



**The Singapore Teachers'
Co-operative Society Limited**

87th AGM

**Annual Report &
Statement of Accounts
2022**

**The 87th AGM will be held electronically on
Saturday, 24 June 2023 at 1030 hours**

**Registered under the Co-operative
Societies Act Cap. 62. Singapore**

MCI (P) 022/03/2023

87th ANNUAL GENERAL MEETING

STANDING ORDER

In pursuant to the COVID-19 (Temporary Measures) Order 2020

Alternative Arrangements for Meetings of Co-operative Societies

1. A general meeting of members of a co-operative society, or a meeting of members of a co-operative society, may be convened, held or conducted whether wholly or partly, by electronic means.
2. A co-operative society may provide that a member may only attend a meeting by observing and listening to the proceedings of the meeting by electronics means.
3. A co-operative society may require a member before the meeting, to send to the chairman of the meeting, by post or electronic mail, the matters which the member wishes to raise at the meeting, and each such matter, if substantial and relevant and sent within a reasonable time before the meeting, is to be responded to at or before the meeting by electronic response.
4. A member is deemed to be present at a meeting if the member has appointed the chairman of the meeting as the member's proxy to attend, speak and vote at the meeting, and the relevant quorum requirements are to be determined by the voting instructions and proxies submitted by the members or delegates prior to the commencement of the meeting.
5. A co-operative society may require a member to appoint the chairman of the meeting as the member's proxy to vote at the meeting by depositing with the co-operative society an instrument of appointment by post, or by electronic mail stated in the notice of the meeting. A member may not vote at the meeting otherwise than by way of appointing the chairman of the meeting as the member's proxy.
6. A document required to be laid or produced before a meeting may be so laid or produced by being:
 - (a) **Sent with the notice of the meeting; or**
 - (b) **Published at an online location, the address of which is provided with the notice of the meeting, or on the website of the co-operative society.**
7. For the period 24 June 2023 to date of AGM in 2026 there are five vacancies for five members to be elected to serve in the COM. **The sixth member** with the highest number of votes from the remaining candidates will be elected to serve from 24 June 2023 to the AGM date in 2024. This elected member will then have to seek re-election if he/she desires to serve in the COM again.

By Order of the Committee of Management

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ANNUAL GENERAL MEETING

Notice is hereby given that the **87th ANNUAL GENERAL MEETING** of The Singapore Teachers' Co-operative Society Limited will be held **electronically** on Saturday, 24 June 2023 at 1030 hours.

A G E N D A

1. The President's Address.
2. To confirm the minutes of the 86th Annual General Meeting held on 25 June 2022.
3. To confirm the minutes of the Extraordinary General Meeting (EGM) held on 30 July 2022.
4. To receive, and if approved, to accept the Report of the Committee of Management and the Audit Report for the year ended 31 December 2022.
5. To receive and if approved, to accept the audited Statement of Accounts for the financial year ended 31 December 2022.
6. To consider and approve the proposed 'Distribution of 2022 Surplus' (Annex 4)
7. To consider and approve the Adjustments for FY 2023 and Estimated expenditure for FY 2024 for the Society. (Annex 5)
8. To consider and approve the maximum liability of \$80 million for the year 2023, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12. (Annex 6).
9. To approve the payment of \$7,250 per month to members of the Committee of Management.
10. To approve the payment of \$12,600 per year for the AC Committee and the Internal Auditor.
11. To consider and appoint Messrs Reanda Adept PAC (Mr Ng Kok Keong) as External Auditor for the financial year 2023.
12. Elections:
 - 12.1 To elect **six** members, five of which will serve on the Committee of Management for a term of three years. **The sixth member** with the highest number of votes from the remaining candidates will be elected to serve from 24 June 2023 to the AGM date in 2024. This elected member will then have to seek re-election if he/she desires to serve in the COM again.
13. To transact any other business of which at least seven clear days' notice shall have been given in writing to the Chief Executive Officer.

By Order of the Committee of Management



Teo Chor Kai
Chief Executive Officer

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD**150 CHANGI ROAD****#02-06 GUTHRIE BUILDING****SINGAPORE 419973****TEL : 6440 4393****FAX :6440 3382**

Minutes of the 86th Annual General Meeting (AGM) held on Saturday, 25 June 2022, at 1030h via electronic means at the Society's premises

Proxy Forms received – 72

Valid Proxy Forms received – 69

Number required was 30, thus the meeting had the necessary quorum to proceed.

The Society is deeply honored to have its President, Mr Lim Boon Wee (Deputy Secretary, Education), to chair the meeting. Present with him were the Society's Chairman, Mr Richard Zaccheus, Hon Treasurer, Mr Fok Kim Fook and the CEO, Mr Teo Chor Kai.

THE CHAIRMAN'S ADDRESS

Good morning, Vice-Presidents, Mrs Brenda Tan, Mr Goh Ek Piang, Chairman of The Singapore Teachers' Co-operative Society Ltd, Mr Richard Zaccheus and members.

Welcome to the 86th Annual General Meeting, which is being held electronically. For the year 2021, border control measures and travel restrictions were the main features in many countries in the world. Towards the second half of the year, due to the high vaccination rates, Singapore's control measures were gradually reduced. I hope members and their families have been keeping well and taking all these adjustments to our work and lifestyle in our stride. But even as we are gradually getting over the COVID-19 pandemic and trying to lead a more normal life, other storm clouds affecting the economy and especially on the cost of living have emerged in recent months. So, it is important that we remain resilient and learn to stay positive.

This meeting will be conducted following the guidelines issued by the Ministry of Culture, Community and Youth (MCCY) last year.

