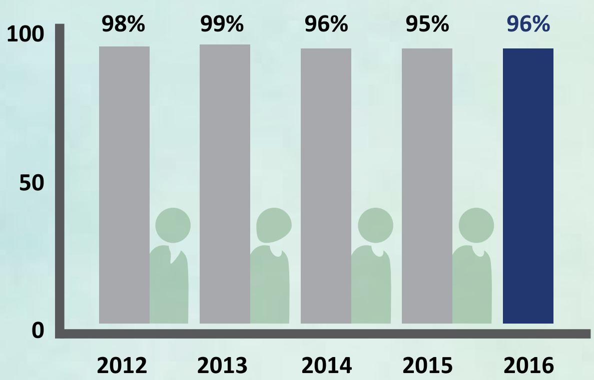
PERFORMANCE HIGHLIGHTS

No. of inmates assisted with employment before release

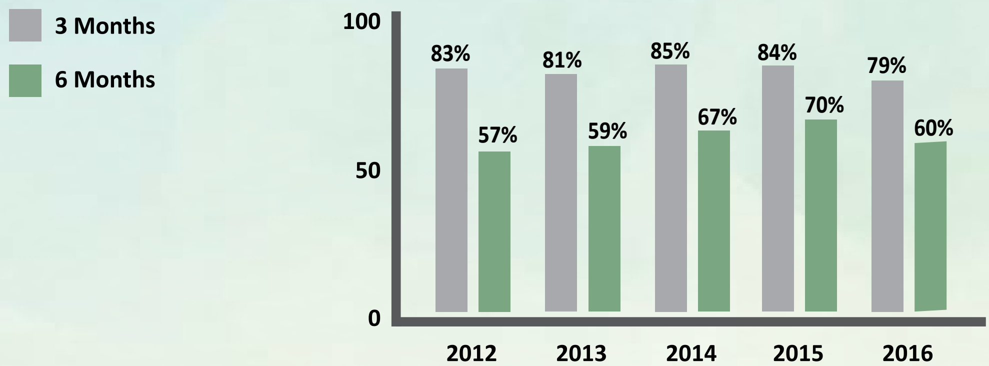


Note: = 1,000

Percentage of inmates securing jobs before release



Job Retention



Engaging the Community


WE RUN AS
ONE TEAM
Guest-of-Honour:
YELLOW RIBBON FUND
ONE HUNDRED TWENTY-THREE THOUSAND
SIX HUNDRED AND TEN DOLLARS ONLY
S$ 123,610.00
SCORE APPRECIATION
OFFICIAL TIMEKEEPER :
SEIKO

Engaging the Community

Advocating Second Chances

In 2016, the Yellow Ribbon Project (YRP) took an extended step as part of its outreach stratagem to engage the man on the street. This wider approach resulted in a series of new engagements for the year and the opportunity to induct new partners. Engagement activities were brought closer to the heartlands, schools and workplaces to encourage more public participation. Through the new approach, the YRP seeks to create a more inclusive community, one that will lead to a safer and more secure Singapore.

We Run As A Team — Yellow Ribbon Prison Run (YRPR) 2016

As the signature activity for the campaign, the event outreached to a wider audience by evolving the 6km fun run into a 5km fun walk that saw more than 4,000 participants and 40% new participants[1]. The new walk provided participants a less strenuous option and allowed the YRP to reach out to even more people who wished to pledge their support for Yellow Ribbon through the activity. As a result, the activity saw a total of 9,000 participants crossing the finishing line, showing their collective support for the cause.

As part of the 'Run for Second Chances' Movement, 16 advocates in teams of four came forward to take the lead on this fundraising and awareness initiative. Each participating team was formed by an ex-offender and 3 others who played a critical role in his or her reintegration journey. A total of 13 organisations raised a total of $123,670 for the Yellow Ribbon Fund in support of this movement. The movement illustrated the many helping hands from employers, colleagues, families, friends, officers and volunteers who played their part in supporting the ex-offenders in their reintegration journey.

Ripple Effects in the Czech Republic

Singapore's YRPR inspired the central European nation of the Czech Republic to also organise a Yellow Ribbon Run as part of the prestigious Prague International Marathon. As one of the top

[1]The percentage increase is based on figure comparison with the number of YRPR participants in 2015.

few running events in Europe, the Yellow Ribbon Run in Prague was organised by a consortium of like-minded organisations led by the Prison Service of the Czech Republic. The event organisers rallied organisations and the man on the street to support the Yellow Ribbon campaign and to build an inclusive society.

Enhancing Rehabilitation through Music

Music is a universal language that expresses feelings and thoughts, and a tool to help inmates to express their hopes and aspirations. Jointly organised with the Composers and Authors Society of Singapore (COMPASS) for the third year, the Yellow Ribbon Song Writing Competition allowed inmates to take their first step towards the local music industry.

From Night to Light – Yellow Ribbon Community Art Exhibition

Some 42 inmates stepped up to the challenge to display their best works this year for the first time as part of the Singapore Night Festival. The participation in the widely anticipated festival saw an all-time high attendance of 21,000 at the exhibition over 2 weeks. Soaking in the theme, inmates presented their works through the theme of 'From Night to Light' as part of their hopes to overcome their dark times through the glimmer of hope offered by their loved ones. This event is led by the Singapore Art Museum (SAM) curators and 2 YRP volunteers, Kim Whye Kee and Barry Yeow who were both ex-offender artists from the Visual Arts Hub[2]. They provided the inmates with technical guidance, creative consultations on their artworks and pushed them beyond their limits.

[2]Visual Arts Hub, an art workshop setup inside Changi Prison Complex as part of the art rehabilitation training for inmates.

Engaging the Community

Yellow Ribbon Hope Exhibition

Reaching out to the heartlands, the YRP created a series of exhibitions and roadshows throughout the year to engage the man on the street near their residential areas. The interactive exhibition allowed residents living in the area to be educated on the reintegration issues faced by ex-offenders and the importance of helping ex-offenders and their families in their reintegration. The exhibition featured an immersive experience such as a mock-up prison cell and the SCORE Bakery.

Community Leadership among Singapore Youths

Inspired by the messaging of the campaign, a group of spirited youths came together and invested time for a good cause while waiting for entry into university. As leaders of tomorrow, these YRP advocates recognised the importance of inculcating the message of not stigmatising ex-offenders, giving them equal opportunities and offering second chances.

The youth-led project, 'Non Guidicare' which also means 'Don't Judge' in Italian, was hosted by Timbre, a SCORE employer, at their venue, The Barber Shop. This collaboration of like-minded people coming from all walks of life for a good cause exemplifies a movement by the community, for the community. Mr Danny Loong, Co-founder of Timbre and three ex-offenders came together to share their story on how second chances had changed their lives to encourage more people in the community to support the Yellow Ribbon cause.

Strengthening Partnerships within the CARE Network[3]

The CARE Network has renewed its strategic directions in line with national priorities. Three long-term desired outcomes have been articulated, as follows:

a. Collective Responsibility in Reducing Recidivism;

b. Preventing Inter-generational Offending; and

c. A Network of Professional Aftercare Workers.

Collective Responsibility in Reducing Recidivism

The CARE Network reviewed the various interventions in the aftercare sector against the Risk-Need-Responsivity (RNR) model to maximise efforts in reducing recidivism. For example, CARE Network will partner with Workforce Singapore (WSG) to provide comprehensive employment assistance support to help ex-offenders remain gainfully employed. Data-driven and evidence-based approaches will also be undertaken.

In addition, a mapping exercise was conducted to identify and address gaps to ensure better coordination of services. Key community engagement activities were also targeted at more specific groups, such as workplaces, heartland communities and schools.

Prevent Inter-generational Offending

In 2016, the CARE Network collaborated with Singapore After-Care Association and the Chua Thian Poh Community Leadership Programme from the National University of Singapore to

[3]The Community Action for the Rehabilitation of Ex-Offenders (CARE) Network was formed in 2000 to improve the effectiveness of rehabilitation of ex-offenders in Singapore. The CARE Network engages the community in rehabilitation, co-ordinates member agencies' activities and develops innovative rehabilitation initiatives for ex-offenders.

Engaging the Community

conduct local studies to examine effects of parental incarceration on children and inter-generational offending in Singapore. In line with this desired outcome, the CARE Network Workplan Seminar was held on 12 May 2016 for about 300 aftercare workers and partners. The theme of the seminar was 'Building Their Tomorrow, Today' and focused on strengthening families and reducing inter-generational offending. Two CARE Network learning platforms, the CARE Network Learning Journey and Throughcare Learn and Bond, were also integrated to focus on reducing inter-generational offending in 2016.

CARE Network Children Support Programme

Based on feedback gathered and extensive discussions with VWOs, the CARE Network has managed to obtain consensus that there should be collaboration among the various VWOs and other agencies to coordinate efforts targeted to meet the needs of offenders' children. Hence, a two-year CARE Network Children Support Programme has been conceptualised for the children of offenders between the ages of 3 to 12 years. This will involve a system-level intervention with participation of multiple agencies, such as CARE Network partners, grassroots volunteers and Family Service Centres. The agencies involved have agreed to work together in the following manner to support three key components for the programme:

a. Seamless Referral Process

b. Case Management Services

c. Programmes
   i. Mentorship Programme
   ii. Bonding and Enrichment Activities
   iii. Tuition and Education Support
   iv. Parenting Skills Workshop and Support Groups

Yellow Ribbon Fund

The Yellow Ribbon Fund (YRF) is about believing in a hope that can unlock new beginnings for our inmates, ex-offenders and their families, giving them a second chance to rebuild and restart their lives again. Established in June 2004, YRF provides funding support for the development, implementation of rehabilitation programmes and services for inmates, ex-offenders and their families.

In 2016, YRF made a record disbursement of $2mil to 22 programmes and services benefitting 3,351 ex-offenders and family members. The funds raised were primarily channelled towards programmes and services helping inmates and ex-offenders reconcile with their families, provide emergency fund, training and education, and other rehabilitative initiatives to support ex-offenders in their reintegration into society.

