

Industries Division

“The main role of SCORE Industries is to provide employment for inmates, which imparts them vocational and employability skills and inculcates in them positive work ethics. SCORE Industries also contribute to the overall security of the prison by meaningfully occupying the inmates.”

Score Industries

The main role of SCORE Industries is to provide employment for inmates, which imparts them vocational and employability skills and inculcates in them positive work ethics. SCORE Industries also contribute to the overall security of the prison by meaningfully occupying the inmates.

Another key role of SCORE Industries is to generate sufficient revenue and income to fund rehabilitative activities in SCORE. As a self-funded statutory board, it is crucial that SCORE generates a steady stream of income so that rehabilitative projects are not derailed due to the lack of resources.

In Partnership And Collaboration With SMEs

SCORE seeks to strengthen its partnership with the business sector by actively involving them. Instead of competing with private sector businesses, SCORE adopts a collaborative business alternative to outsource some of their labour intensive processes. In deciding which SMEs to collaborate with, key considerations are given to the training provided to inmates and the ability of the SME to employ them after they are released. Through partnership with the private sector, SCORE would avoid direct competition, and instead become a key partner for the private sector's growth and development.

SCORE Strategic Business Groups

Leased Workshops – Private Sector Participation Scheme (PPS)

Private enterprises set up facilities in Prisons/Drug Rehabilitation Centres and engage inmates as their productive workforce. These firms provide equipment, expertise and work opportunities, while SCORE and the Prisons Department manage the welfare and discipline of the inmates. With this partnership,



Laundry Workshop.

inmates learn useful skills and gain important work experience that will later help them reintegrate, and contribute back to society.

In 2003, 25 workshops, employing more than 2,000 inmates in the various institutions, were managed by PPS firms involved in the following activities:

- manufacturing of handcrafted furniture and products
- assembly of electrical and electronic components like switches and PCB boards
- sewing of industrial bags and school uniforms
- assembly of paper products
- manufacturing of pre-cast concretes
- de-fleshing of computer parts

Linen Services

SCORE operates one of Singapore's largest laundries serving primarily the restructured hospitals. From April 2004, SCORE will operate its new plant, which is designed for a larger capacity and better efficiency to meet the increased requirement of our customers.



*Mr Jason Wong, CEO SCORE,
presenting the Courage Medal to
Mr Harith, Supervisor (Production).*

In 2003, the laundry staff was recognised for its tireless effort during the battle against SARS. SCORE was awarded the President's Certificate of Commendation for its effort in helping to battle SARS. In addition, Courage Medals were presented to 22 linen attendants 10 Production Supervisors and 16 laundry workers in May 2003 for their immense courage and self-sacrifice during the SARs period.

Subcontract Services

SCORE operates as a subcontractor to both the MNCs and SMEs on an ad hoc and long-term contract basis. Work done varies from the assembly of compressor parts, water meters and printers, bending of copper pipes, de-fleshing of computer parts, fabrication of concrete piles and slabs, to various types of packaging jobs including hampers and beverage items like coffee and cereal. SCORE trains and supervises the inmates, and ensures that work is carried out as specified under the subcontract arrangement.

In late 2003, one new subcontract workshop was set up in Admiralty West Prison to create more training opportunities and employment for inmates. The workshop will operate from January 2004. By the close of 2003, SCORE had 10 subcontract workshops, 4 each in Jalan Awan Prisons (JAP) and Sembawang DRC, one each in Changi Prison and Khalsa Crescent DRC. They employed a total of 900 inmates.



Food Services

SCORE's bakery at Moon Crescent Prison (MCP) manufactures white and wholemeal sandwich loaves, buns and dinner rolls for private sector enterprises, hospitals, welfare and nursing homes, and various government institutions.

The bakery will move to its new facility at Cluster A in 2004. Capable of supporting the baking industry, it is equipped to produce a higher volume of a variety of breads, rolls and cakes. Whilst serving the industry's outsourcing need, SCORE will provide relevant food production training and experience to its production team of inmate workers.

SCORE collaborated with NTUC Foodfare to provide inmate meals for Prisons Department. A pilot project was successfully implemented at Tanah Merah Prison (TMP) kitchen from January 2002 to October 2003. The project introduced industry practices and standards into TMP kitchen, and equipped inmate workers with valuable knowledge and skills in kitchen operations. In 2003, SCORE together with NTUC Foodfare supplied meals to TMP and will extend this service to Cluster A of the new Changi Prisons Complex once it is operational in 2004.

“SCORE collaborated with NTUC Foodfare to provide inmate meals for Prisons Department. A pilot project was successfully implemented at Tanah Merah Prison (TMP) kitchen from January 2002 to October 2003... SCORE together with NTUC Foodfare will extend this service to Cluster A of the new Changi Prisons Complex once it is operational in 2004.”

Multi-industries Services

- **Printing And Related Services**

The printing workshop in Changi Prison offers one- and two-colour printing of forms, brochures, letterheads, newsletter, file covers, certificates and invitation cards. It employed 60 inmates.

- **Tailoring And Garment Manufacturing**

The tailoring workshop in Changi Prison specialises in the manufacture of made-to-measure and standard size uniforms, overalls, shirts, trousers and hospital linen such as bedsheets and pillowcases. It employed 115 inmates.

- **Metal fabrication**

The metal fabrication in Moon Crescent Prison (MCP) provides sheet metal fabrication, refurbishment and welding services. Its products include metal refuse bins, trays and trolleys, gutter traps, school desks, supermarket palletiners, bread trolleys, animal traps and cages. It provided employment to 30 inmates.

Quality Circle For Inmates

In June and July 2003, 46 inmates from JAP and MCP attended a 2-day quality circle course. The inmates learned about the PDCA cycle and basic tools and techniques of quality improvement. These inmates later applied their knowledge and successfully completed 10 Quality Circle Projects that enhanced the efficiency and productivity at the workshops.



*Quality Circle Training
for the offenders.*

Cluster Transition

A Task Force, headed by Mr Peter Boo (SCORE Board member and a member of SCORE's Industry & Development Committee) and Mr Jason Wong (Chief Executive Officer, SCORE) was set up in September 2003 in preparation for the relocation of workshops and training facilities from Changi Prison, Jalan Awan Prison and Moon Crescent Prison/Reformative Training Centre to the new Changi Prison Complex Cluster A.

The Task Force, together with respective managers from various units, drew up the master timeline and the lists of major tasks for monitoring the progress of the project.