The major guidelines remain the same, such as, the downloading of the proxy form for which members have to fill and return to the society, via email, or by post/hand. A member would be deemed to be present once he had appointed the Chairman of the meeting as his proxy to attend, speak and vote at the AGM. Such under-taking would be counted as an attendance for the count towards the number required for a quorum (30 member attendees) for the AGM.

Member can only log in to view and listen to the proceeding but is not able to speak or present their views physically.

As at the closing date and time the valid number of proxy forms submitted was 69 out of a total of 72 proxy forms received, we have a quorum to proceed with the meeting.

Loans

For the year 2021, loan amount granted amounted to \$12,168,042. This was \$332,532 higher than that granted in 2020. Income from loans and Admin fees was around \$1.29 million.

Investments

The co-op managed to generate a 4.49% ROI on its Restricted Investment. ROI for non-restricted Investment came in at **1.23%**. The members of the Investment Committee should be congratulated for being vigilant and nimble in their decision making to help generate the returns despite the very challenging financial environment. The Restricted Investment income was **\$890,486** while the non-restricted investment income was **\$681,903** giving a total **\$1,575,389**.

Restricted Investment (RI)

The approved limit to invest up to 30% of the Co-op's total assets in Restricted Investment expired in May 2022. Members will need to give approval to extend this limit for another three years, that is from 11 June 2022 to 10 June 2025. Your permission had been sought earlier and I will announce the outcome of your decision later in Item No. 8.

Term Deposit Rate

The COVID-19 pandemic did have an impact on the Society's performance in 2021. Income was lower particularly in bank interest income.

Despite the very low interest offered by banks and financial institutions on fixed deposits, the Co-op maintained its Term Deposit rate at 0.8% p.a. throughout the year for the benefit of the members.

Maximum Liability (\$75 million)

The Co-op has set its maximum liability at \$75 million. During the course of the year 2021, members deposits on Term Deposit, Bonus Savings and General Savings amounted to more than \$73 million. The management had no choice but to temporarily decline members' new deposits in the above savings so as not to breach the limit. Members of the COM monitored the deposits trends of members and has decided to increase the maximum liability to \$80 million, that is another \$5 million. I will announce your decision on this resolution under Item No. 7.

Surplus for the year

Surplus for 2021 was \$657,452.00. From this surplus, the COM had recommended an 8% dividend and a 5% loan interest rebate to be paid out, which were the same rates as the previous year. This is included in the resolution under Item No. 4 on the Distribution of the 2021 surplus, which members had already given their approval via the proxy forms received.

However, due to an error in calculations, the Co-op had to reduce the amount set aside for honorarium and Common Good Fund, but the proposed 8% for dividend and 5% rebate on loan interest remained. The resolution that was passed needed to be held back. Please refer to the slide. The first one shows the original resolution, while the second shows the revised proposed resolution.

The Co-op had informed the Registrar of Co-operatives to seek their advice on how to resolve this issue so that payment on the distribution can be made out to members. From the advice, it would appear that fastest way to resolve the issue is for the in-coming COM to call for an Extraordinary General Meeting (EGM) to vote on the amended resolution 4 again. The Co-op will therefore hold this EGM as soon as possible after this AGM. Your kind understanding and participation regarding this issue is much appreciated.

Membership

Number of members as at 31 December 2021 was 4,200. This was 47 less than that in 2020. We are glad that the difference was not too great. During the pandemic period, no membership campaign could be carried out to recruit new members. There were no school visits nor publicity at the NIE Teachers' Investiture. I would like to urge you, the members to help the Co-op recruit new members by inviting your colleague who are non-members to join.

You may contact the Society's staff or visit the Co-op website for more information.

Golden Mile Complex

The Co-op has an office unit in Golden Mile Complex. I am sure most of you would have learnt of the collective sale. The sale had finally been concluded. I am given to understand that barring any unforeseen event, the completion of the collective sale order is projected to be in October 2022 and completion of the legal issues in January 2023, the Co-op will then receive its due sale proceed. Members will be kept posted on this via the Society's website news.

Society's Staff – Ms S Telakavathi (Sheela)

Staff S Telakavathi joined the Society in 17 August 1989 as an Office Executive and served as a Loan Executive for many years. She was no stranger to many a borrower. It was most unfortunate that Ms Telakavathi succumbed to a prolonged illness and passed away on 10 November 2021. We wish to express our deep condolences to members of her family.

Election to be a member of the Committee of Management (COM)

It is heartening to note that there were six candidates vying for three vacancies in the COM. All six are currently serving teachers. Three of the six candidates are seeking re-election.

I will announce the results of the election under Item No. 10.

Thank you.

Firstly, on the following resolutions from 1 to 8, reference of agenda item were adopted by members by a simple majority.

Resolutions 1: To confirm the minutes of the 85th Annual General Meeting held on 26 June 2021.

Votes For	: 53
Against	: 8
Abstain	: 4

I declare and confirm the minutes of the 85th AGM held on 26 June 2021.

Resolution 2: To consider and approve the Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2021.

Votes For	: 53
Against	: 9
Abstain	: 3

I declare and approve the Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2021.

Resolution 3: To approve the audited Financial Statements for financial year ended on 31 December 2021.

Votes For	: 51
Against	: 10
Abstain	: 4

I declare and approve the audited Financial Statements for financial year ended on 31 December 2021.

Resolution 4: To consider and approve the proposed “Distribution of 2021 Surplus”. (Annex 4)
This resolution is being held back as per reasons given earlier.

Resolution 5: To consider and approve the Adjustments for FY 2022 and Estimated Expenditure for FY 2023 for the Society. (Annex 5)

Votes For	: 53
Against	: 9
Abstain	: 3

I declare and approve the Adjustments for FY 2022 and Estimated Expenditure for FY 2023 for the Society.