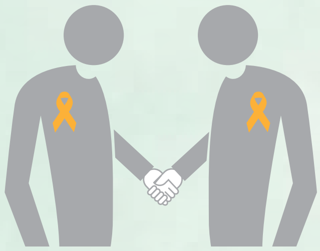
Yellow Ribbon Fund Research

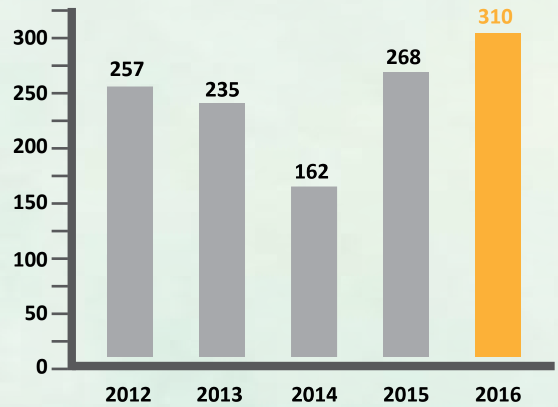
In 2016, YRF developed a research framework to define the work and desired social impact of YRF. The research project is undertaken by the National University of Singapore (NUS) and supported by the University of Southern California (USC). Through the research project, YRF will develop an evaluation checklist for funding proposals from aftercare agencies. YRF will also develop a cost-benefit framework and indicators to consider the cost effectiveness for future disbursement. The research project is target to be completed by end of 2018.

Engaging the Community

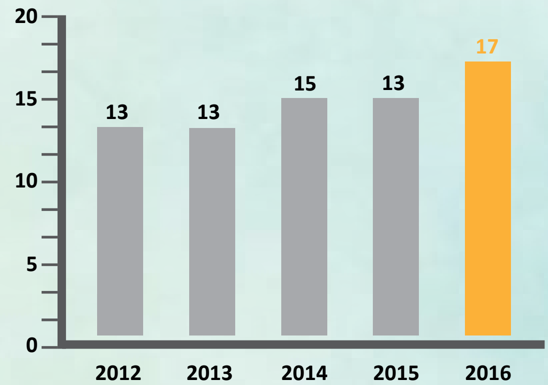
PERFORMANCE HIGHLIGHTS

No. of Community Partners Engaged

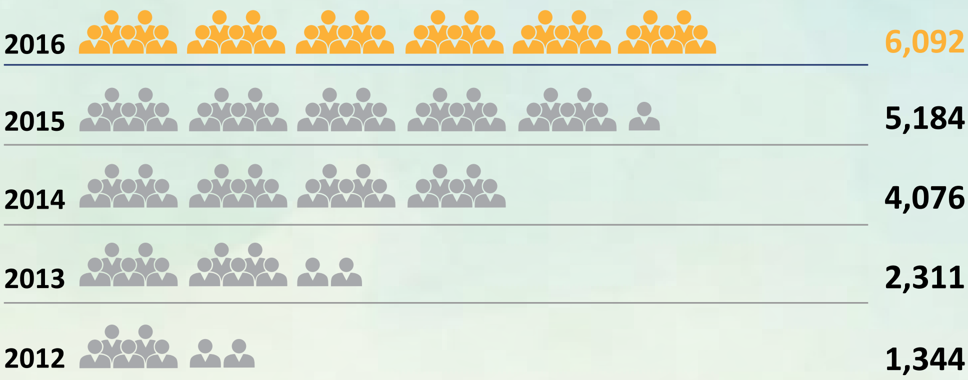




No. of Programmes funded by Yellow Ribbon Fund



No. of Beneficiaries of Yellow Ribbon Fund



Note: = 1,000

Amount raised by Yellow Ribbon Fund

(Figures are in terms of S$ millions)

2016	2.27m
2015	3.01m
2014	2.24m
2013	2.23m
2012	1.00m

Note: = 500,000

Amount disbursed by Yellow Ribbon Fund

(Figures are in terms of S$ millions)

2016	2.13m
2015	1.84m
2014	1.50m
2013	1.14m
2012	0.86m

Note: = 500,000

Providing Transitional Aftercare Support

Providing Transitional Aftercare Support

The operationalisation of YR Industries Pte Ltd (YRI), a wholly owned subsidiary of SCORE, on 1 July was significant as it provides new opportunities for SCORE. This new subsidiary will allow SCORE to further its cause in providing transitional employment and an effective aftercare environment for ex-offenders. Aligned with SCORE's mission to help ex-offenders reintegrate into society through employment, at least 30% of the employees in the linen division will be ex-offenders.

With effect from 1 July 2016, a total of 24 SCORE staff were seconded to YRI and the subsidiary took over the operations of the laundry in Changi Prison Complex. It then stepped up its effort to set up the external laundry to create the first mirror industries in the community to provide transitional employment.

External Laundry

The external laundry at 27 Loyang Way, which obtained its Temporary Occupation Permit in October 2016, started operations in November 2016 to complement the operational capabilities of the existing laundry in Changi Prison Complex and provide additional capacity to support the

growing healthcare and hospitals' needs. It also provides customers the assurance of YRI's capability to support them during contingencies.

Selarang Halfway House (SHWH)

Adopting a multi-pronged approach anchored upon relevant theories and evidenced-based practices, SHWH is a transitional residential step-down facility for selected ex-offenders who are liable for the Mandatory Aftercare Scheme (MAS). SHWH aims to provide appropriate supervision, and facilitate the gradual reintegration of its residents by easing their transition from prison to community. Through its regime and programmes, SHWH focuses on strengthening key reintegration factors such as accommodation, employment, family and social support, and pro-social leisure and recreation. SHWH hopes to prevent re-offending by developing relapse prevention plans with these ex-offenders in a realistic community setting.

The Implementation Agreement (IA) between SPS and SCORE for the management of SHWH commenced from 1 December 2016. Correspondingly, an agreement between SCORE and YRI was effected to appoint YRI as the operator of the SHWH.

Enhancing Organisational Excellence


STAFF APPRECIATION
APPRECIATION NIGHT 2016

Enhancing Organisational Excellence

Leveraging on Technology

Smart Solutions Committee

SCORE embarked on its latest operations-technology journey in 2015 when it became evident that technology would be a key lever to push forward its transformation.

The Smart Solutions Committee (SSC) was formed in August 2015 to provide ideas and perspectives on how technology could be used to improve SCORE's effectiveness and capabilities. Technology-related projects were then explored and their feasibility assessed. Amongst the ideas surfaced, the use of Radio Frequency Identification Devices (RFID) for linen tracking and the use of data analytics to develop insights into the design of reintegration programmes for ex-offenders would be implemented.

Enterprise Resource Planning

In late 2016, SCORE operationalised a next-generation Enterprise Resource Planning system with new capabilities. The new system supports the streamlining of business processes, centralised data management and customised reporting for greater efficiency.

Intranet System

SCORE has also implemented a new intranet portal to enhance internal communications and knowledge management. Besides the new look, the new system also provides new and interesting functions such as a discussion board, staff suggestion system and resource booking.

Branding

A branding exercise, which aims to strengthen SCORE's brand, was rolled out in 2016.

As part of the exercise, a brand perception audit was conducted with SCORE's various stakeholders. The perception audit provided valuable insights into the strengths and weaknesses of the SCORE brand and the gaps between the desired and current brand identity. A brand promise with its attributes has been developed.

With the inputs, SCORE Management would be working with a consultant to develop a brand strategy roadmap to guide the branding efforts of SCORE for the next few years.

Job Evaluation Exercise

In 2016, SCORE also completed the job evaluation exercise which included the job grading of 80 benchmark positions and job slotting of remaining non-benchmark positions at the correct job grades for both SCORE and YRI.

Collective Agreement with AUPE

A new Collective Agreement has been reached between SCORE and the Amalgamated Union of Public Employees (AUPE). The signing ceremony was presided by CEO SCORE and General Secretary, AUPE. The Agreement took effect on 7 November 2016 and shall remain in force for a period of 3 years until 6 November 2019. The new Collective Agreement expanded its previous representation and covered staff of up to substantive grade M6.

Enhancing Organisational Excellence

Learning & Development

Leadership Milestone Training

The learning focus for 2016 was on leadership. SCORE worked with the Civil Service College to identify the Leadership Milestone Training for SCORE to equip our officers with leadership competencies. The 3 programmes were Supervisory Management Practices (for Managers & Senior Managers), Leading from Middle Management (for Assistant Directors & Senior Assistant Directors) and Governance and Leadership Programme (for Directors & Senior Directors). Potential staff identified for supervisory and leadership positions were also sent for the relevant training programmes.

Design Thinking

A design thinking course was specially arranged to introduce the concept to staff. It explained and demonstrated the common elements in the design thinking approach, whilst situating it within a strategic innovation management context. Staff got to discuss the strategic issues when adopting design thinking and its usage as an approach to deliver strategic innovation and to support change management, service transformation and organisational efficiency.

Texcare International and Laundry Visits in Frankurt

Officers attended an overseas study trip to Texcare International in Frankfurt, Germany to learn about the latest innovations and technology in the global linen industry so that our laundry would be at the forefront of innovation to better serve our customers and to impart updated skills to inmates and ex-offenders. They also visited laundries in Frankfurt to understand and benchmark our linen processes to world market leaders so as to adopt the best practices and help YRI grow in the Singapore healthcare and hospitality laundry industry and to achieve better productivity and efficiency.

Residential Facilities in Hong Kong

Officers attended an overseas attachment study at Hong Kong Correctional Services Department (HKCSD) and Society of Rehabilitation and Crime Prevention (SRACP) to learn about the HWH operations, regime and programmes as it served as good reference to manage HWH operations. Learning and observations from the study trip enabled staff to better anticipate and plan to manage the daily HWH operations and regime, especially in managing residents with special needs. Insights gained from the HKCSD and SRACP's programmes also benefitted the planning of suitable programmes and activities that will be effective in addressing the reintegration needs/challenges that the HWH residents will be faced with. The officers also attended the Social Enterprise World Forum (SEWF) 2016 which provided insights on how social enterprises are managed by practitioners and agencies around the world.