Besides infrastructure and management issues, the team also concerned itself in preparing SCORE staff and personnel from the leased workshops for the move. Transitional training such as Communication Forums, Prisons-SCORE seminar and Cluster Regime Training were conducted to share information on the developments of the new CPC and address concerns that they might have. Throughout the year, familiarization tours to Cluster A were conducted for those who will be working in Cluster A to familiarise them with their new working environment.



Administration & Finance Division

Staff Learning & Development

In 2003, 120 employees were sent for training/learning programmes. All the staff attended at least one course and these ranged from half-day to 5-day programmes. Each staff recorded an average of 2 training man-days in 2003. SCORE invested about \$151,690.20 (2.5% of payroll) on staff training/learning programmes.

“ In 2003, 120 employees were sent for training/learning programmes. All the staff attended at least one course and these ranged from half-day to 5-day programmes. Each staff recorded an average of 2 training man-days in 2003.”

In year 2003, SCORE introduced a core programme and Learning & Sessions for all staff :

7 Habits Of Highly Effective People

111 SCORE staff experienced a remarkable opportunity to learn, to share, and to grow while attending the “ 7 Habits of Highly Effective People” in-house workshops conducted by the Centre for Effective Leadership at Prison HQ. The “ 7 Habits” workshop has been identified as the core programme and would be attended by all SCORE staff. During the inspiring, two-day workshop, staff learnt about the foundational principles and the 7 Habits that effective people practiced.

The benefits of the 7 Habits can be felt at the personal, interpersonal, managerial and organisational levels. Starting at the personal level, the programme creates the need to change as the participant experiences an individual paradigm shift in looking at personal and professional issues. This need is expanded to the other levels as more people in the organisation come into contact with the 7 Habits and put the principles into actual practice.

“Learning & Sharing” Sessions

SCORE is moving towards embracing knowledge management. Promoting a Learning and Sharing culture in a fairly unstructured way is the first step towards this direction. The objectives in promoting learning and sharing are to encourage staff to want to learn and share information freely; to change mindsets from one of “ individual knowledge is power” to “ shared knowledge is power” ; demonstrate to staff the importance management places on continuous learning and sharing of knowledge; and promoting team spirit. Officers have shared experiences, book reviews, interesting insights during such sessions. The importance of conducting in-depth After Action Review following major projects was also promoted organisation-wide. Communication channels have also been enhanced to encourage greater communication between staff and top management.

Staff Social & Recreation Committee

The SSRC organised a host of activities during the year and some of the activities jointly held with Prisons in the spirit of Playing 2gether, Working 2gether and Achieving 2gether included:

The first joint Prisons-SCORE Family Day in September 2003 at the Singapore Science Centre. The theme for the event was “ Together: Forging New Frontiers” . It was a good opportunity for officers from both organisations to see each other, not only at work but also at play and they also got to know each other’s families as well.



*A.C.T.I.V.E. Day:
Yoga exercise.*

The 1st Prisons-SCORE Dart Tournament was held on 25 October 2003 at Captain's Quay and Prisons and SCORE officers took part in the PSRC Athletics Meet.

Staff participated in bowling competitions, snooker competition, SAFRA Indoor Archery Championships, HUSRA Sports Championships, A.C.T.I.V.E. day exercises. There were also talks on maintaining a healthy weight, pre-retirement planning and family bonding. New activities like Cooking Demonstrations and Happy Hour activities were also introduced in 2003.

Awards

Mr Ong Hock Kin, Senior Supervisor from Industries was given the Minister's National Day Award by Mr Wong Kan Seng, Minister for Home Affairs at the MHA's National Day Observance Ceremony 2003.

22 Linen Attendants, 10 Production Supervisors and 16 Laundry Workers were presented the Courage Medal and a \$500 cheque each by the Courage Fund in May 2003.



*Prisons-SCORE
Darts Competition.*



Mr Gilbert Soh, Employment Assistance Officer from Community & Vocational Rehabilitation Division was presented the Star Service Award by Mr Tan Guong Ching, Permanent Secretary, MHA at the 31 Convention on 27 August 2003.

Mr Ong Chwee Seng, Purchasing Assistant and Madam Loo Guat Sim, Corporate Support Officer, were presented the Long Service Medal at the National Day Awards Investiture 2003 on 5 November 2003 by Mr Wong Kan Seng, Minister for Home Affairs.

SCORE's Linen Services was honoured with the President's Certificate of Commendation on 9 October 2003 at the Special Investiture of 2003 National Day Awards for Overcoming SARS.

Chairman SCORE Award And Long Service Awards

Chairman SCORE Award 2003 went to Mr Ng Boon Lam from Industries Division and Mr Zulkiflee Bin Ahmad from Community And Vocational Rehabilitation Division for consistent excellent work performance.

The Long Service Award for 2003 went to:

10 years

Victor s/o T M Lourdes
Aminah Bte Japar
Ng Mun Cheong
Ng Boon Lam
Rahmad Bin Salleh
Shamshulbahri Ismail
Wong Loke Poh

15 years

Ng Kok Chong
Vijayan R

20 years

Tan Theng Liang
David Tan Wee Thuan
Teng Ah Lan
Ali Bin Aman

25 years

Loo Guat Sim

30 years

Yim Weng Fatt
Rookshana Bte Ali Khan

SCORE's Work Improvement Teams Convention

On 4 July 2003, 6 teams vied for the Gold, Silver and Bronze Awards. For the third year, we invited Mr Bobby Manjit Singh and Mr Low Sin Yung from the Prisons Department to be the judges. The judges imparted some tips on selecting and completing a WIT project.

MHA 3-I Conventions 2003 – Ideas That Work

SCORE officers participated in the MHA 3-I Convention in August 2003. The organisation's WIT projects bagged 1 Silver Award (The Bee Team) and 2 Bronze Awards (Pointers and ScoBees). SCORE also came in Third for the Home Team Skit Competition as well as the Game Booth Competition. A total of 24 officers took part in the Skit and Game Booth.

SCORE's insourcing initiative of getting inmates to carry out work such as maintenance work, simple repairs etc. was the idea that helped SCORE come up with a skit about a couple who "insourced" their wedding ceremony to save costs. Their wedding card was printed by the SCORE Printing Workshop, the dinner was prepared by Tanah Merah Kitchen, the wedding ceremony was held at the spanking new and "free some more" Changi Prisons Complex and the list goes on. The wedding was conducted in the true spirit of "Economy Drive"! Led by Ms Toh Hwee Mian and Ms Lathika Devi, the skit team captured the essence of this year's 3-I convention theme, "Ideas that Work" well.

The Game Booth was headed by Mrs Wong Hwee Eng with lots of support by staff from other Divisions. Mr Ives Tay also came up with the idea of a static display to showcase WITs projects done by the inmates.