Resolution 6: To consider and approve the Maximum Liability of \$80 million for the year 2022, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12. (Annex 6)

Votes For	: 52
Against	: 9
Abstain	: 4

I declare and approve the Maximum Liability of \$80 million for the year 2022, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12.

Resolution 7: To consider the extension of the RI ratio of 30% for another three years, that is, from 11 June 2022 to 10 June 2025 (Annex 7)

Votes For	: 53
Against	: 8
Abstain	: 4

I declare and approve the extension of the RI ratio of 30% for another three years, that is, from 11 June 2022 to 10 June 2025.

Resolution 8: To consider and appoint Messrs Reanda Adept PAC as the External Auditor for the financial year 2022.

Votes For	: 50
Against	: 10
Abstain	: 5

I declare and approve the appointment of Messrs Reanda Adept PAC as the External Auditor for the financial year 2022.

Resolution 9 to 14: To elect/re-elect three members to serve on the COM for a term of three years

Resolution 9: To elect Mdm Shamsulbadariah Hussein as a member of the COM.

She received 7 'For' votes

Resolution 10: To elect Mdm Garmit Kaur d/o Kartar Singh as a member of the COM.

She received 12 'For' votes

Resolution 11: To re-elect Mr Chern Meng Hock as a member of the COM.

He received 24 'For' votes

Resolution 12: To elect Mdm Eileen Ong Ah Buan as a member of the COM.

She received 16 'For' votes

Resolution 13: To re-elect Mdm Elene Lim Lan Hiang as a member of the COM.

She received 26 'For' votes

Resolution 14: To re-elect Mdm Kiren Kaur Gill as a member of the COM.

She received 54 'For' votes

Results of the election:

Mdm Kiren Kaur Gill, with 54 votes

Mdm Elene Lim Lan Hiang, with 26 votes

Mr Chern Meng Hock, with 24 votes

These are the three candidates who received the highest votes among the six candidates. I hereby declare the three named candidates duly elected to the COM for the period 25 June 2022 to 24 June 2025.

I will now proceed with the last item on the agenda

AOB

We have received an email from Mr Chern Meng Hock raising questions. His email reached the society on 18th June 2022 at 2:05pm which was past the cut-off time of 1300h. The officials are therefore not responding to his queries in this AGM.

Thank you.

/agmmmins25062022

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Minutes of the Extraordinary General Meeting (EGM) held on Saturday, 30 July 2022, at 1130h

Proxy Forms received: **43**

Valid Proxy Forms received: **42**

Number required for the meeting was 30, thus the EGM had the necessary quorum to proceed.

Mr Lim Boon Wee (Deputy Secretary, Education), was present to chair the meeting. Present together with him were the Society's Chairman, Mr Richard Zaccheus, Hon Treasurer, Mr Fok Kim Fook and the CEO, Mr Teo Chor Kai.

The Chairman's Address

Good morning, ladies and gentlemen, welcome to the Extraordinary General Meeting (EGM).

The members of the COM are convening and holding this EGM after having sought consultation with the Registrar of Co-operatives to seek your decision to vote by proxy your consent to approve the proposed distribution of 2021 net surpluses.

Resolution 4 which detailed the distribution of the 2021 net surpluses was approved by you earlier, prior to the 86th AGM meeting which was held on Saturday, 25 June 2022. The approval had to be held back due to a presentation error. Hence, the Co-op is convening and holding this EGM today, 30 July 2022 with the corrected version tabled as a resolution for your approval.

The Co-op had informed you through relevant notifications on the EGM and had detailed the error in the explanatory notes. Please refer to attachment 1 for details and attachment 2 for the proposed revised distribution of 2021 net surpluses. I believe you had noted the relevant documents before casting your votes on the resolution in the proxy form. I am sure you are all anxious to know the result of the voting.

The following are the results:

Number of Proxy Forms received: **43**

Total valid votes received: **42**

Total votes **for**: **40**

Total votes **abstained**: **02**

Total votes **against**: **00**

I now declare that Resolution 4 on the Distribution of 2021 surpluses to be carried. With this outcome, the Co-op will be paying out an 8% dividend and a 5% loan interest rebate, which were the same rates as the previous year.

May I thank you for your support.

Thank you.

Conclusion: The revised Resolution 4 which was previously held back was approved by a majority vote by the members at the EGM.

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR 2022

Patron	-	Ms Indranee Thurai Rajah Minister, Prime Minister's Office Second Minister for Finance and Second Minister for National Development
President	-	Mr Lim Boon Wee Deputy Secretary (Services) Ministry of Education
Vice-Presidents	-	Mrs Brenda Tan (Principal, Retired) (up to 30 July 2022) Mr Goh Ek Piang (Principal, Retired) (Deputy Director of CCAB, Retired) (up to 30 July 2022)

1. COMMITTEE OF MANAGEMENT

Chairman	-	Mr Richard Zaccheus
Deputy Chairman	-	Mr Allan Tok Wei Cheng
Hon. Treasurer	-	Mr Fok Kim Fook
1 st Hon. Asst. Treasurer	-	Mdm Elaine Seah Ee Leng
Hon. Asst. Secretary	-	Mdm Elene Lim Lan Hiang
Committee Members	-	Mr Peter Tan Swee Chong Mdm Patsy Ng Moi Sng Mr Chern Meng Hock (up to 6 July 2022) Mr Wilson Koh Kian Neng Mdm Kiren Kaur Gill Mr Ho Boon Huat

2. STAFF

2.1 Appointment of Chief Finance Officer (CFO)

2.1.1 To comply with the written direction, the Society needed to employ a Chief Finance Officer with the requisite qualifications in finance to helm its finance department. The Chairman, Hon Treasurer and the CEO interviewed three candidates for the position. Ms Mavis Ren was selected and appointed as the CFO of the Society. She would report for work with effect from 3 January 2023. Ms Mavis Ren has the following educational and professional qualifications:

- (i) **ACCA Professional Qualification**
- (ii) **Member of the Institute of Singapore Chartered Accountants**
- (iii) **Chartered Accountant of Singapore**

2.1.2 The members of the COM and the Management welcomed Ms Mavis Ren and look forward to her contributions.

3. 86th ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2022

3.1 The Society's President, DS Lim Boon Wee chaired the 86th AGM at the Society's office. The meeting was held virtually.