Staff Engagement

Sports Day cum Earth Hour

To commemorate Earth Hour 2016, office lights and air-conditioning were switched off from late afternoon and staff participated in games of Captain's Ball and relay.

COVE Event with Beneficiary

SCORE Community Outreach, Volunteerism and Environment Committee (COVE) coordinated a "SCORE Clean Heart" event on 3 June 2016 at a beneficiary's home in Redhill Estate whereby 14 staff volunteered their time to clean and re-paint a needy family's house. Donations raised from staff was also used to buy essential items for 3 beneficiary families.

Staff Appreciation Night

Staff had a fun-filled evening at the annual Staff Appreciation Night through a talent-time competition. Chairman SCORE and senior management showed

their appreciation by serving the first dish for dinner. We also recognised our long serving staff where Long Service Awards and Special Appreciation Awards were presented at the ceremony.

Staff Awards and Recognition

Every year, the hard work and dedication of SCORE staff were recognised through various awards.

Enhancing Organisational Excellence

Award Listing 2016

Award	Recipient
HOPE Award	Choo Ru Yu Cheryl
HOPE Award	Goh Sok Meng Alvin
Special Commendation Award	Alvin Tan Aik Beng
Special Commendation Award	Roger Michael Boon
Special Commendation Award	Peh Beng Huat
Special Commendation Award	Huzair Hyder s/o Abdul Rahman
Special Commendation Award	Kuganathan A/L K. Narayanasamy
Special Commendation Award	Iu Wai Yee Fiona
Special Commendation Award	Lee Qian Wen, Shareen
Special Commendation Award	Wong Chin Yi
Special Commendation Award	Koh Xin Yue Karen
Special Commendation Award	Chang Kwang Poon David
Retirement Award	Tan Wee Thuan David
Esprit De Corp	Corporate Retreat 2016 Committee
National Day Award 2016 - Commendation Medal	Puah Ping Hui
National Day Award 2016 - Efficiency Medal	Chong Kok Loon Marc
National Day Award 2016 - Efficiency Medal	Muhammad Faiz Bin Abdul Kader
National Day Award 2016 - Long Service Medal	R Tamilchelvan s/o Ramachandran
National Day Award 2016 - Long Service Medal	Cher Choon Hing
National Day Award 2016 - Long Service Medal	Shamshulbahri Bin Ismail
Minister for Home Affairs' National Day Award (Individual)	Chen Yingli
Minister for Home Affairs' Home Team Achievement Award	HT SG50 Working Committee
Long Service Award	Lim Leong Kiat
Long Service Award	Oh Sy Woei Alan
Long Service Award	Paulin Chua Cheok Hwee
Long Service Award	Kannan s/o Sangalam
Long Service Award	Seet Kok Tong

Award Listing 2016

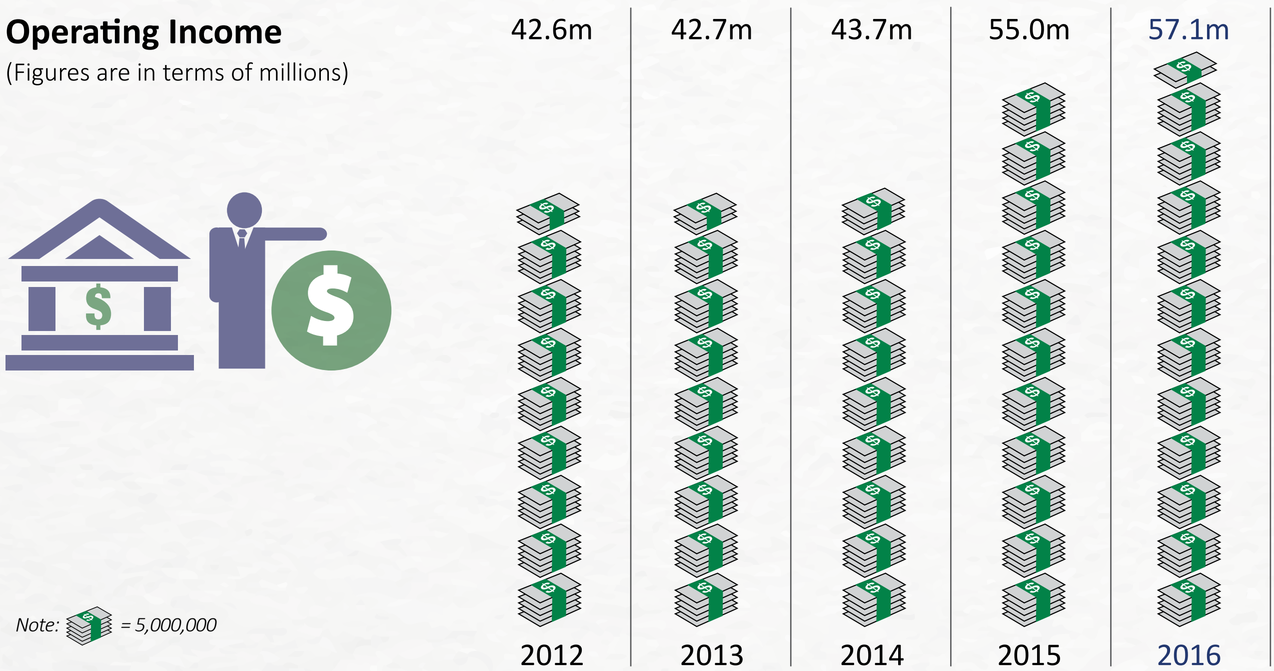
Award	Recipient
Long Service Award	Teng Hak Meng
Long Service Award	Joseph Lee Eng Hao
Long Service Award	Ng Wei Wei
Long Service Award	Chua Ah Siew Abby
Long Service Award	Soh Sin Yee Alicia
Long Service Award	Shahidah Binte Muhammad Sharif
Long Service Award	Choo Wei Jian
Long Service Award	Muhammad Zhuhri Bin Mohamed Jambari
Long Service Award	Rohaizah Binte Haron
Long Service Award	Siaw Yoke Har Jaz
Long Service Award	Toh Wee Leong Elric
Long Service Award	Radharamanan Manivannan
Long Service Award	Lim Poon Chong Jason
Long Service Award	Seah Choon Huat Marc
Long Service Award	Chua Yi Qing
Long Service Award	Cai Chengji
Long Service Award	Lim Chee Peng Timothy
Long Service Award	Peh Beng Huat
Long Service Award	Najimunnisa Bte Shahabuddin
Long Service Award	Cher Choon Hing
Long Service Award	Chan Poh Chee Pauline
Long Service Award	Tan Lai Beng
Long Service Award	Lee Geok Buay
Long Service Award	Ong Chwee Seng
Special Appreciation Award	Low Cheong Yee
Special Appreciation Award	Poo Ah Ee
Special Appreciation Award	Wong Kwai Chong
Special Appreciation Award	Ong Hock Kin
Special Appreciation Award	Koh Kim Hock Francis

Ensuring Sustainable Funding

	2012	2013	2014	2015	2016
Operating Income	42.6m	42.7m	43.7m	55.0m	57.1m
Overall Surplus / Deficit	-1.35m	-1.27m	0.38m	5.28m	3.62m

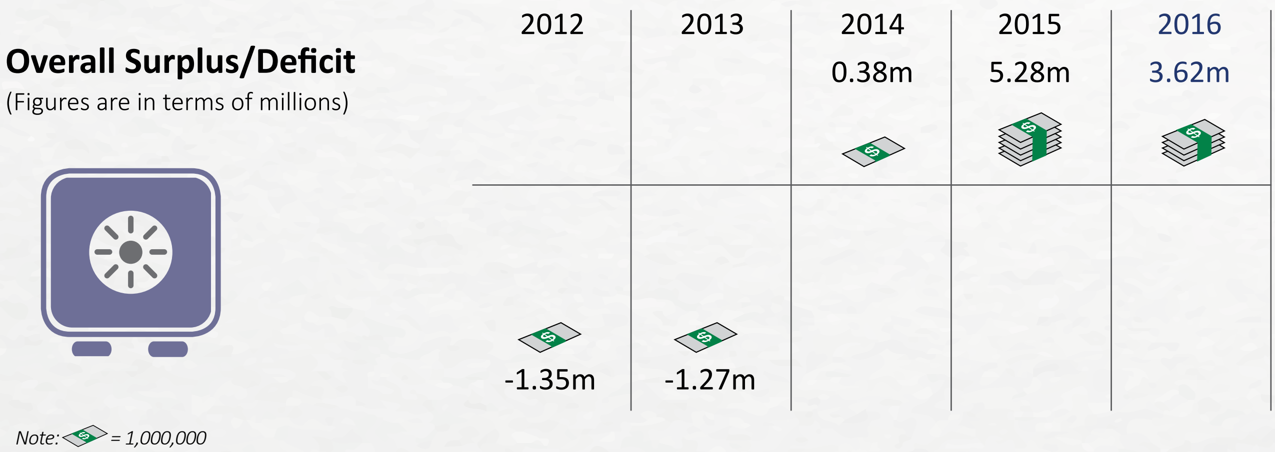
Operating Income

(Figures are in terms of millions)



Overall Surplus/Deficit

(Figures are in terms of millions)



SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENT BY THE BOARD AND FINANCIAL STATEMENTS
Financial year ended 31 December 2016

Financial Statements

KONG, LIM & PARTNERS LLP
CHARTERED ACCOUNTANTS
Associated worldwide with JHI
13A MacKenzie Road Singapore 228676
Tel: 6227 4180 Fax: 6324 0213

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SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENT BY THE BOARD
For the financial year ended 31 December 2016

In our opinion,

(a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Singapore Corporation of Rehabilitative Enterprises (the “Corporation”) are drawn up so as to give a true and fair view of the financial position of the Group and of the Corporation as at **31 December 2016** and the financial performance and changes in equity of the Group and of the Corporation and cash flows of the Group for the year ended on that date;

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

(c) the financial statements are prepared on a basis similar to that adopted for the preceding year;

(d) the financial statements are in agreement with the accounting and other records; and

(e) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the financial year are, in all material respects, in accordance with the provisions of the Act.