SHARE Programme

SCORE received the SHARE programme Gold Award from the National Council of Social Service for the first time. Thanks to 92 staff who have committed to giving every month.



*MHA 3-I Convention:
Home Team Skit
Competition.*



*MHA 3-I Convention: Home Team
Game Booth Competition.*

Planning & Organisational Development Section

CARE Network

Background

The Community Action for the Rehabilitation of Ex-Offenders (CARE) Network was formed in May 2000 to improve the effectiveness of rehabilitation of reforming offenders in Singapore.

The CARE Network engages the community in rehabilitation, co-ordinates member agencies' activities and develops innovative rehabilitation initiatives for reforming offenders. It brings together the major community and government organisations responsible for the rehabilitation of reforming offenders.

The CARE Network Logo

The concept behind the logo is "turning over a new leaf". This concept was reflected in the theme for the launch of the CARE Network – "Fresh Starts". The green leaf represents the reforming offenders, reflecting their willingness, strength and courage to face society. The red leaf represents the support of various agencies to help reforming offenders overcome their problems and reintegrate into society. Between the two leaves, the figure with outstretched arms represents society as a whole and depicts the acceptance and support demonstrated towards the reforming offenders. The heart shaped leaf is chosen to depict love, which is the basic underlying motivation of the various agencies, coming together and working as a team to help reforming offenders.



“The CARE Network engages the community in rehabilitation, co-ordinates member agencies' activities and develops innovative rehabilitation initiatives for reforming offenders. It brings together the major community and government organisations responsible for the rehabilitation of reforming offenders.”

Responsibilities

- Set guidelines and direction for the comprehensive provision of aftercare support services to discharged reforming offenders and their families
- Co-ordinate the efforts of the member agencies and external agencies to provide a seamless transition between incare and aftercare
- Raise the level of public awareness and concern about the needs or problems faced by reforming offenders and their families
- Identify and recommend funding for appropriate CARE Network initiatives run by aftercare agencies.

Vision Of CARE Network

Hope, Confidence and Opportunities for Reforming Offenders.

Objectives Of CARE Network

- To improve the quality of rehabilitative services through knowledge-sharing
- To build awareness and understanding of the rehabilitative process amongst the general public
- To increase efficiency by reducing duplication of work and services between member agencies
- To create a seamless transfer for offenders from incare to aftercare

Members Of CARE Network

- Singapore Corporation of Rehabilitative Enterprises (SCORE)
- Singapore Prison Service (Prisons)
- Industrial & Services Co-Operative Society Ltd (ISCOS)
- Singapore After-Care Association (SACA)
- Singapore Anti-Narcotics Association (SANA)
- National Council of Social Service (NCSS)
- Representative from Ministry of Home Affairs (MHA)

Case Management Framework

The first initiative by CARE Network is the Case Management Framework (CMF) for reforming offenders in the aftercare. This service is delivered by full-time Aftercare Case Managers (ACMs) from SACA and SANA. Under the CMF, the ACM and client will identify the aftercare needs of the client in reintegrating well. They will then draw up an Individualised Service Plan (ISP) that charts out the resources required to meet these needs. The ACM will source for resources from other agencies for services that they do not provide and ensure that any follow-up required is attended to.

The CMF was implemented in March 2001 (pilot phase: 1 March 2001 to 28 February 2002). For a start, it is offered to offenders who have been classified to highly likely change if appropriate rehabilitation within Prisons' resources is given to them (Class B). The ACMs have been reaching out to inmates from Changi Women's Prison (CWP), Kaki Bukit Centre (KBC), Moon Crescent Prison (MCP), Selarang Park Drug Rehabilitation Centre (SPD) and those emplaced on the halfway house programmes. The ACMs will start seeing the clients two months before their release and continue for six months in the aftercare.

As at 31 December 2003, more than 2,200 inmates have been referred to SACA and SANA for the CMF. Out of this number, more than 1,000 inmates have volunteered for the CMF. On average, about 51% of those who volunteered, completed the six-month aftercare phase of CMF.

The highlights for the year 2003 were as follows:

- CARE Network Secretariat role taken over by SCORE
- New Per Capita Funding Model piloted
- Other Case Management Framework initiatives and activities, e.g. CARE Day
- Rehabilitation Fair "Crafting Change" handicraft at Downtown East
- National Aftercare Framework (NAF)

“The first initiative by CARE Network is the Case Management Framework (CMF) for reforming offenders in the aftercare. This service is delivered by full-time Aftercare Case Managers (ACMs) from SACA and SANA.”



Mr Kong Mun Kwong, Co-Chairman of CARE Network presenting a token of appreciation to Mrs Goh Chok Tong, Guest-of-Honour for the event.

CARE Network Secretariat Role

In February 2003, SCORE took over the CARE Network Secretariat role from Prisons Department and resources were dedicated to it in May 2003 to support this important function.

New Per Capita Funding Model

The Programme Funding Model has been restructured to the Per Capita Funding Model and has been piloted since October 2003 for six months before its actual implementation. This new model would allow more flexibility and opportunities for ex-offenders for opting for CMF.

Other Case Management Framework Initiatives And Activities

- Formed a CMF Manual Working Group to develop the CMF Manual which will help maintain SOPs and professionalism with ACMs.
- Initiated the formation of the resource panel to be headed by Dr Tan Ngoh Tiong to chair the joint Case Conference with SANA and SACA.
- Lobbied and advocated successfully for the extension of CMF to Class A & C ex-offenders in October 2003 which gives more ex-offenders opportunities for CMF.
- Jointly organized a customised "Prisons Rehabilitation Policies and Programme Course" on 31 July 2003 with PSTS and Programme Branch for CARE Network agency partners to enhance seamless throughcare by equipping and orientating them to the philosophy of the Incare programmes.
- As part of the Family Support Programme (FSP) to complement the CMF, 6 CARE Days were organised. CARE Days are meant to support CMF clients and their families through workshops to enhance ex-offenders' reintegration into society.
- The Lee Foundation Education Assistance Scheme was launched by Associate Professor Ho Peng Kee, Senior Minister of State (Law & Home Affairs), aimed at providing opportunities for ex-offenders in their academic pursuit. The Lee Foundation contributed \$100,000 to implement the scheme.