3.2 The following were the results of the resolutions as declared by the Chairman at the meeting.

Resolution 1: To confirm the minutes of the 85th Annual General Meeting held on 26 June 2021.

Votes	: 54
Against	: 8
Abstain	: 4

I declare and confirm the minutes of the 85th AGM held on 26 June 2021.

Resolution 2: To consider and approve the Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2021.

Votes	: 54
Against	: 9
Abstain	: 3

I declare and approve the Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2021.

Resolution 3: To approve the audited Financial Statements for financial year ended on 31 December 2021.

Votes	: 52
Against	: 10
Abstain	: 4

I declare and approve the audited Financial Statements for financial year ended on 31 December 2021.

Resolution 4: This resolution was held back in view of a calculation error. An Extra-Ordinary General Meeting (EOGM) was held on 30 July 2022 to rectify it.

Resolution 5: To consider and approve the Adjustments for FY 2022 and Estimated Expenditure for FY 2023 for the Society.

Votes : 54
Against : 9
Abstain : 3

I declare and approve the Adjustments for FY 2022 and Estimated Expenditure for FY 2023 for the Society.

Resolution 6: To consider and approve the Maximum Liability of \$80 million for the year 2022, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12.

Votes : 53
Against : 9
Abstain : 4

I declare and approve the Maximum Liability of \$80 million for the year 2022, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12.

Resolution 7: To consider the extension of the RI ratio of 30% for another three years, that is, from 11 June 2022 to 10 June 2025.

Votes : 54
Against : 8
Abstain : 4

I declare and approve the extension of the RI ratio of 30% for another three years, that is, from 11 June 2022 to 10 June 2025.

Resolution 8: To consider and appoint Messrs Reanda Adept PAC as the External Auditor for the financial year 2022.

Votes : 51
Against : 10
Abstain : 5

I declare and approve the appointment of Messrs Reanda Adept PAC as the External Auditor for the financial year 2022.

Resolution 9: To elect/re-elect three members to the COM:

1. To elect Mdm Shamsulbadariah Hussein as a member of the COM.

Votes : 7
Against : 2
Abstain : 9

2. To elect Mdm Garmit Kaur d/o Kartar Singh as a member of the COM.

Votes : 12
Against : 2
Abstain : 9

3. To re-elect Mr Chern Meng Hock as a member of the COM.

Votes : 24
Against : 3
Abstain : 2

4. To elect Mdm Eileen Ong Ah Buan as a member of the COM.

Votes	:	16
Against	:	2
Abstain	:	7

5. To re-elect Mdm Elene Lim Lan Hiang as a member of the COM.

Votes	:	26
Against	:	1
Abstain	:	4

6. To re-elect Mdm Kiren Kaur Gill as a member of the COM.

Votes	:	54
Against	:	1
Abstain	:	6

I declare and approve the re-election of the three members named below to the COM.

They are:

1. Mdm Kiren Kaur Gill
2. Mdm Elene Lim Lan Hiang
3. Mr Chern Meng Hock

4. EXTRA ORDINARY GENERAL MEETING (EOGM) – 30 JULY 2022

- 4.1 Due to a presentation error, the approval obtained at the 86th AGM held on 25 June 2022 for Resolution 4 (Proposed Distribution of 2021), was withheld. The error was corrected and the revised format was presented to the general membership. Members approved the **Proposed Distribution of the 2021 Surplus** at the EOGM held on 30 July 2022. The members of the COM wish to thank the Society's President, Mr Lim Boon Wee for his presence to conduct the EOGM.

4.2. RESULT OF THE RESOLUTION

The following are the results:

Number of Proxy Forms received	:	42
Total valid votes received	:	42
Total votes for	:	40
Total votes abstained	:	02
Total votes against	:	00

The resolution on the Proposed Distribution of 2021 was approved by members at the EOGM.

5. DISQUALIFICATION OF MR CHERN MENG HOCK AS A MEMBER OF THE COM

- 5.1 Mr Chern had on 6 July 2022 emailed to the Returning Officer, Mrs Brenda Tan informing her that he had made "an error in submitting his profile for the 87th STCS COM elections". He mentioned that inaccurate information given might mislead STCS members in their decision in voting. He added that he might have gained an unfair advantage over the other nominations in the election. He requested to be disqualified as an elected member of the 87th COM member.

- 5.2 Mrs Brenda Tan had on 18 July 2022 replied to Mr Chern Meng Hock that she had verified the statement he made in his election profile to the Co-op. The statement that he was the Honorary Assistant Treasurer from 1 September 2015 to 30 June 2016 was incorrect. Mrs Brenda Tan subsequently disqualified Mr Chern Meng Hock as an elected member of STCS Committee of Management with effect from 6 July 2022, the date Mr Chern Meng Hock sent his email.