On behalf of the Board

Chng Hwee Hong
Chairman

Kee Kirk Chin (Dr)
Chairperson
Audit & Risk Management Committee

Singapore

Date: 18 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN OF SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES

(Established under the Singapore Corporation of Rehabilitative Enterprises Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Corporation of Rehabilitative Enterprises (the "Corporation") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year of the Group and the statement of comprehensive income and statement of changes in equity of the Board for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Singapore Corporation of Rehabilitative Enterprises Act, Chapter 298 (the Act) and Singapore Statutory Board Financial Reporting Standards ("SB-FRSs") so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 December 2016 and of the financial performance, changes in equity of the Group and Corporation and cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Board set out on page 1.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN OF SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES

(Established under the Singapore Corporation of Rehabilitative Enterprises Act)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Corporation or for the Corporation to cease operations.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit period. 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 and the Corporation's internal control.

- 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 CHAIRMAN OF SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES

(Established under the Singapore Corporation of Rehabilitative Enterprises Act)

Auditor's Responsibility for the Audit of the Financial Statements (continued)

- 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.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

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

(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;

(c) the financial statements are prepared on a basis similar to that adopted for the preceding year; and

(d) the financial statements are in agreement with the accounting and other records.

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN OF SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES

(Established under the Singapore Corporation of Rehabilitative Enterprises Act)

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibilities for the Compliance Audit

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

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

KONG, LIM & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 18 May 2017

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	Group 2016 S$	Group 2015 As restated S$	Corporation 2016 S$	Corporation 2015 As restated S$
Operating income					
Funding from strategic partner		3,737,022	4,804,238	3,737,022	4,804,238
Leasing income	5	3,538,669	3,478,073	3,538,669	3,478,073
Miscellaneous		223,642	14,844	58,715	1,044
Sales of goods		2,758,575	3,426,782	2,758,575	3,426,781
Sales of services		42,160,897	37,759,596	35,077,600	37,759,596
Sponsorship from strategic partners		4,723,161	5,551,040	4,723,161	5,551,040
		57,141,966	55,034,573	49,893,742	55,020,772
Less: Operating expenditure		53,597,116	49,824,084	46,506,229	49,450,467
Surplus from operations		3,544,850	5,210,489	3,387,513	5,570,305
Non-operating income					
Gain on disposal of property, plant and equipment		160	3,100	160	3,100
Income from investments	6	486,782	611,947	486,782	611,947
Interest income from bank deposits		86,790	63,288	86,790	63,288
Interest from loans		-	-	130,455	-
		573,732	678,335	704,187	678,335
Less: Non-operating expenses					
Amortisation of investment in bonds		51,383	68,368	51,383	68,368
Consultancy fees (project)		446,888	537,686	42,422	207,669
		498,271	606,054	93,805	276,037
Surplus from non-operations		75,461	72,281	610,382	402,298
Surplus for the year		3,620,311	5,282,770	3,997,895	5,972,603
Other comprehensive (loss)/income					
Items that may be reclassified subsequently to profit and loss					
Fair value loss on available-for-sale financial assets		(163,501)	(13,591)	(163,501)	(13,591)
		(163,501)	(13,591)	(163,501)	(13,591)
Total comprehensive income for the year		3,456,810	5,269,179	3,834,394	5,959,012

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENTS OF OPERATING EXPENDITURE

For the year ended 31 December 2016

		Group		Corporation	
	Note	2016	2015 As restated	2016	2015 As restated
		S$	S$	S$	S$
Advertising		225,714	103,890	225,714	93,747
Audit fees		72,167	71,835	68,987	71,550
Board members' allowance		161,250	161,250	161,250	161,250
Depreciation of property, plant and equipment		1,037,114	1,628,383	753,098	1,628,383
Distribution costs		5,157,913	3,715,541	4,623,747	3,715,541
Finance cost		227,043	172,054	161,339	143,533
General office expenses		3,352,625	2,606,726	3,161,091	2,603,879
Grant, contributions and donations		10,300	3,000	9,700	3,000
Inmates earnings		2,354,041	2,446,510	1,895,286	2,446,510
Inmates training costs		3,412,561	4,950,488	3,412,561	4,950,488
Local transport		121,193	89,696	110,691	89,696
Maintenance of office and workshop		1,380,358	1,279,811	1,112,133	1,279,811
Manpower costs	7	15,987,161	14,347,557	12,895,893	14,091,128
Material / production costs		16,070,806	13,913,164	15,232,003	13,913,164
Non-capitalised assets		104,482	-	52,885	-
Office rental		308,060	310,424	308,060	310,424
Official entertainment		19,961	13,548	19,961	13,548
Other operating expenses		195,943	748,044	120,478	673,410
Property, plant and equipment written off		14,579	3,961	14,579	3,961
Provision for linen loss		66,282	132,000	282	132,000
Staff development		228,953	296,550	213,451	296,550
Staff welfare		316,365	364,780	297,945	364,022
Utilities		2,772,245	2,464,872	1,655,095	2,464,872
		53,597,116	49,824,084	46,506,229	49,450,467

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	31 December 2016	31 December 2015 As restated	1 January 2015 As restated
		S$	S$	S$
Group				
Assets				
Current assets				
Fixed deposits		-	-	1,000,000
Cash and cash equivalents	8	3,903,530	3,457,945	1,134,491
Held-to-maturity financial assets	9	-	1,370,513	1,357,157
Trade and other receivables	10	18,993,746	17,074,924	12,640,511
Inventories	11	1,114,484	1,222,994	584,348
Other current assets	12	507,927	2,197,246	112,298
		24,519,687	25,323,622	16,828,805
Non-current assets				
Held-to-maturity financial assets	9	6,785,628	7,827,625	13,920,197
Available-for-sale financial assets	13	6,142,898	6,305,272	3,323,092
Property, plant and equipment	15	28,800,056	15,372,901	15,411,858
		41,728,582	29,505,798	32,655,147
Total assets		66,248,269	54,829,420	49,483,952
Equity and liabilities				
Current liabilities				
Trade and other payables	17	13,068,267	9,759,982	9,301,442
Equipment loans	18	3,715,221	-	-
Finance leases	19	164,834	-	-
Term loan	20	371,674	332,237	298,926
Provision for linen loss	21	168,093	132,000	132,000
		17,488,089	10,224,219	9,732,368
Non-current liabilities				
Finance leases	19	1,113,819	-	-
Term loan	20	6,893,671	7,309,321	7,724,882
		8,007,490	7,309,321	7,724,882
Total liabilities		25,495,579	17,533,540	17,457,250
Equity				
Capital account	22	1,662,262	1,662,262	1,662,262
Fair value reserve	23	35,500	199,001	212,592
Accumulated surplus		39,054,928	35,434,617	30,151,848
		40,752,690	37,295,880	32,026,702
Total equity and liabilities		66,248,269	54,829,420	49,483,952
Net assets of Yellow Ribbon Fund	26	4,587,344	5,215,359	4,437,086

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	31 December 2016 S$	31 December 2015 As restated S$	1 January 2015 As restated S$
Corporation				
Assets				
Current assets				
Fixed deposits		-	-	1,000,000
Cash and cash equivalents	8	2,012,890	3,058,875	725,524
Held-to-maturity financial assets	9	-	1,370,513	1,357,157
Trade and other receivables	10	13,975,799	17,074,924	12,640,511
Inventories	11	-	1,222,994	584,348
Other current assets	12	430,046	108,942	112,298
		16,418,735	22,836,248	16,419,838
Non-current assets				
Held-to-maturity financial assets	9	6,785,628	7,827,625	13,920,197
Available-for-sale financial assets	13	6,142,898	6,305,272	3,323,092
Investment in a subsidiary	14	17,100,307	500,000	500,000
Property, plant and equipment	15	11,402,823	15,372,901	15,411,858
Loans receivable from a subsidiary	16	-	2,000,000	-
		41,431,656	32,005,798	33,155,147
Total assets		57,850,391	54,842,046	49,574,985
Equity and liabilities				
Current liabilities				
Trade and other payables	17	8,568,895	8,988,824	9,298,525
Term loan	20	371,674	332,237	298,926
Provision for linen loss	21	102,093	132,000	132,000
		9,042,662	9,453,061	9,729,451
Non-current liabilities				
Term loan	20	6,893,671	7,309,321	7,724,882
		6,893,671	7,309,321	7,724,882
Total liabilities		15,936,333	16,762,382	17,454,333
Equity				
Capital account	22	1,662,262	1,662,262	1,662,262
Fair value reserve	23	35,500	199,001	212,592
Accumulated surplus		40,216,296	36,218,401	30,245,798
		41,914,058	38,079,664	32,120,652
Total equity and liabilities		57,850,391	54,842,046	49,574,985
Net assets of Yellow Ribbon Fund	26	4,587,344	5,215,359	4,437,086

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Capital account	Fair value reserve	Accumulated surplus	Total
	S$	S$	S$	S$
Group				
Balance as at 1 January 2015	1,662,262	212,592	27,645,131	29,519,985
Prior period adjustment (Note 4)	-	-	2,506,717	2,506,717
Balance as at 1 January 2015 as restated	1,662,262	212,592	30,151,848	32,026,702
Surplus for the year	-	-	2,317,583	2,317,583
Other comprehensive loss for the year	-	(13,591)	-	(13,591)
Total comprehensive (loss)/income for the year as previously reported	-	(13,591)	2,317,583	2,303,992
Prior period adjustment (Note 4)	-	-	2,965,186	2,965,186
Total comprehensive (loss)/income for the year as restated	-	(13,591)	5,282,769	5,269,178
Balance as at 31 December 2015 as restated	1,662,262	199,001	35,434,617	37,295,880
Surplus for the year	-	-	3,620,311	3,620,311
Other comprehensive loss for the year	-	(163,501)	-	(163,501)
Total comprehensive (loss)/income for the year	-	(163,501)	3,620,311	3,456,810
Balance as at 31 December 2016	1,662,262	35,500	39,054,928	40,752,690