Rehabilitation Fair "Crafting Change" Handicraft

In collaboration with Prisons, SCORE jointly organised a 2-day Rehabilitation Fair themed "Crafting Change" from 13 to 14 September 2003 at NTUC Downtown East. Associate Professor Ho Peng Kee, Senior Minister of State (Law & Home Affairs), graced the occasion as Guest-of-Honour. The fair showcased the products made and the talents available amongst the inmate and ex-inmate population to create awareness that reforming and reformed ex-offenders are capable of contributing to society. Renowned batik painting artist, Mr Sarkasi, who is actively imparting his skills to ex-offenders was at the event to demonstrate his art.

National Aftercare Framework

In September 2003, SCORE initiated the conceptualisation of the National Aftercare Framework (NAF) that would address the reintegration needs of discharged offenders. 15 focus group discussions (FGD) were organised with 124 participants from 30 agencies. The Masterplan for the NAF will be expected to be crafted by mid 2004 for ongoing implementation efforts to support ex-offenders reintegration into society.

Research & Organisational Development (R & OD)

3-Year Strategic Action Plan

R & OD finalised the 3-Year Strategic Action Plan (2003-2005) which is a culmination of the Corporate Retreat held a year ago and the subsequent Workplan Retreat. The Strategic Action Plan outlines the workplans for the next three years, charting the directions towards realising our vision. The Strategic Action Plan was shared with Prisons during the first Prisons-SCORE Joint Workplan Seminar held from 10 to 11 April 2003.

Research

R & OD embarked on a joint research project with Prisons Research & Planning Branch on the Completion and Non-Completion Rate of Case Management Framework. Findings from the project will aid the development of the National Aftercare Framework. The project is expected to be completed in 2004.



*Guest-of-Honour,
AP Ho Peng Kee,
declaring the
Rehabilitation Fair
open.*



Prisons and SCORE officers having a discussion during the Prisons-SCORE Joint Management Planning Retreat.

Joint Management Planning Retreat

The first Joint Management Planning Retreat between Prisons and SCORE was held from 28 to 29 May 2003 at Jurong Bird Park. As a result of this joint retreat, many fronts of cooperation were identified, and many joint working groups were formed. Several joint projects were started last year, some of which are still on-going.

Auditor's Report

Auditor's Report to the Chairman of the Singapore Corporation of Rehabilitative Enterprises

We have audited the accompanying financial statements of the Singapore Corporation of Rehabilitative Enterprises (the "Corporation") set out on pages 38 to 50. These financial statements comprise the balance sheets of the Corporation as at 31 December 2003, the statement of income and expenditure, statement of changes in capital account and accumulated surplus of the Corporation and the cash flow statement of the Corporation for the year ended 31 December 2003, and notes thereto. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Corporation of Rehabilitative Enterprises Act. (Chapter 298) and the Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Corporation as at 31 December 2003 and of the results and changes in capital account and accumulated surplus of the Corporation and cash flow for the year ended on that date;
- (b) proper accounting and other records have been kept;
- (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.

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Corporation during the year have not been in accordance with the provisions of the Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298).



ERNST & YOUNG
Certified Public Accountants

Singapore

Balance Sheet

as at Year Ended 31 December 2003

| | Note | 2003 S\$ | 2002 S\$ |
|-------------------------------|------|-------------------|-------------------|
| Capital account | 3 | 1,661,262 | 1,661,262 |
| Accumulated surplus | 4 | 38,900,131 | 37,647,913 |
| | | <u>46,561,393</u> | <u>39,309,175</u> |
| Represented by: | | | |
| Fixed assets | 5 | 8,649,030 | 2,205,419 |
| Investments | 6 | 21,733,806 | 26,448,540 |
| Current assets | | | |
| Stocks | 7 | 253,253 | 254,223 |
| Trade Debtors | | 4,232,345 | 4,075,646 |
| Other Debtors and Prepayments | 8 | 583,641 | 437,382 |
| Short-Term Investments | 6 | 6,281,375 | 5,565,800 |
| Fixed Deposits | 14 | 750,376 | 2,115,316 |
| Cash and Bank Balances | 14 | 320,975 | 483,874 |
| | | <u>12,421,965</u> | <u>12,932,241</u> |
| Current liabilities | | | |
| Trade Creditors | | 517,175 | 550,955 |
| Other Creditors and Accruals | 9 | 1,726,233 | 1,726,070 |
| | | <u>2,243,408</u> | <u>2,277,025</u> |
| Net current assets | | <u>10,178,557</u> | <u>10,655,216</u> |
| | | <u>40,561,393</u> | <u>39,309,175</u> |



Kong Mun Kwong
Chairman



Wong Seng Yoong
Chief Executive Officer

Income and Expenditure Statement

for the Year Ended 31 December 2003

| | Note | 2003 S\$ | 2002 S\$ |
|--|------|-------------------------|---------------------------|
| Operating Income | | | |
| Sales of Services | | 9,884,960 | 9,786,062 |
| Sales of Goods | | 2,425,496 | 2,683,092 |
| Leased Workshops' Labour Charges | 10 | 2,380,778 | 2,543,429 |
| Rental income | | 470,158 | 497,625 |
| Corporate Sponsorship | 11 | 54,968 | 340 |
| Job Placement Fees | | – | 4,551 |
| Miscellaneous | | 8,425 | 1,205 |
| | | <u>15,224,785</u> | <u>15,516,304</u> |
| Less: Operating Expenses | | | |
| Material Costs | | 2,096,338 | 2,242,844 |
| Manpower Cost | 12 | 6,273,589 | 5,803,550 |
| Inmates Earnings | | 2,801,812 | 2,700,307 |
| Utilities | | 2,273,932 | 1,957,400 |
| Distribution costs | | 466,178 | 324,283 |
| Office Rental | | 109,569 | 329,596 |
| Depreciation | 5 | 621,397 | 734,095 |
| General Office Expenses | | 383,303 | 399,233 |
| Grant, Contributions and Donations | | 260,185 | 173,507 |
| Staff Welfare | | 148,435 | 109,725 |
| Inmates' Training Cost | | 519,865 | 152,406 |
| Liquidated Damages | | 101,087 | 80,170 |
| Advertising | | 35,452 | 41,273 |
| Travelling | | 69,643 | 55,059 |
| Staff Training | | 147,071 | 99,155 |
| Fixed Assets Written Off | | 39,235 | 83,265 |
| Audit Fee | | 35,000 | 35,000 |
| Entertainment | | 40,239 | 75,331 |
| Board Members' Allowance | | 44,616 | 40,000 |
| Maintenance of Office and Workshops | | 384,257 | 387,222 |
| Bad debt Written Off | | – | 56,351 |
| Community Awareness Project | | 80,150 | 186,023 |
| Other Operating Expenses | | 166,644 | 165,805 |
| | | <u>17,097,997</u> | <u>16,231,600</u> |
| Operating (Deficit) | | (1,873,212) | (715,296) |
| Non-operating Income | | | |
| Interest Income from Bank Deposits | | 11,350 | 57,718 |
| Income from Investments | 13 | 1,181,535 | 1,024,159 |
| Writeback of/(provision for) impairment in value of investment | 6(b) | 2,169,040 | (1,055,156) |
| Gains on disposal of Fixed Assets | | 38,790 | 1,469 |
| | | <u>3,400,715</u> | <u>28,190</u> |
| Less: Non-operating Expenses | | | |
| Loss on Sale of Investments | | 64,829 | 249,205 |
| Consultation Fees (Project) | | 210,456 | 89,410 |
| Relocation Expenses | | – | 203,851 |
| Management fees, administrative and other expenses paid to fund managers | | – | 72,946 |
| | | <u>275,285</u> | <u>615,412</u> |
| Non-operating Surplus/(Deficit) | | 3,125,430 | (587,222) |
| Surplus/(Deficit) for the Year | | <u>1,252,218</u> | <u>(1,302,518)</u> |