6. VICE-PRESIDENTS – MRS BRENDA TAN AND MR GOK EK PIANG

- 6.1 With effect from 30 July 2022, Mrs Brenda Tan and Mr Goh Ek Piang ceased to be the Vice-Presidents of the Society. Members of the Committee of Management wish to place on record their sincere gratitude to both the Vice-Presidents for their advice and guidance during their tenure.

7. MEMBERSHIP OF THE SOCIETY

7.1	Number of members joined	-	53
	Number of members deceased	-	13
	Number of members terminated	-	9
	Number of members retired	-	69
	Number of members resigned	-	189

Number of members as at 31 December 2022 – 4,075

7.2 MEMBERSHIP PROMOTION FROM 1 NOVEMBER 2022 TO 31 MARCH 2023

- 7.2.1 Members would enjoy the following benefits:

- (i) **Proposer - \$20.00 plus \$10.00 gift card**
- (ii) **Secunder - \$10.00**
- (iii) **New Ordinary Member Application – waiver of entrance fees plus \$10.00 gift card**

8. CONDOLENCES

- 8.1 Members of the Committee of Management (COM) would like to extend their condolences to the bereaved families of the following members:

Mr Anthony Lawrence	Mr Chua Kian Hiong
Mr Goh Joon Choon	Mr Tan Yeow Theng
Mr Soh Peng Huat	Mr Loh Chiak Khan
Mdm Wong Sock Yah	Mdm Sarojini d/o Govindasamy
Ms Louisa Ng Bee Hua	Mr Lui Pin Foh Joseph
Mdm Malliga d/o M. Karuppiah Muthiah	Mr Lim Boon Huat
Mr Chak Wai Meng, Shawn Kelvin	

9. MEETINGS

- 9.1 With effect from May 2022, COM meetings were held physically at the Society's premises.

10. BUSINESS HOURS

- 10.1 The Society opened for business from 0900 hours to 1800 hours from Monday to Friday and on two Saturdays a month from 0900 hours to 1300 hours.

11. NUMBER OF COMMITTEES

11.1 Please refer to Annex 2 for details.

12. INTERNAL AUDITORS

12.1 Mr Phua Chin Hong continued to serve as an Internal Auditor of the Society. The management wish to place on record its gratitude for his diligent performance in checking the relevant documents and receipts to ensure compliance.

12.2 M/s Yang Lee & Associates completed their internal audit of the Society in the month of January in 2023.

Their findings consisted of the following:

Level of priority:

Moderate - 7

Low - 4

Those do-able recommendations were put into practice where possible.

13. SPECIAL AUDIT

13.1 PwC completed their special audit. They had feedback sessions with the officials and the management. Their final report was submitted to the Society in November 2022, for follow-up actions and perusal. Management had taken note of their recommendations and had put into practice those that required immediate attention where practical.

14. SURPLUS FOR YEAR 2022

14.1 The surplus for the year 2022 was **\$1,842,727.09**. Proceeds from the sale of unit #04-18 had been included.

15. GOLDEN MILE COMPLEX

15.1 Sale of office unit #04-18 at Golden Mile Complex Enbloc was completed on **11 November 2022**. Sales proceeds amounting to **\$2,162,645.20** inclusive of **\$141,481.46 GST**. As of 31 December 2022, payment of **\$2,045,411.87** had been received.

16. PRUDENTIAL REQUIREMENT RATIO

Ratio Analysis	Effective Date As At:	Requirement	As at 31-DEC-22	As at 31-DEC-22	
				Total Assets	\$ 92,011,611
				Liquid Assets	\$ 38,356,896
Capital Adequacy Ratio (CAR)	01/07/2016 to 31/12/2022	Min 10%	13.06%	Mbr Deposits	\$ 66,975,107
Minimum Liquid Ratio (MLA)	01/07/2016 to 31/12/2022	Min 15%	57.27%	Institutional Capital	\$ 12,019,489
Retricted Investments < 30% of Total Assets	11/06/22 to 30/06/25	Max 30%	17.43%	Restricted Investments	\$ 16,041,471

17. LOANS

17.1 **399** loans were granted, amounting to **\$12,640,075.00**. There was an increase of **\$523,177.00** as compared with the amount granted in 2021.

17.2 Interest rates for all the loans remained unchanged for the year 2022.

17.3 Interest income from loans and admin fees totalled **\$1,204,946.46**.

18. BAD LOANS WRITTEN-OFF

18.1 Nine bad loans were written-off for the year 2022. This amounted to **\$69,575.60**.

19. INVESTMENT

19.1 For the year 2022, income from Restricted Investment was **\$491,728.11** and for Non-Restricted Investment, it was **\$787,922.46**, giving a total of **\$1,279,650.58**. This was **\$292,739.51** lower than that of year 2021.

19.2 Capital gains from disposal of quoted equities was \$212,527.96, which will directly transfer to Retained Surplus.

19.3 The Return on Investment (ROI) for Restricted Investment (RI) was 3.07%, slightly lower than the target of 3.5% to 4.5% set.

20. IT SYSTEM

20.1 The IT Manager of the Society had ensured that the IT system operated smoothly. Disruptions were kept to the minimum and any system problems were attended to immediately.

21. ANNUAL REPORT

21.1 The annual report was uploaded onto the Society's website. Hard copy was posted to those who had requested for it.

22. E-NEWSLETTER AND FESTIVE GREETING

22.1 News and well-wishing greetings were e-blasted to members. Hard copies were posted to those who had requested for them.

23. INTEREST ON SAVINGS**23.1 General Savings (GS)**

23.1.1 For the period 1 January 2022 to 31 December 2022, the GS interest rate was 0.3% p.a.

23.2 Bonus Savings (BS)

23.2.1 Due to the lower interest rate environment, the interest rate for BS was reduced from 2.5% p.a. to 2% p.a. with effect from 1 April 2022.