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Capital account	Fair value reserve	Accumulated surplus	Total
	S$	S$	S$	S$
Corporation				
Balance as at 1 January 2015	1,662,262	212,592	27,739,081	29,613,935
Prior period adjustment (Note 4)	-	-	2,506,717	2,506,717
Balance as at 1 January 2015 as restated	1,662,262	212,592	30,245,798	32,120,652
Total comprehensive income for the year	-	-	3,007,417	3,007,417
Other comprehensive income for the year	-	(13,591)	-	(13,591)
Total comprehensive (loss)/income for the year as previously reported	-	(13,591)	3,007,417	2,993,826
Prior period adjustment (Note 4)			2,965,186	2,965,186
Total comprehensive (loss)/income for the year as restated	-	(13,591)	5,972,603	5,959,012
Balance as at 31 December 2015 as restated	1,662,262	199,001	36,218,401	38,079,664
Total comprehensive income for the year	-	-	3,997,895	3,997,895
Other comprehensive income for the year	-	(163,501)	-	(163,501)
Total comprehensive (loss)/income for the year	-	(163,501)	3,997,895	3,834,394
Balance as at 31 December 2016	1,662,262	35,500	40,216,296	41,914,058

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	2016	2015 As restated
	S$	S$
Cash flows from operating activities		
Surplus for the year	3,620,311	5,282,770
Adjustments for:		
Amortisation of bonds	51,383	68,368
Depreciation of property, plant and equipment	1,037,114	1,628,716
Gain on disposal of property, plant and equipment	(161)	(3,100)
Interest expense	227,043	-
Income from investments	(486,782)	(611,947)
Interest income from bank deposits	(86,796)	(63,288)
Property, plant and equipment written off	14,579	3,961
Provision for linen loss	36,093	132,000
Operating surplus before working capital changes	4,412,784	6,437,480
Changes in working capital:		
Trade and other receivables	(1,918,822)	(4,434,414)
Inventories	108,510	(638,646)
Other current assets	1,321,179	(2,084,948)
Trade and other payables	41,835	326,540
Net cash flows generated from/(used in) operating activities	3,965,486	(393,988)
Cash flows from investing activities		
Dividend income received	57,500	57,657
Interest income received	508,479	617,578
Proceeds from sale of property, plant and equipment	161	3,100
Proceeds from sale of held-to-maturity financial assets	2,360,000	3,015,077
Purchase of bonds and investments	-	-
Purchase of property, plant and equipment	(5,728,396)	(1,593,720)
Net cash flows (used in)/generated from investing activities	(2,802,256)	2,099,692
Cash flows from financing activities		
Interest paid	(227,043)	-
Repayment of equipment loans	(74,770)	-
Repayment of finance leases	(39,618)	-
Repayment of term loan	(376,214)	(382,250)
Withdrawal of fixed deposit	-	1,000,000
Net cash flows (used in)/generated from financing activities activities	(717,645)	617,750
Net increase in cash and cash equivalents	445,585	2,323,454
Cash and cash equivalents at the beginning of financial year	3,457,945	1,134,491
Cash and cash equivalents at the end of financial year (Note 8)	3,903,530	3,457,945

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

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

These notes form an integral part and should be read in conjunction with the accompanying financial statements.

1. General

Singapore Corporation of Rehabilitative Enterprises (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 407 Upper Changi Road North, 20km (within Prison HQ complex), Singapore 507658.

The Corporation 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 minister.

The principal activity of the Corporation is to rehabilitate and help reintegrate offenders to become responsible and contributing members of society. The principal activity of its subsidiary is set out in Note 14.

The consolidated financial statements relate to the Corporation and its subsidiary (together referred to as the "Group").

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Corporation have been prepared in accordance with the provisions of the Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298) and Statutory Board Financial Reporting Standards (SB-FRS).

SB-FRS includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS 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 are presented in Singapore Dollars (S$).

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial periods beginning on or after **1 January 2016**. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Corporation.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to SB-FRS 7 *Disclosure Initiative*	1 January 2017
SB-FRS 115 *Revenue from Contracts with Customers*	1 January 2018
SB-FRS 109 *Financial Instruments*	1 January 2018
SB-FRS 116 *Leases*	1 January 2019

The board expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiary as 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.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Rendering of services

Revenue from rendering of services is recognised when the Group and the Corporation has delivered the services to the customer, the customer has accepted the services and the collectability of the related receivables is reasonably assured.

c) Rental income

Rental income arising from operating leases on leasehold property is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. Summary of significant accounting policies (continued)

2.5 Revenue recognition (continued)

d) Interest income

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

e) Fund

The Group, in its role as an agent of the Government for rehabilitating the offenders, receives funds from Ministry of Home Affairs for the provision of skills training to offenders, job placement services, job retention support services, development of aftercare sector, managing agent of the halfway house and Drug Task Force Recommendations when the Group achieved the outcomes and key performance indexes (KPIs) set by the ministry. The fund is recognised when the Group achieved the outcomes and key performance indexes (KPIs).

2.6 Government grants

Government grants and contributions from other organisations for the establishment of the Corporation are taken to the capital account. Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants related to income are presented as a credit in profit or loss under operating and non-operating income.

2.7 Employee benefits

a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) 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 if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.8 Leases

a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rent, if any, are charged as expenses in the periods in which they are incurred.

2. Summary of significant accounting policies (continued)

2.8 Leases (continued)

a) As lessee (continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.5(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.10 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. Summary of significant accounting policies (continued)

2.10 Financial instruments (continued)

a) Financial assets (continued)

ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

iii) Available-for-sale financial assets

Available-for-sale financial assets are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

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

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines 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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (continued)

2.10 Financial instruments (continued)

b) Financial liabilities (continued)

Derecognition

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

a) Financial assets carried at amortised cost (continued)

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

b) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.12 Inventories

Inventories from food services unit are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow moving items.

Linen inventories purchased for the purpose of providing linen leasing services to hospitals are stated at cost determined on a weighted average basis. The cost of linen is amortised, on a first-in-first-out basis, over the period of useful life once it is put into circulation. The amortisation rates are as follow:

Towels	12 months
Other linen	18 months

2. Summary of significant accounting policies (continued)

2.13 Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group 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.

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

2.14 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

	Years
Furniture and fittings	
Furniture, fixture and fittings	10
Computer software, hardware and equipment	3
Plant, equipment and machinery	
Plant, equipment and machinery	8 – 15
Office equipment	3
Motor vehicles	5
Leasehold property	20.5
Renovation	10

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

2.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.
An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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2. Summary of significant accounting policies (continued)

2.15 Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.16 Borrowing cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.19 Contingencies

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation that arise from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

2. Summary of significant accounting policies (continued)

2.19 Contingencies (continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.20 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (continued)

2.19 Taxes (continued)

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Fair value of unquoted available-for-sale financial assets

The fair values of unquoted available-for-sale financial assets are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The assumptions applied in determination of the valuation of these unquoted available-for-sale financial assets and a sensitivity analysis are described in more detail in Note 30.

The carrying amount of the unquoted available-for-sale financial assets as at **31 December 2016** is S$6,142,898 (2015: S$6,305,272).

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

b) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and Corporation's trade and other receivables as at 31 December 2016 were S$17,267,458 and S$12,253,822 (2015: S$17,074,924 and S$17,074,924) respectively.

c) Useful lives on property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Group's and Corporation property, plant and equipment as at 31 December 2016 was S$28,801,293 and S$11,402,823 (2015: S$15,372,901 and S$15,372,901) respectively.

d) Recognition of other government grant income and expenses

Other government grants are recognised in profit or loss on a systematic basis over the periods when there is reasonable assurance that the Group complies with the conditions attached to them and there is reasonable assurance that the grant will be received. Factors such as historical claim experience, progress reports on related projects, on-site verification and payments of expenditure incurred will be considered by the Group. The Group recognises the costs or expenses for which the grant is intended to compensate when cost or expenses is incurred.

4 Prior year adjustments

During the previous financial years, the Group and the Corporation had under recorded receivables and no elimination done for inter-department transaction. As a result, the prior year financial statements were restated.

Details of restatement are as follows:

	Previously reported	Effect	After restatement
	S$	**S$**	**S$**
Group			
31 December 2015			
Statement of financial position			
Trade and other receivables	11,603,021	5,471,903	17,074,924
Accumulated surplus	29,962,714	5,471,903	35,434,617

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4. Prior year adjustments (continued)

Details of restatement are as follows (continued):

	Previously reported	Effect	After restatement
	S$	S$	S$
Group			
Consolidated statement of comprehensive income			
Funding from strategic partner	4,418,438	385,800	4,804,238
Sales of goods	3,431,654	(4,872)	3,426,782
Sales of services	39,988,754	(2,229,158)	37,759,596
Sponsorship from strategic partners	3,373,972	2,177,068	5,551,040
Operating expenses	(52,460,433)	2,636,349	(49,824,084)
Surplus for the year	2,317,583	2,965,187	5,282,770
Group			
1 January 2015			
Statement of financial position			
Trade and other receivables	10,133,794	2,506,717	12,640,511
Accumulated surplus	27,645,131	2,506,717	30,151,848
Corporation			
31 December 2015			
Statement of financial position			
Trade and other receivables	11,603,021	5,471,903	17,074,924
Accumulated surplus	30,746,498	5,471,903	36,218,401
Consolidated statement of comprehensive income			
Funding from strategic partner	4,418,438	385,800	4,804,238
Sales of goods	3,431,654	(4,873)	3,426,781
Sales of services	39,988,754	(2,229,158)	37,759,596
Sponsorship from strategic partners	3,373,972	2,177,068	5,551,040
Operating expenses	(52,086,816)	2,636,349	(49,450,467)
Surplus for the year	3,007,417	2,965,186	5,972,603
1 January 2015			
Statement of financial position			
Trade and other receivables	10,133,794	2,506,717	12,640,511
Accumulated surplus	27,739,081	2,506,717	30,245,798

4. Prior year adjustments (continued)

The under recorded receivables were accumulated from the prior financial years are as follows:

Financial year end	S$
2015	2,965,186
2014	294,093
2013	434,856
2012	768,820
2011	(883)
2010	(196,011)
2009	303,232
2008	902,610
	5,471,903

5. Leasing income

These are charges for inmates services rendered to firms and use of industrial space under the Private Sector Participation Scheme.