The accounting policies and explanatory notes on pages 42 through 49 form an integral part of the financial statements.

Statement of Changes in Capital Account and Accumulated Surplus

for the Year Ended 31 December 2003

| | Note | 2003 S\$ | 2002 S\$ |
|---|------|-------------------|-------------------|
| Capital account | | | |
| Balance at Beginning and at End of Year | 3 | <u>1,661,262</u> | <u>1,661,262</u> |
| Accumulated Surplus | | | |
| Balance at Beginning of Year | | 37,647,913 | 38,950,431 |
| Net Surplus/(Deficit) for the Year | | 1,252,218 | (1,302,518) |
| Balance at End of Year | 4 | 38,900,131 | 37,647,913 |
| Total | | <u>40,561,393</u> | <u>39,309,175</u> |

Income and Expenditure Statement for the Year Ended 31 December 2003

| | 2003 S\$ | 2002 S\$ |
|---|--------------------|--------------------|
| Cash Flows From Operating Activities | | |
| Surplus/(Deficit) for the Year before Government Grants | 1,252,218 | (1,302,518) |
| Adjustments for: | | |
| Depreciation | 621,397 | 734,095 |
| Provision for Unutilised Leave | 27,948 | 172,919 |
| Provision for Linen Loss | 85,000 | 77,000 |
| (Written back of)/provision for Impairment in value of investments | (2,169,040) | 1,055,156 |
| Loss on Sale of Investments | 64,829 | 249,205 |
| Loss on Sale of Fixed Assets | 445 | 81,796 |
| Income from Investments | (1,181,535) | (1,024,159) |
| Interest Income from Bank Deposits | (11,350) | (57,718) |
| Amortisation of Fixed Income Securities | 72,734 | 37,321 |
| (Deficit)/Surplus Before Working Capital Changes | <u>(1,237,354)</u> | <u>23,097</u> |
| Changes In Working Capital | | |
| Decrease in Stocks | 970 | 53,624 |
| Increase in Trade Debtors | (156,699) | (199,424) |
| Increase in Other Debtors and Prepayments | (117,700) | (3,188) |
| (Decrease)/Increase in Trade Creditors | (33,780) | 183,252 |
| Increase in Other Creditors and Accruals | 163 | 371,181 |
| Net Changes In Working Capital | <u>(1,544,400)</u> | <u>428,542</u> |
| Liquidated Damages Paid for Linen Loss | (112,949) | (116,070) |
| Net Cash From Operating Activities | <u>(1,657,349)</u> | <u>312,472</u> |
| Cash Flows From Investing Activities | | |
| Purchase of Fixed Assets | (7,104,243) | (309,228) |
| Proceeds from Sale of Fixed Assets | 38,790 | 1,470 |
| Purchase of Shares and Bonds | (6,663,639) | (6,023,125) |
| Proceeds from Bonds upon Maturity and Sale of Investments | 12,694,275 | 2,785,926 |
| Interest Income | 787,134 | 594,033 |
| Dividend Income | 377,193 | 186,516 |
| Net Cash Used In Investing Activities | <u>129,510</u> | <u>(2,764,408)</u> |
| Net Decrease in Cash and Cash Equivalents | (1,527,839) | (2,451,936) |
| Cash and Cash Equivalents as at Beginning of Year (Note 14) | 2,599,190 | 5,051,126 |
| Cash And Cash Equivalents As At End Of Year (Note 14) | <u>1,071,351</u> | <u>2,599,190</u> |

Notes To The Financial Statements

1. Corporate Information

The main office of Singapore Corporation of Rehabilitative Enterprises (the "Corporation"), established under the Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298), is located at 407 Upper Changi Road North, 20km (within Prison HQ Complex), Singapore 507658.

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

The Corporation operates in Singapore and had 127 employees (2002:130) as at 31 December 2003.

2. Summary Of Significant Accounting Policies

(A) Basis Of Accounting

The financial statements, expressed in Singapore dollars, have been prepared in accordance with the historical cost convention. The financial statements are prepared in accordance with Singapore Financial Reporting Standards and the provisions of the Singapore Corporation of Rehabilitative Enterprises Act (Chapter 298). In previous year, the financial statements were prepared in accordance with Singapore Statements of Accounting Standards (SAS). The transition from SAS to FRS did not result in any significant change in accounting policies.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year.

(B) Basis Of Recognising Income

Income from services is taken into account when services have been rendered.

Dividend income is recognised when received and refund of dividend tax withheld is recognised upon the receipt of the Annual Dividend Statements or the subsidiary income tax certificates.

Interest income on bank deposits is recognised on the accrual basis.

Income from sale of goods under the industrial and workshop activities is recognised upon passing of title to the customers which generally coincides with the delivery or acceptance.

(C) Grants

Government grants and contributions from other organizations for the establishment of the Corporation are taken to the capital account.

(D) Fixed Assets And Depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the cost of assets over their estimated useful lives. The estimated useful lives have been taken as follows:

| | |
|----------------------------------|--------------|
| Furniture, fixtures and fittings | 10 years |
| Plant, equipment and machinery | 5 or 8 years |
| Motor vehicles | 5 years |

No depreciation is charged for projects-in-progress in the current year as these assets have not been fully completed and are not used during the year.

Fixed assets costing less than \$200 each are charged to the Income and Expenditure Statement in the year of purchase.

Fully depreciated assets are retained in the books until they are written off.