23.3 Term Deposit (TD)

23.3.1 Interest rate on fixed deposits from banks and financial institutions moved upwards in a volatile manner starting from the second half of the year.

The Finance Committee met many times to adjust the Society's TD rate, so that members could receive good returns on their deposits. The Society had tried its best to match or better its TD rates compared with that provided by the banks or financial institutions.

24. STATEMENT OF ACCOUNTS (SOA)

24.1 Half-yearly statement of accounts had been dispatched to members for their perusal. Members could also view their SOA any time via the Society's website.

25. DIVIDEND / PATRONAGE REBATE

- 25.1** Members were rewarded 8% dividend on their Share Capital and the borrowers received a rebate of 5% on the amount of interest they paid on their loans in the year 2021. The dividend and rebates were credited into members' General Savings account in August 2022.

26. SINGAPORE TEACHERS' INTERNATIONAL HOLDINGS (STIH)

- 26.1** STIH continued to provide the following services outsourced by STCS:

- (i) Debt recovery for STCS from defaulted borrowers
- (ii) Auxiliary Services

It was also in partnership with Edu Achiever in providing After-School Care Services.

- 26.2** Surplus for STIH for the year was **\$4,219.00**.

27. Conference & Training**27.1 Event:****Attended By:****January 2022**

NTUC Learning Hub – Fundamentals of the Personal Data Protection Act (PDPA)
VLC-NICF141-22-0652. **10 – 12 January 2022**

Mr Willy Siang
Mdm Arifah Begum

March 2022

SNCF – Training on Governance Guides
For Credit Co-op. **Friday, 11 March 2022**

Ms Sim Mui Liang

August 2022

SNCF AND RCS - Credit Sector Forum
23 August 2022

Mr Fok Kim Fook
Mr Peter Tan Swee Chong
Mr Teo Chor Kai
Mr Willy Siang
Ms Sim Mui Liang

November 2022

SNCF – Annual Co-operative Leaders' Conference (ACLC) 2022.
5 – 8 November 2022

Mr Fok Kim Fook
Mr Peter Tan Swee Chong
Mdm Patsy Ng Moi Sng
Mr Phua Chin Hong
Mdm Hariyani Masrool
Mr Willy Siang

28. PDPA

28.1 In compliance with the PDPA requirements, the Society had formed a Data Protection Management Committee:

Mr Teo Chor Kai	-	Approving Officer
Mr Willy Siang	-	Executor
Mdm Arifah Begum	-	Executor
Mr Dannee Ng	-	Consultant

28.2 The Society had also engaged the professional services of a company to provide advisory and consultation services on policies, procedures and manuals with regard to PDPA. Their trainer would also help in the preparation of the policies and rules.

28.3 The company engaged would also provide the Society with a Data Protection Governance Framework.

29. Appreciation

29.1 The Committee of Management wishes to thank:

the Patron
the President and the Vice-Presidents
the Registrar of Co-operative Societies and his officers
the Central Pay Office
the Ministry of Education
the Ministry of Culture, Community and Youth
the National Institute of Education
the Institute of Technical Education
the Members
the staff and
all others who have rendered services in one way or another



TEO CHOR KAI
CHIEF EXECUTIVE OFFICER

**THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD**

150 CHANGI ROAD
GUTHRIE BUILDING #02-06
SINGAPORE 419973

TEL: 6440 4393

AUDIT COMMITTEE REPORT FOR FINANCIAL YEAR 2022**1. The AC Committee "AC" comprises of three members:**

Chairman	-	Mr Chua Kia Khian
Secretary	-	Mdm Elaine Seah
Member	-	Mr Pan Hanli Terence

2. The AC conducted four meetings for the term 2022/2023.**3. For the term 2022/2023, AC:**

- (i) Reviewed with the external auditor, the audit plan;
- (ii) Reviewed with the external auditor, the audit report;
- (iii) Reviewed the assistance given by the officers of the Society to the external auditor;
- (iv) Reviewed the scope and results of the audit procedures;
- (v) Reviewed the balance-sheet, income and expenditure statement of the Society and the consolidated financial statements.

4. AC reviewed the audit report presented by M/s Yang Kee & Associates for the year covering the following scope:

- (i) Membership Management;
- (ii) Cash Management; and
- (iii) Fixed Asset Management;

5. AC also monitored the implementation of the recommendations mentioned in the audit report, as follow:

- (i) There were 6 moderate and 5 low audit findings. AC reviewed the audit findings with the management, focusing on the moderate priority audit findings.
- (ii) AC opined that it important to set up plans for membership drive. AC noted that the membership committee is reviewing plans to be implemented subsequently.
- (iii) AC noted that the auditors' recommendations were adopted for the following findings:
 - (a) ensure that member's declaration of nominee is adequately supported, (b) enhance the process for declaration of conflicts of interest, (c) enhance the process of declaration for independence for COM and AC members and (d) set up a register for tracking of mandatory induction course attended by COM and appointed officers of the Society.
- (iv) AC noted that a set of terms of reference for the COM are captured in the by-laws of the Society and Management is following up with auditors as necessary.