6. Income from investments

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Dividend income from equity shares	-	57,657	-	57,657
Interest from bonds	486,782	554,290	486,782	554,290
	486,782	611,947	486,782	611,947

7. Manpower costs

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Manpower cost allocation - funding from strategic partner	250,057	567,032	233,934	567,032
Central provident fund contributions	2,208,750	2,009,829	1,888,199	1,975,443
Salaries, wages and bonuses	13,528,354	11,770,696	10,773,760	11,548,653
	15,987,161	14,347,557	12,895,893	14,091,128

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8. Cash and cash equivalents

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Cash at bank and with AGD	3,903,530	3,457,945	2,012,890	3,058,875

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

Cash with Accountant-General's Department (AGD):

(a) Cash with the AGD refers to cash that are managed by AGD under Centralised Liquidity Management (CLM) as set out in the Accountant-General's Circular No. 4/2009 – Centralised Liquidity Management for Statutory Boards and Ministries.

(b) Cash with AGD and CLM are placed with high credit quality financial institutions.

(c) The interest rate of cash with AGD is from 0.05% to 0.45% (2015: 0.92% to 1.32%) based on interest earned to the average cash balance.

(d) A 50 basis points (2015: 50 basis points) change in interest rates for Cash with AGD would not have a material impact on the net surplus for the year.

9. Held-to-maturity financial assets

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Quoted bonds at amortised cost:				
Maturing within 1 year	-	1,370,513	-	1,370,513
Maturing after 1 year	6,785,628	7,827,625	6,785,628	7,827,625
	6,785,628	9,198,138	6,785,628	9,198,138

The Group's securities bear interest ranging from 2.62% to 4.40% (2015: 2.62% to 4.40%) per annum with maturity dates ranging from 15 July 2018 to 1 April 2021 (2015: 9 May 2016 to 1 April 2021).

Held-to-maturity financial assets are denominated in Singapore Dollars.

10. Trade and other receivables

	Group		Corporation	
	2016	2015 As restated	2016	2015 As restated
	S$	S$	S$	S$
Trade receivables:				
- third parties	4,853,281	5,114,322	2,226,937	5,114,322
- subsidiary	-	-	377,610	-
Accrued receivables	8,197,131	9,824,134	5,656,681	9,824,134
Total trade receivables	13,050,412	14,938,456	8,261,228	14,938,456
Non-trade receivables	5,435,612	1,922,795	5,435,612	1,922,795
Interest receivables	278,959	213,673	278,959	213,673
Other receivables	14,131	-	-	-
GST receivables	214,632	-	-	-
	18,993,746	17,074,924	13,975,799	17,074,924

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. (2015: 30 days).

There is no other class of financial assets that is pass due and/or impaired except for trade receivables.

Trade and other receivables are denominated in Singapore Dollars.

Receivables that are past due but not impaired

The Group and Corporation had trade receivables amounting to S$828,146 and S$763,333 (2015: S$904,042 and S$904,042) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Trade receivables past due but not impaired:				
Lesser than 30 days	555,749	610,756	508,436	610,756
31 to 90 days	186,566	289,866	169,066	289,866
More than 90 days	85,831	3,420	85,831	3,420
	828,146	904,042	763,333	904,042

Receivables that are impaired

The Group has no receivables that are past due and impaired as at reporting date.

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11. Inventories

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Statement of financial position:				
Raw materials	41,476	106,980	-	106,980
Linen	1,073,008	1,116,014	-	1,116,014
	1,114,484	1,222,994	-	1,222,994

12. Other current assets

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Deposits	106,097	73,200	102,585	73,200
Prepayments	401,830	2,124,046	327,461	35,742
	507,927	2,197,246	430,046	108,942

In 2015, prepayments include advance payments in respect of contracted expenditure for purchase of property, plant and equipment, for which the capital commitments are disclosed in Note 25.

Other current assets are denominated in Singapore Dollars.

13. Available-for-sale financial assets

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Equity securities (quoted)	2,996,897	2,995,770	2,996,897	2,995,770
Equity securities (unquoted)	3,146,001	3,309,502	3,146,001	3,309,502
	6,142,898	6,305,272	6,142,898	6,305,272

Available-for-sale financial assets are denominated in Singapore Dollars.

14. Investment in a subsidiary

	Corporation	
	2016	2015
	S$	S$
Shares, at cost	17,100,307	500,000

Details of the subsidiary are as follows:

Name	Principle place of business	Principal activities	Proportion (%) of ownership interest	
			2016	2015
YR Industries Pte Ltd*	Singapore	Laundry and other residential care services	100	100

* Audited by Kong, Lim & Partners LLP

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15. Property, plant and equipment

	Furniture, and fittings	Plant, equipment and machinery	Motor vehicles	Leasehold property	Renovation	Total
	S$	S$	S$	S$	S$	S$
Group						
Cost						
At 1 January 2015	3,203,886	21,585,247	71,170	11,839,600	-	36,699,903
Additions	5,820	1,587,900	-	-	-	1,593,720
Disposals	(12,248)	(118,694)	(71,170)	-	-	(202,112)
At 31 December 2015	3,197,458	23,054,453	-	11,839,600	-	38,091,511
Additions	232,181	9,793,313	-	-	4,453,354	14,478,848
Written off	(640)	(140,722)	-	-	-	(141,362)
At 31 December 2016	3,428,999	32,707,044	-	11,839,600	4,453,354	52,428,997
Accumulated depreciation						
At 1 January 2015	2,974,345	18,176,851	71,170	65,679	-	21,288,045
Depreciation	58,635	994,871	-	575,210	-	1,628,716
Disposals	(12,072)	(114,909)	(71,170)	-	-	(198,151)
At 31 December 2015	3,020,908	19,056,813	-	640,889	-	22,718,610
Depreciation	50,995	376,337	-	575,117	34,665	1,037,114
Written off	(302)	(126,481)	-	-	-	(126,783)
At 31 December 2016	3,071,601	19,306,669	-	1,216,006	34,665	23,628,941
Carrying amount						
At 31 December 2015	176,550	3,997,640	-	11,198,711	-	15,372,901
At 31 December 2016	357,398	13,400,375	-	10,623,594	4,418,689	28,800,056

15. Property, plant and equipment (continued)

	Furniture, and fittings	Plant, equipment and machinery	Motor vehicles	Leasehold property	Total
	S$	S$	S$	S$	S$
Corporation					
Cost					
At 1 January 2015	3,203,886	21,585,247	71,170	11,839,600	36,699,903
Additions	5,820	1,587,900	-	-	1,593,720
Disposals	(12,248)	(118,694)	(71,170)	-	(202,112)
At 31 December 2015	3,197,458	23,054,453	-	11,839,600	38,091,511
Additions	225,991	680,708	-	-	906,699
Transferred to subsidiary	(1,433,947)	(15,569,991)	-	-	(17,003,938)
Written off	(640)	(140,722)	-	-	(141,362)
At 31 December 2016	1,988,862	8,024,448	-	11,839,600	21,852,910
Accumulated depreciation					
At 1 January 2015	2,974,345	18,176,851	71,170	65,679	21,288,045
Depreciation	58,635	994,871	-	575,210	1,628,716
Disposals	(12,072)	(114,909)	(71,170)	-	(198,151)
At 31 December 2015	3,020,908	19,056,813	-	640,889	22,718,610
Depreciation	40,410	137,571	-	575,117	753,098
Transferred to subsidiary	(1,327,670)	(11,567,168)	-	-	(12,894,838)
Written off	(302)	(126,481)	-	-	(126,783)
At 31 December 2016	1,733,346	7,500,735	-	1,216,006	10,450,087
Carrying amount					
At 31 December 2015	176,550	3,997,640	-	11,198,711	15,372,901
At 31 December 2016	255,516	523,713	-	10,623,594	11,402,823

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15. Property, plant and equipment (continued)

Asset held under finance leases

During the financial year, the Group acquired plant, equipment and machinery with an aggregate cost of S$1,387,653 (2015: Nil) by means of finance leases. The cash outflow on the purchase of plant and machinery amounted to S$5,728,396 (2015: S$1,593,720).

The carrying amount of plant and machinery held under finance leases at the end of the reporting period was S$1,381,559 (2015: Nil).

Leased assets are pledged as security for the related finance lease liabilities (Note 19).

Assets pledged as security

Asset	Carrying amount	Secured for
i) Leasehold property	S$10,623,594 (2015: S$11,198,711)	Term loan
ii) Plant, equipment and machinery	S$7,321,218 (2015: Nil)	Equipment loans

16. Loans receivable from a subsidiary

In 2015, the loans receivable from a subsidiary is unsecured, bears interest at 3% per annum, and is repayable within 10 years from the first drawn down. The loan was capitalised during the financial year.

Loans receivable from a subsidiary is denominated in Singapore Dollars.

17. Trade and other payables

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Trade payables	5,897,189	2,733,454	2,158,074	2,733,454
Non-trade payables	616,539	206,101	390,081	206,101
Accruals	5,852,425	5,666,594	5,066,894	4,859,337
Deposits received	699,114	839,948	699,114	839,948
GST payables	-	251,371	251,732	251,731
Others	3,000	62,514	3,000	98,253
	13,068,267	9,759,982	8,568,895	8,988,824

Trade payables are non-interest bearing and are generally on 30 days' terms (2015: 30 days).

Non-trade payables are unsecured, non-interest bearing and are normally settled on demand.

Trade and other payables are denominated in Singapore Dollars.