(E) Stocks

Stocks are stated at the lower of cost and net realisable value, cost being determined on a weighted average basis. Net realisable value is the estimated selling price less anticipated cost of disposal and after making allowance for damaged, obsolete and slow moving items.

In respect of work-in-progress and manufactured stocks, cost includes raw materials, direct labour and appropriate proportion of manufacturing overheads.

(F) Investment Securities

Marketable equity securities are held on a long-term basis and are stated at the lower of cost and market value determined on a portfolio basis. Bonds and other unquoted securities are held at cost. Provision is made for impairment loss, if any.

Amortisation of premium or discount on bonds is provided on an individual counter basis. Premiums paid or discounts received upon acquisition are amortised on a straight-line basis over the period from the date of purchase to maturity of the related security.

(G) Trade And Other Debtors

Trade debtors, which generally have 30-90 days terms, are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(H) Trade And Other Creditors

Liabilities for trade and other amounts payable, which are settled on 30-90 days terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Corporation.

(I) Provisions

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

(J) Employee Benefits

Defined Contribution Plan

As requested by law, the Corporation makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee leave entitlement

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

2. Summary Of Significant Accounting Policies (Cont'd)

(K) Impairment

The carrying amounts of the Corporation's assets other than stocks and trade and other debtors are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the income and expenditure statement whenever the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income and expenditure statement.

(L) Cash And Cash Equivalents

Cash and cash equivalents consist of cash and bank balances, balances with financial institutions and corporate papers.

3. Capital Account

This amount represents the value of assets amounting to \$1,443,262 taken over from the former Prison Industries and a capital grant of \$218,000 received from the Singapore Government for the establishment of the Corporation.

4. Accumulated Surplus

Of the \$38,900,131 (2002:\$37,647,913) in the accumulated surplus \$9,981,467 (2002:\$3,166,651) has been utilised for the purchase of fixed and other non-liquid assets or committed for future projects.

5. Fixed Assets

| | Furniture, Fixtures and Fittings S\$ | Plant, Equipment and Machinery S\$ | Motor Vehicles S\$ | Project in progress S\$ | Total S\$ |
|---------------------------|---|---|--------------------------|-------------------------------|--------------|
| Cost | | | | | |
| At 1.1.2003 | 4,354,444 | 11,256,259 | 796,368 | – | 16,407,071 |
| Additions | 369,786 | 676,169 | 5,877 | 6,052,411 | 7,104,243 |
| Disposals | (13,799) | (127,824) | (376,897) | – | (518,520) |
| At 31.12.2003 | 4,710,431 | 11,804,604 | 425,348 | 6,052,411 | 22,992,794 |
| Depreciation | | | | | |
| At 1.1.2003 | 3,210,188 | 10,384,245 | 607,219 | – | 14,201,652 |
| Depreciation for the year | 358,626 | 224,007 | 38,764 | – | 621,397 |
| Disposals | (13,152) | (120,180) | (345,953) | – | (479,285) |
| At 31.12.2003 | 3,555,662 | 10,488,072 | 300,030 | – | 14,343,764 |
| Depreciation for 2002 | 458,025 | 239,168 | 36,903 | – | 734,096 |
| Net Book Value | | | | | |
| At 31.12.2003 | 1,154,769 | 1,316,532 | 125,318 | 6,052,411 | 8,649,030 |
| At 31.12.2002 | 1,144,256 | 872,014 | 189,149 | – | 2,205,419 |

6. Investments

| | 2003 S\$ | 2002 S\$ |
|--|-------------|-------------|
| (A) Investments Comprise: | | |
| Quoted Investments at Cost | | |
| Equities | 9,827,419 | 12,475,862 |
| Bonds | 19,808,564 | 21,395,314 |
| Short-Term Deposits at Bank | – | 1,933,006 |
| | 29,635,983 | 35,804,182 |
| Less: Provision [(Note 6(b))] | (1,620,802) | (3,789,842) |
| Total investments held | 28,015,181 | 32,014,340 |
| Less: Unquoted Bonds Maturing in the Next Financial Year Classified as Short-Term Investments | (6,281,375) | (5,565,800) |
| | 21,733,806 | 26,448,540 |

Investments consist of marketable securities managed by professional fund managers and the Investment Committee set up by the Corporation:

| | | |
|--|------------|------------|
| Investments managed by professional funds managers | – | 19,342,259 |
| Investments managed by Investment Committee | 29,635,983 | 16,461,923 |
| | 29,635,983 | 35,804,182 |

| | | |
|-----------------------------------|------------|------------|
| Fair values of quoted investments | | |
| Equities | 8,206,616 | 8,673,540 |
| Bonds | 20,181,290 | 22,363,411 |
| | 28,387,906 | 31,036,951 |

Details of the bonds are as follows:

| | 2003 S\$ | 2002 S\$ |
|-----------------------|-------------|-------------|
| Government Securities | 7,380,776 | 6,512,428 |
| Corporate Securities | 12,427,788 | 14,882,886 |
| | 19,808,564 | 21,395,314 |

The effective interest rate of the Government Securities ranges from 3.50% to 5.07% (2002: 3.41% to 5.07%) and the average maturity date ranges from 11 February 2004 to 1 September 2016 (2002: 30 November 2005 to 20 September 2009).

The effective interest rate of the Corporate Securities ranges from 1.05% to 5.05% (2002: 1.438% to 6%) and the average maturity date ranges from 14 January 2004 to 9 May 2016 (2002: 15 January 2003 to 9 November 2004).

(b) Movements in Provision for Impairment in Value of Quoted Equities were as follows

| | 2003 S\$ | 2002 S\$ |
|---------------------------------------|-------------|-------------|
| Balance as at Beginning of the Year | 3,789,842 | 2,734,686 |
| Provision for diminution written back | (2,169,040) | – |
| Provision for the Year | – | 1,055,156 |
| Balance as at End of the Year | 1,620,802 | 3,789,842 |

6. Investments (Cont'd)

(b) Movements in Provision for Impairment in Value of Quoted Equities were as follows (Cont'd)

During the current financial year, the agreements with the professional fund managers have lapsed and the investments have been transferred back to the Corporation and are managed by the Investment Committee.