6. AC reviewed the Special Audit report commissioned by Registry of Co-operatives Societies and prepared by PricewaterhouseCoopers Risk Services Pte Ltd. "PWCRS" AC monitored the implementation of the recommendations mentioned in the audit report focusing on the 4 critical and 14 major severity audit findings. AC noted that PWCRS recommendations to these findings were adopted and implemented by the Society.
7. External Auditor de-briefed the AC that the consolidated financial statements of the Group and the statement of financial position of the Society were properly drawn up in accordance with the provisions of the Co-operative Societies Act, chapter 62 and Financial Reporting Standards in Singapore.
8. External Audit reported that the Society complied with the MCCY Prudential Requirements for the financial year ended 31 December 2022.
9. In 2023/2024, Internal Audit Scope will be
 - (i) Revenue
 - (ii) Loan Management
 - (iii) Investment Management.
10. AC recommended that Reanda Adept PAC be the External Auditor of the Society for the financial year 2023.



Mr Chua Kia Khian
Chairman
Audit Committee

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

**THE SINGAPORE TEACHERS' CO-OPERATIVE
SOCIETY LIMITED AND ITS SUBSIDIARY**
(Incorporated in Singapore)

Unique Entity Number: S32CS0013G

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

ANNEX A

OPERATING EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

(For Committee of Management purposes)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

COMMITTEE OF MANAGEMENT

Zaccheus Richard Bains (Chairman)
Tok Wei Cheng Allan (Deputy Chairman)
Fok Kim Fook (Honorary Treasurer)
Seah Ee Leng Elaine (Honorary Assistant Treasurer)
Elene Lim Lan Hiang (Honorary Assistant Secretary)
Ng Moi Sng Patsy
Peter Tan Swee Chong
Chern Meng Hock (up to 6 July 2022)
Wilson Koh Kian Neng
Kiren Kaur Gill
Ho Boon Huat

REGISTERED OFFICE

150 Changi Road
#02-06 Guthrie building
Singapore 419973

AUDITOR

Reanda Adept PAC
138 Cecil Street
#06-01 Cecil Court
Singapore 069538

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THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENT BY THE COMMITTEE OF MANAGEMENT

In the opinion of the Committee of Management,

- (a) the accompanying statements of financial position, statements of comprehensive income, statements of changes in funds and reserves and consolidated statement of cash flows are drawn up so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 December 2022, and the financial performance and changes in funds and reserves of the Group and of the Co-operative and the cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.

These financial statements were authorised for issue on the date of this statement.

On behalf of the Committee of Management,



ZACCHEUS RICHARD BAINS
Chairman



FOK KIM FOOK
Honorary Treasurer

Singapore,
22 May 2023

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

Opinion

We have audited the financial statements of The Singapore Teachers' Co-Operative Society Limited (the "Co-operative") and its subsidiary (collectively, "the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Co-operative as at 31 December 2022, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in equity of the Co-operative for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 57.

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 Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act, 1979 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the state of affairs of the Group and the Co-operative as at 31 December 2022 and of the results and changes in equity of the Group and the Co-operative and consolidated 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 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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

Committee of Management is responsible for the other information. The other information comprises the Report of the Committee of Management and appendices included in the Annual Report 2022 but does not include the financial statements and our auditors' report thereon. This information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

Responsibilities of Committee of Management for the Financial Statements

Committee of 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 FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Committee of Management is responsible for assessing the Group'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 Committee of Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Committee of Management's responsibilities include 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 auditors' 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.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Committee of Management.
- Conclude on the appropriateness of Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

Report on Other Legal and Regulatory Requirements

In our opinion:

- a) the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the Co-operative during the year are, in all material respects, in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act); and
- b) proper accounting and other records have been kept by the Co-operative.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the compliance audit" section of our report. We are independent of the Group 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 Committee of Management's compliance.

Committee of Management's responsibility for compliance with legal and regulatory requirements

Committee of Management is responsible for ensuring that the receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act). This responsibility includes monitoring related compliance requirements relevant to the Co-operative, and implementing internal controls as Committee of Management determines are necessary to enable compliance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act).

Auditors' responsibility for the compliance audit

Our responsibility is to express an opinion on Committee of 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 receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act).

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipt, expenditure, investment of monies 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 controls. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.