18. Equipment loans

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Equipment loans	3,715,221	-	-	-

The Group entered into an agreement with a financial institution to finance the acquisition of the plant and equipment. The amount will be recognised as finance lease once the loans have been fully drawn down.

Equipment loans are subject to nominal interest rate of 1.48% per annum. Interest are fixed at the contract date.

Equipment loans are secured by the Group's plant and equipment (Note 15).

Equipment loans are denominated in Singapore Dollars.

19. Finance leases

	Minimum payment	Finance charges	Present value
	S$	S$	S$
Group			
2016			
Minimum lease payments payable:			
Due within one year	184,344	19,510	164,834
Due within two to five years	737,376	78,041	659,335
Due after five years	508,409	53,925	454,484
	1,245,785	131,966	1,113,819
	1,430,129	151,476	1,278,653

The Group has finance leases for plant equipment and machinery with lease term of 8 years with nominal interest rate of 1.48% per annum. Interest are fixed at the contract date. All finance leases are on a fixed repayment basis.

The finance leases are secured by the Group's title to leased assets (Note 15).

Finance leases are denominated in Singapore Dollars.

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20. Term loan

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Within one year	371,674	332,237	371,674	332,237
Later than one year but not later than five years	1,619,990	1,613,983	1,619,990	1,613,983
Later than five years	5,273,681	5,695,338	5,273,681	5,695,338
	6,893,671	7,309,321	6,893,671	7,309,321
	7,265,345	7,641,558	7,265,345	7,641,558

On 18 November 2014, the Corporation entered into a mortgage loan with a financial institution, which is secured by the Group's leasehold property with a carrying amount of S$10,623,597 (2015: S$11,198,711) (Note 15).

The details of the term loan are as follows:

Term loan	Principal sum	Effective interest rate	Repayment terms
	S$	% p.a.	
Term loan #1	8,050,000	Fixed at 1.80% p.a. effective 3 months from the date hereof or date drawdown of the loan for the first year	S$43,659 per month for first year
		Fixed at 1.98% per annum for the second year	S$44,334 per month for second year
		1.75% p.a. below the prevailing Commercial Property Rate for the third year	Thereafter, monthly instalment to be fixed by the financial institution
		1.52% p.a. below the financial instituition's prevailing Commercial Property Rate	

Term loan is denominated in Singapore Dollars.

21. Provision for linen loss

Provision is made for the compensation of customers for linen that are lost or damaged during the washing and handling process.

22. Capital account

	Group and Corporation 2016 S$	Group and Corporation 2015 S$
Value of assets taken over from former Prison Industries	1,443,262	1,443,262
Capital grants from Singapore Goverment	218,000	218,000
Capital injection from Minister of Finance	1,000	1,000
	1,662,262	1,662,262

23. Fair value reserve

Fair value reserve records the cumulative fair value changes of available for sale financial assets until they are derecognised or impaired.

	Group		Corporation	
	2016 S$	2015 S$	2016 S$	2015 S$
At beginning of the year	199,001	212,592	199,001	212,592
Loss during the year	(163,501)	(13,591)	(163,501)	(13,591)
At end of the year	35,500	199,001	35,500	199,001

24. Commitments

(a) Capital commitments

As at 31 December 2015, the subsidiary has capital commitment amounting to approximately S$11,770,000 in respect of the contracted expenditure for the purchase of property, plant and equipment which have not been provided for the in the financial statements.

(b) Operating lease commitments – as lessee

The Group leases building under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

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

	Group 2016 S$	Group 2015 S$
Not later than one year	707,559	822,062
Later than one year but not later than five years	1,169,874	587,882
	1,877,433	1,409,944

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24. Commitments (continued)

(c) Operating lease commitments – as lessor

The Corporation has entered into operating lease on its leasehold building with its subsidiary. This non-cancellable lease has remaining lease terms of 33 months.

The future minimum rental receivable under non-cancellable operating lease at the end of the reporting period is as follow:

	Corporation	
	2016	**2015**
	S$	**S$**
Not later than one year	855,240	-
Later than one year but not later than 5 years	1,496,670	-
	2,351,910	-

25. Contingent liabilities

Performance guarantees

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

	Group	
	2016	**2015**
	S$	**S$**
Bankers' guarantees issued on behalf of third parties	289,936	267,009
Bankers' guarantees in respect of service contracts	48,293	26,316
	338,229	293,325

26. Net assets of Yellow Ribbon Fund

SCORE established Yellow Ribbon in 2004 as one of CARE Network's key initiative, the Yellow Ribbon 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 Yellow Ribbon 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 (UEN) is T04CC1808H.

26. Net assets of Yellow Ribbon Fund (continued)

	Group and Corporation	
	2016	**2015**
	S$	**S$**
Donations received	423,885	287,721
Events income	450,741	1,211,484
Grants & Bursary	643,307	544,168
Sales of items	10,687	10,063
Miscellaneous income	199,984	-
	1,728,604	2,053,436
Audit fee	33,019	13,989
Bad dets written off	-	165
Bank charges	1,902	1,519
Charity golf expenses	62,008	-
Charity Management System Maintenance Fee	2,140	-
Community art exhibition expenses	3,813	13,160
Depreciation	12,032	-
Dining behind bars expenses	12,974	9,591
Gala dinner expenses	-	200,355
General and miscellaneous expenses	26,742	78,144
Other events expenses	22,909	17,176
Printing and stationery	4,303	1,604
Production of corporate video	-	24,650
Production of yellow ribbon pack	7,448	23,394
Research fee	10,000	-
Staff costs	376,154	220,154
Supplies and material costs	3,493	18,136
Transport	16,409	16,091
Volunteer expenses	1,727	2,724
YBR tuition fee	44,936	-
YMCA youth for course expenses	1,095	2,596
	643,104	643,448
Operating surplus for the year	1,085,500	1,409,988
Disbursement of funds	(1,093,132)	(821,579)
Intrest income	8,695	4,498
	(1,084,437)	(817,081)
Comprehensive surplus for the year	1,063	592,907
Comprehensive surplus for the year	1,063	592,907
Fund received	540,711	951,695
Fund utilised	(969,805)	(766,329)
Fund transferred to miscellaneous income	(199,984)	-
Accumulated fund at beginning of the year	5,215,359	4,437,086
Accumulated fund at end of the year	4,587,344	5,215,359

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26. Net assets of Yellow Ribbon Fund (continued)

	Group and Corporation	
	2016	**2015**
	S$	**S$**
Represented by:		
Current assets		
Other receivables	508,386	133,085
Prepayments	71,112	-
Fixed deposits with bank	1,329,700	1,320,156
Cash and cash equivalents	2,779,131	4,341,348
	4,688,329	5,794,589
Non-current assets		
Plant and equipment	42,111	-
Current liabilities		
Other payables	143,096	579,230
Net assets	4,587,344	5,215,359

27. Significant related party transactions

There have been no related party transactions with related parties during the year.

Key management's remuneration and allowance

Key management personnel compensation is as follows:

	Group	
	2016	**2015**
	S$	**S$**
(i) Board members' allowance	161,250	161,250
(ii) Other key management members' remuneration		
Short-term employee benefits	1,406,846	1,079,860
	1,568,096	1,241,110

28. Financial risk management

The Group's and the Corporation's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group's and the Corporation's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Corporation's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

a) Credit risk

Credit risk arising from the inability of the counterparty to meet the terms of the Group's financial contracts is generally limited to the amounts, if any, by which the counterparty's obligations of the Group. It is the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. Therefore, the Group does not expect to incur any material losses on its risk management or other financial instruments.

The carrying amount of trade and other receivables, other current assets, investment securities and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Surplus are placed with reputable banks and/or invested in equity shares and bonds.

Concentrations of credit risk with respect to the trade receivables are limited due to the Corporation's large number of customers who are covering a large spectrum of industries and having a variety of end markets in which they sell. Due to these factors, management believe that no additional credit risk beyond amounts provided for collection losses is inherent in the Corporation's trade receivables.

The Group determines 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 trade receivables by business segments at the reporting date is as follows:

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
By business segments:				
Industrial Space Leasing	692,456	723,645	692,456	723,645
Business Outsourcing	457,616	671,958	457,616	671,958
Bakery	749,460	331,373	749,460	331,373
Central Kitchens	3,849,329	2,995,325	3,849,329	2,995,325
Laundry	5,250,887	2,732,025	84,091	2,732,025
Logistics Management and Planning	1,563,956	318,789	1,563,956	318,789
Others	864,320	1,693,438	864,320	1,693,438
	13,428,024	9,466,553	8,261,228	9,466,553

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28. Financial risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Group or the Corporation will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Corporation's exposure to liquidity risk are minimal as they adopt prudent liquidity risk management by regularly reviewing its cash flow needs, maintaining sufficient cash from its internally generated cash flow and putting in place adequate financing arrangement.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Corporation's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	S$	S$	S$	S$	S$
Group					
At 31 December 2016					
Financial assets:					
Cash and cash equivalents	3,903,530	3,921,096	3,921,096	-	-
Held-to-maturity financial assets	6,785,628	6,785,628	-		-
Available-for-sale financial assets	6,142,898	6,142,898	-	6,142,898	-
Trade and other receivables	18,993,746	18,993,746	18,993,746	-	-
Other current assets	106,097	106,097	106,097	-	-
Total undiscounted financial assets	35,931,899	35,949,465	23,020,939	6,142,898	-
Financial liabilities:					
Trade and other payables	13,068,267	13,068,267	13,068,267	-	-
Equipment loans	3,715,221	3,770,206	3,770,206	-	-
Finance leases	1,278,653	1,430,129	184,344	737,376	508,409
Term loan	7,265,345	9,310,916	612,939	2,451,757	6,246,220
Total undiscounted financial liabilities	25,327,486	27,579,518	17,635,756	3,189,133	6,754,629
Net undiscounted financial (liabilities)/ assets	10,604,413	8,369,947	5,385,183	2,953,765	(6,754,629)