7. Stocks

| | 2003 | 2002 |
|-------------------------------|---------|---------|
| | S\$ | S\$ |
| Raw Materials at cost | 166,326 | 181,763 |
| Work-in-Progress | 60,200 | 42,157 |
| Manufactured Articles at cost | 26,727 | 30,303 |
| | 253,253 | 254,223 |

8. Other Debtors And Prepayments

| | 2003 | 2002 |
|---|---------|---------|
| | S\$ | S\$ |
| Other Debtors and Prepayments consist of: | | |
| Interest receivable | 228,138 | 196,955 |
| Tax refundable | 143,503 | 146,128 |
| Deposits | 38,001 | 31,199 |
| Prepayments | 12,994 | 11,063 |
| Other debtors | 161,005 | 52,037 |
| | 583,641 | 437,382 |

9. Other Creditors And Accruals

| | 2003 | 2002 |
|---|-----------|-----------|
| | S\$ | S\$ |
| Other Creditors and Accruals consist of: | | |
| Advances from Government for Payments to Halfway Houses | 378,058 | 379,161 |
| Deposits received | 109,455 | 69,851 |
| Accruals 1,134,480 | 998,034 | |
| Reimbursement to Singapore Aftercare Association | 44,750 | 226,830 |
| Others | 59,490 | 52,194 |
| | 1,726,233 | 1,726,070 |

10. Leased Workshops' Labour Charges

These are charges for inmates' services rendered to firms under the Private Sector Participation Scheme.

11. Corporate Sponsorship

In the Corporate Assistance for Rehabilitation ("CARE") Scheme to encourage organisations in the private sector to play an active role in community service by contributing towards the training of the inmates. Contributions are for funding training courses.

12. Manpower Costs

Manpower costs included the following for the years ended 31 December:

| | 2003 | 2002 |
|--------------------------------------|------------------|------------------|
| | S\$ | S\$ |
| Salaries, wages and bonuses | 5,538,605 | 5,095,762 |
| Central Provident Fund contributions | 734,984 | 707,788 |
| | <u>6,273,589</u> | <u>5,803,550</u> |

13. Income From Investments

| | 2003 | 2002 |
|--|------------------|------------------|
| | S\$ | S\$ |
| Income from Investments consists of: | | |
| Dividend Income from Quoted Equities | 374,568 | 294,852 |
| Interests from Fixed Income Securities | 806,967 | 719,300 |
| Interests Income from Bank Deposits | – | 10,007 |
| | <u>1,181,535</u> | <u>1,024,159</u> |

14. Cash And Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprises fixed deposits and cash and bank balances with the following balance sheet amounts:

| | 2003 | 2002 |
|------------------------|------------------|------------------|
| | S\$ | S\$ |
| Fixed Deposits | 750,376 | 2,115,316 |
| Cash and Bank Balances | 320,975 | 483,874 |
| | <u>1,071,351</u> | <u>2,599,190</u> |

15. Capital Commitments

| | 2003 | 2002 |
|--|------------------|----------------|
| | S\$ | S\$ |
| Capital commitments not provided for in the financial statements: | | |
| Approved by the Board and contracted for | <u>1,079,184</u> | <u>707,009</u> |

16. Contingent Liabilities

| | 2003 | 2002 |
|--|----------------|----------------|
| | S\$ | S\$ |
| Guarantees in respect of sales contracts not provided for in the Financial Statements | <u>831,110</u> | <u>555,858</u> |

17. Financial Risk Management Objectives And Policies

The main risks arising from the Corporation's financial instruments are market risk, interest risk, liquidity risk and credit risk. The Corporation/Investment & Finance Committee reviews and agrees policies for managing these risks and they are summarised below:

Market Risk

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

Interest Rate Risk

The Corporation has cash balances placed with reputable banks and financial institutions which generate interest income for the Corporation. The Corporation manages its interest rates risks by placing such balances on varying maturities and interest rate terms.

Liquidity Risk

In the management of liquidity risks, the Corporation monitors and maintains a level of cash and cash equivalents deemed adequate by the Management to finance the Corporation's operations and mitigate the effects of fluctuation in cash flows.

Credit Risk

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

The carrying amount of trade and other debtors, fixed deposits and cash and bank balances represent the Corporation's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Surplus funds are placed with reputable banks and/or invested in quoted equities and bonds.

Fair Values

Disclosure on the nature of financial instrument and their significant terms and conditions that could affect the amount, timing and certainty of future cash flow is presented in respective Notes to these financial statements, where applicable.

The following methods and assumptions are used to determine the fair value of each of the financial instruments for which it is practicable to estimate that value:

(i) Cash and bank balances, fixed deposits with financial institutions, and other debtors and creditors

The carrying amounts of these amounts approximate fair value due to their short-term nature.

(ii) Trade debtors and trade creditors

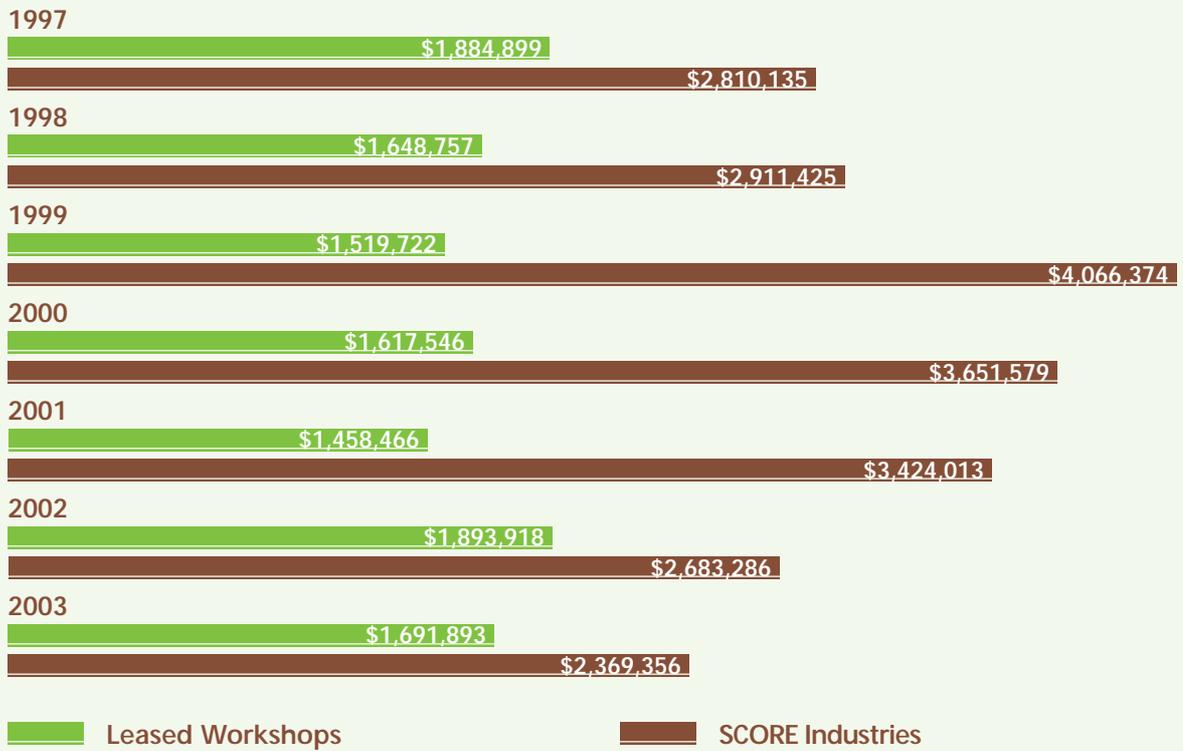
The carrying amounts of these amounts approximate their fair value because these are subject to normal trade credit terms.