28. Financial risk management (continued)

b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	S$	**S$**	**S$**	**S$**	**S$**
Group					
At 31 December 2015					
Financial assets:					
Cash and cash equivalent	3,457,945	3,503,590	3,503,590	-	-
Held-to-maturity financial assets	9,198,138	9,198,138	1,370,513	7,827,625	-
Available-for-sale financial assets	6,305,272	6,305,272	-	6,305,272	-
Trade and other receivables	17,074,924	17,074,924	17,074,924	-	-
Other current assets	73,200	73,200	73,200	-	-
Total undiscounted financial assets	36,109,479	36,155,124	22,022,227	14,132,897	-
Financial liabilities:					
Trade and other payables	9,759,982	9,759,982	9,759,982	-	-
Term loan	7,641,558	9,624,258	537,618	2,324,534	6,761,106
Total undiscounted financial liabilities	17,401,540	19,384,240	10,297,600	2,324,534	6,761,106
Net undiscounted financial (liabilities)/ assets	18,707,939	16,770,884	11,724,627	11,808,363	(6,761,106)

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28. Financial risk management (continued)

b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	S$	S$	S$	S$	S$
Corporation					
At 31 December 2016					
Financial assets:					
Cash and cash equivalents	2,012,890	2,021,948	2,021,948	-	-
Held-to-maturity financial assets	6,785,628	6,785,628	-	6,785,628	-
Available-for-sale financial assets	6,142,898	6,142,898	-	-	-
Trade and other receivables	13,975,799	13,975,799	13,975,799	-	-
Other current assets	102,585	102,585	102,585	-	-
Total undiscounted financial assets	29,019,800	29,028,858	16,100,332	6,785,628	-
Financial liabilities:					
Trade and other payables	8,568,895	8,568,895	8,568,895	-	-
Term loan	7,265,345	9,310,916	612,939	2,451,757	6,246,220
Total undiscounted financial liabilities	15,834,240	17,879,811	9,181,834	2,451,757	6,246,220
Net undiscounted financial assets/ (liabilities)	13,185,560	11,149,047	6,918,498	4,333,871	(6,246,220)

28. Financial risk management (continued)

b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Carrying amount	Contractual cash flows	One year or less	Two to five years	More than five years
	S$	S$	S$	S$	S$
Corporation					
At 31 December 2015					
Financial assets:					
Cash and cash equivalents	3,058,875	3,099,252	3,099,252	-	-
Held-to-maturity financial assets	9,198,138	9,198,138	1,370,513	7,827,625	-
Available-for-sale financial assets	6,305,272	6,305,272	-	6,305,272	-
Trade and other receivables	17,074,924	17,074,924	17,074,924	-	-
Other current assets	73,200	73,200	73,200	-	-
Loans receivable from a subsidiary	2,000,000	2,600,000	-	2,600,000	-
Total undiscounted financial assets	37,710,409	38,350,786	21,617,889	16,732,897	-
Financial liabilities:					
Trade and other payables	8,988,824	8,988,824	8,988,824	-	-
Term loan	7,641,558	9,310,916	612,939	2,451,757	6,246,220
Total undiscounted financial liabilities	16,630,382	18,299,740	9,601,763	2,451,757	6,246,220
Net undiscounted financial assets/ (liabilities)	21,080,027	20,051,046	12,016,126	14,281,140	(6,246,220)

The table below shows the contractual expiry by maturity of the Group and Corporation's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Group and Corporation	
	2016	2015
	S$	S$
Not later than 3 years	185,404	185,404
Later than 3 years	56,240	56,240
	241,644	241,644

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28. Financial risk management (continued)

c) Market risk

At the reporting date, the Group has investments in quoted shares and bonds, which are subject to equity price risks as the market values of these investments are affected by changes in market prices. The Group manages its exposure to equity price risks by maintaining portfolio of equities and bonds with different risk profiles. These amounts are managed by the Investment & Finance Committee of the Corporation.

Sensitivity analysis for market risk

A 10% (2015: 10%) increase/(decrease) in the underlying bonds prices at the statement of financial position date would increase/(decrease the equity by the following amount:

	The Corporation	
	2016	**2015**
	S$	**S$**
Financial assets, available-for-sale	614,290	630,527

d) Interest rate risk

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

The interest rates and terms of maturity of financial assets of the Group are disclosed in the notes to the financial statements except for the bank balances with AGD.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 3% (2015: 3%) lower/higher with all other variables held constant, the Group's profit would have been S$28,570 (2015: S$524,100) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate term loans, lower/higher interest income from cash and cash equivalent and lower/higher from held-to-maturity. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

29. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Fair value of financial instruments by classes that are not carried out at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, Held-to-maturity financial assets, other receivables and other current assets

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Equipment loans, finance leases and term loans

The carrying amount of equipment loans, finance leases and term loans approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	S$	S$	S$
2016			
Financial assets:			
Held-to-maturity financial assets (Note 9)			
- Equity securities (quoted)	6,785,628	-	-
Available-for-sale financial assets (Note 13)			
- Equity securities (quoted)	2,996,897	-	-
- Equity securities (unquoted)	3,146,991	-	-
	12,929,516	-	-

29. Fair values (continued)

Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	S$	S$	S$
2015			
Financial assets:			
Held-to-maturity financial assets (Note 9)			
- Equity securities (quoted)	9,198,138	-	-
Available-for-sale financial assets (Note 13)			
- Equity securities (quoted)	2,995,770	-	-
- Equity securities (unquoted)	3,309,502	-	-
	15,503,410	-	-

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3 – Unobservable inputs for the asset or liability.

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.

30. Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	Group		Corporation	
	2016	2015	2016	2015
	S$	S$	S$	S$
Loans and receivables				
Cash and cash equivalents (Note 8)	3,903,530	3,457,945	2,012,890	3,058,875
Trade and other receivables (Note 10)	18,993,746	17,074,924	13,975,799	17,074,924
Other current assets (Note 12)	106,097	73,200	102,585	73,200
Loans receivable from a subsidiary (Note 16)	-	-	-	2,000,000
Total loans and receivables	23,003,373	20,606,069	16,091,274	22,206,999
Financial liabilities measured at amortised cost				
Trade and other payables (Note 17)	13,068,267	9,759,982	8,568,895	8,988,824
Equipment loans (Note 18)	3,715,221	-	-	-
Finance leases (Note 19)	1,278,653	-	-	-
Term loans (Note 20)	10,980,566	7,641,558	7,265,345	7,641,558
Total financial liabilities measured at amortised cost	29,042,707	17,401,540	15,834,240	16,630,382

31. Capital management

The Group defines “capital” to include capital account, share capital and reserves. The Group’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 is not subject to externally imposed capital requirements and there were no changes to the Group approach to capital management during the financial years ended 31 December 2016 and 2015.

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32. Comparative information

Change in classification

During 2016, the Company modified the classification of Sponsorship from strategic partners (non-operating income) to Sponsorship from strategic partners (operating income) and Provision for linen loss to trade and other receivable to reflect more appropriately the way in which economic benefits are derived from its use. Comparative amounts in the statement of profit or loss and other comprehensive income were reclassified for consistency as follows:

	Previously reported	Reclassification	After reclassification before restatement
	S$	S$	S$
Group			
31 December 2015			
Statement of financial position			
Trade and other payables	9,891,982	(132,000)	9,759,982
Provision for linen loss	-	132,000	132,000
31 December 2015			
Statement of comprehensive income			
Operating income			
Sale of services	39,988,754	(312,903)	39,675,851
Sponsorship from strategic partners	-	3,686,875	3,686,875
Non-operating income			
Sponsorship from strategic partners	3,373,972	(3,373,972)	-
1 January 2015			
Statement of financial position			
Trade and other payables	9,433,442	(132,000)	9,301,442
Provision for linen loss	-	132,000	132,000
Corporation			
31 December 2015			
Statement of financial position			
Trade and other payables	9,120,824	(132,000)	8,988,824
Provision for linen loss	-	132,000	132,000
31 December 2015			
Statement of comprehensive income			
Operating income			
Sale of services	39,988,754	(312,903)	39,675,851
Sponsorship from strategic partners	-	3,686,875	3,686,875
Non-operating income			
Sponsorship from strategic partners	3,373,972	(3,373,972)	-
1 January 2015			
Statement of financial position			
Trade and other payables	9,430,525	(132,000)	9,298,525
Provision for linen loss	-	132,000	132,000

Since the amounts are reclassifications within operating activities in the statement of profit or loss and other comprehensive income, this reclassification did not have any effect on the statements of financial position and cash flows.

33. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2016 were authorised for issue by the Board on the date of the Statement by the Board.

Journey With Us

Contact us to find out more about how you can partner us in our journey of building bridges and changing lives.

AREA OF INTEREST	CONTACT PERSON	CONTACT NO.	EMAIL ADDRESS
Sponsorship of Offenders' Training	Mr Jason Ng	6513 1692	Jason_Ng@score.gov.sg
Employment of Ex-offenders	Ms Nikole Xu	6513 1534	Nikole_Xu@score.gov.sg
Laundry and Linen Leasing Services	Ms Jessamyn Hoh	6546 4397 9781 0083	Jessamyn_Hoh@yri.com.sg
Food Catering & Bakery Services	Ms Waida Binte Jumaat	6908 0118 8448 4471	Waida_Jumaat@score.gov.sg
Business Outsourcing and Industrial Space Leasing	Ms Puah Ping Hui	6513 1685 9689 1941	Puah_Ping_Hui@score.gov.sg
Collaboration with Yellow Ribbon Project	Ms Denise Chow	6546 8427	Denise_Chow@score.gov.sg
Collaboration with Yellow Ribbon Fund	Mr Koh Shukai	6214 2867	Koh_Shukai@score.gov.sg

Singapore
Corporation of
Rehabilitative
SCORE Enterprises

Building Bridges, Changing Lives

SINGAPORE CORPORATION OF REHABILITATIVE ENTERPRISES (SCORE)

407 Upper Changi Road North 20km (within Prison HQ Complex) Singapore 507658
website: www.score.gov.sg • email: SCORE_Contact_Us@score.gov.sg