(iii) Quoted investments

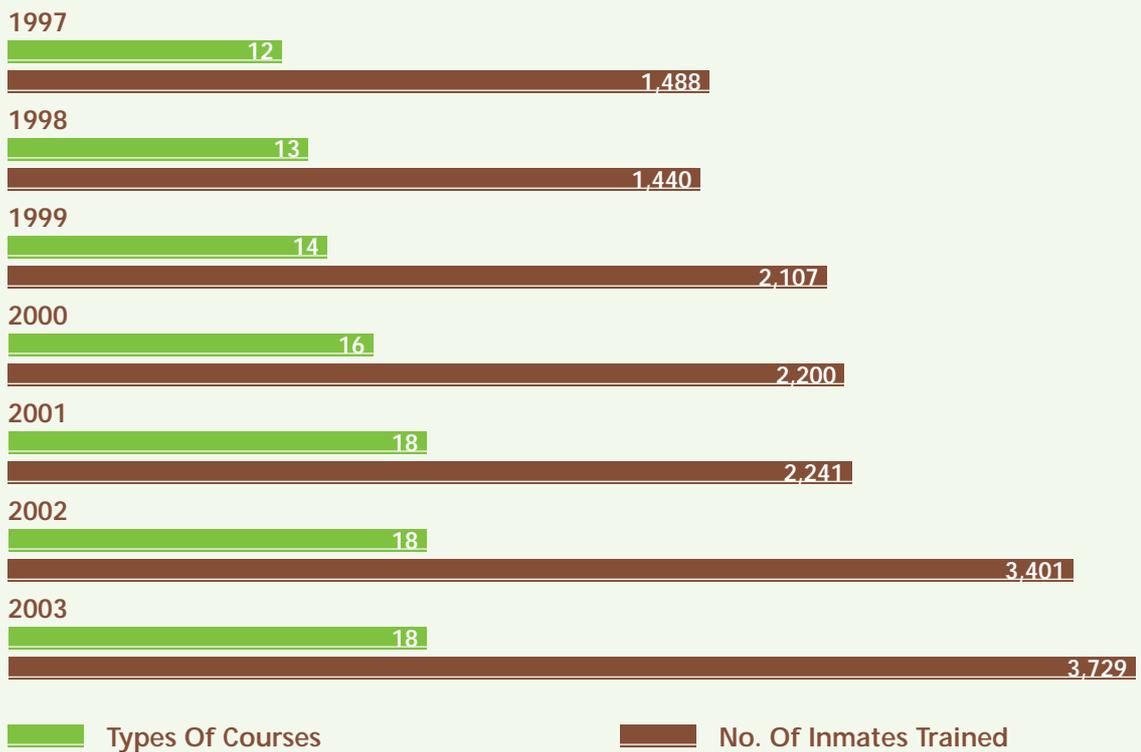
The fair value of quoted investments is estimated based on quoted market prices for these investments.

Performance Indicators

Profitability

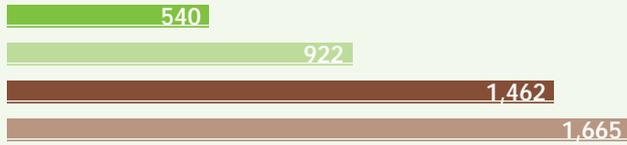


Training For Inmates

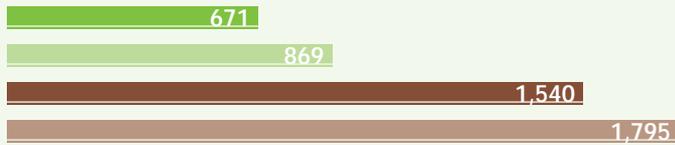


Job/Placement Employment Assistance

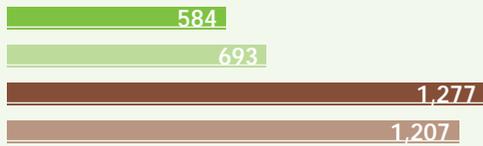
1997



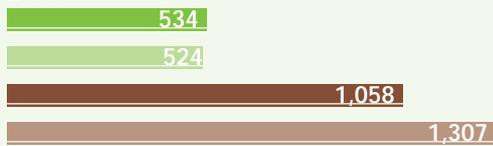
1998



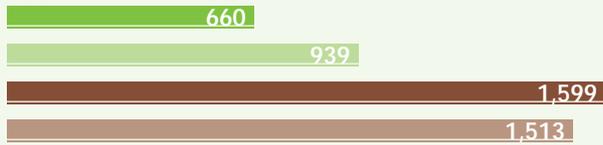
1999



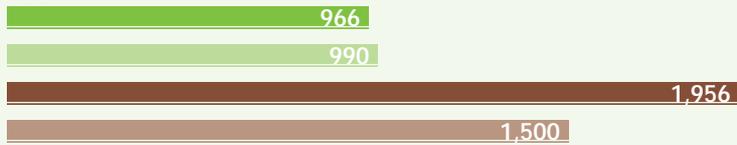
2000



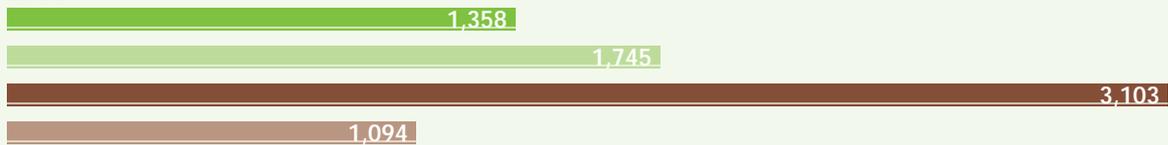
2001



2002



2003



 Inmates Placed Under The Work Release Scheme

 Ex-inmates Placed

 Total Assisted

 Companies In The Job Bank

Corporate Adoption Scheme