REANDA ADEPT PAC

Public Accountants and
Chartered Accountants

Singapore

22 May 2023

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		<u>Group</u>		<u>Co-operative</u>	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
ASSETS					
Non-current assets					
Investment properties	4	1,197,027	1,255,804	1,197,027	1,255,805
Property, plant and equipment	5	1,536,111	1,681,381	1,536,111	1,681,381
Investment in subsidiary	6	-	-	440,815	440,815
Investment in joint venture	7	153,464	75,101	-	-
Financial assets	8	35,232,273	35,641,486	35,232,273	35,641,486
Loans to members	9	8,216,460	8,397,953	8,216,460	8,397,953
		<u>46,335,335</u>	<u>47,051,725</u>	<u>46,622,686</u>	<u>47,417,440</u>
Current assets					
Loans to members	9	4,355,991	5,198,364	4,355,991	5,198,364
Other receivables	10	1,891,476	374,849	1,888,567	374,570
Prepayments		43,651	4,730	43,651	4,730
Fixed deposits	11	37,244,577	35,327,653	36,869,243	34,953,161
Cash and bank balances	12	2,334,630	2,914,095	2,231,473	2,802,674
		<u>45,870,325</u>	<u>43,819,691</u>	<u>45,388,925</u>	<u>43,333,499</u>
Total assets		<u>92,205,660</u>	<u>90,871,416</u>	<u>92,011,611</u>	<u>90,750,939</u>
FUNDS, RESERVES AND LIABILITIES					
Funds and reserves					
Retained surplus	13	5,846,098	4,623,043	5,727,764	4,587,291
General reserve fund		6,402,287	6,402,287	6,402,287	6,402,287
Fair value reserve		4,636,846	(543,074)	4,636,846	(543,074)
Common good fund	14	316,458	359,416	316,458	359,416
Co-operative education and training fund	15	222,792	231,596	155,361	164,165
Staff welfare fund	16	127,229	129,134	127,229	129,134
Total funds and reserves		<u>17,551,710</u>	<u>11,202,402</u>	<u>17,365,945</u>	<u>11,099,219</u>
Current liabilities					
Subscription share capital	17	6,858,718	7,009,877	6,858,718	7,009,877
General savings	18	27,719,371	29,475,700	27,719,371	29,475,700
Bonus savings	19	13,637,603	13,733,489	13,637,603	13,733,489
Term deposits from members	20	25,587,203	29,059,689	25,587,203	29,059,689
Members' and ex-members' accounts	21	30,930	21,099	30,930	21,099
Other payables	22	523,258	343,102	514,974	325,808
Cental co-operative fund	29	296,867	26,058	296,867	26,058
		<u>74,653,950</u>	<u>79,669,014</u>	<u>74,645,666</u>	<u>79,651,720</u>
Total liabilities		<u>74,653,950</u>	<u>79,669,014</u>	<u>74,645,666</u>	<u>79,651,720</u>
Total funds and reserves and liabilities		<u>92,205,660</u>	<u>90,871,416</u>	<u>92,011,611</u>	<u>90,750,939</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Co-operative	
		2022	2021	2022	2021
		\$	\$	\$	\$
Income					
Finance income	23	1,005,355	1,094,158	1,005,355	1,094,158
Investment income	24	1,067,598	1,447,198	1,067,123	1,468,595
Other income	25	2,268,189	293,472	2,252,898	250,972
		<u>4,341,142</u>	<u>2,834,828</u>	<u>4,325,376</u>	<u>2,813,725</u>
Cost and expenses					
Depreciation of investment properties	4	(47,500)	(47,500)	(47,500)	(47,500)
Depreciation of property, plant and equipment	5	(153,717)	(152,125)	(153,717)	(152,125)
Finance costs	26	(712,719)	(783,224)	(712,719)	(783,224)
Staff costs	27	(890,792)	(845,155)	(811,237)	(762,944)
Others		(689,468)	(342,075)	(757,476)	(410,480)
Share of results of joint venture		78,363	28,053	-	-
		<u>1,925,309</u>	<u>692,802</u>	<u>1,842,727</u>	<u>657,452</u>
Surplus for the year					
Finance costs	26	(552,809)	(556,394)	(552,809)	(556,394)
Surplus from operations		<u>1,372,500</u>	<u>136,408</u>	<u>1,289,918</u>	<u>101,058</u>
Income tax expense	28	-	-	-	-
Surplus after taxation		<u>1,372,500</u>	<u>136,408</u>	<u>1,289,918</u>	<u>101,058</u>
Less: Statutory appropriation					
- Central Co-operative Fund	29	(293,545)	(26,058)	(293,545)	(26,058)
Less: Honorarium paid to officers		(12,000)	(55,000)	(12,000)	(55,000)
Net surplus for the financial year (c/f)		<u>1,066,955</u>	<u>55,350</u>	<u>984,373</u>	<u>20,000</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Co-operative	
		2022 \$	2021 \$	2022 \$	2021 \$
Net surplus for the financial year (b/f)		1,066,955	55,350	984,373	20,000
Other comprehensive income:					
<u>Items that will not be reclassified to profit or loss:</u>					
Net fair value gains on equity instruments at FVOCI		314,487	351,257	314,487	351,257
Net fair value gains on unquoted equity instruments at FVOCI		7,136,952	-	7,136,952	-
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Net fair value losses on debt instruments at FVOCI		(2,314,635)	(645,613)	(2,314,635)	(645,613)
Net fair value gains on debt instruments at FVOCI reclassified to profit or loss upon disposal		255,644	5,625	255,644	5,625
Other comprehensive income / (loss) for the year, net of tax		5,392,448	(288,731)	5,392,448	(288,731)
Total comprehensive income / (loss)		<u>6,459,403</u>	<u>(233,381)</u>	<u>6,376,821</u>	<u>(268,731)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN FUNDS - GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Retained surplus (Note 13) \$	General reserve fund \$	Fair value reserve \$	Common good fund (Note 14) \$	Co-operative education & training fund (Note 15) \$	Staff welfare fund (Note 16) \$	Total \$
Balance at 1 January 2021	4,523,265	6,402,287	(151,671)	311,322	208,900	135,434	11,429,537
Other appropriations	(24,254)	-	-	24,254	-	-	-
Rebate on loan interest	(58,990)	-	-	-	-	-	(58,990)
Movement in funds	25,000	-	-	23,840	22,696	(6,300)	65,236
Net surplus for the financial year	55,350	-	-	-	-	-	55,350
Other comprehensive income	-	-	-	-	-	-	-
Net fair value losses on equity instruments at FVOCI	-	-	351,257	-	-	-	351,257
Net fair value gain on debt instruments at FVOCI	-	-	(645,613)	-	-	-	(645,613)
Net fair value losses on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	5,625	-	-	-	5,625
Others	-	-	-	-	-	-	-
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	102,672	-	(102,672)	-	-	-	-
Balance at 31 December 2021	4,623,043	6,402,287	(543,074)	359,416	231,596	129,134	11,202,402
Other appropriations	(2,260)	-	-	2,260	-	-	-
Rebate on loan interest	(54,168)	-	-	-	-	-	(54,168)
Movement in funds	-	-	-	(45,218)	(8,804)	(1,905)	(55,927)
Net surplus for the financial year	1,066,955	-	-	-	-	-	1,066,955
Other comprehensive income	-	-	-	-	-	-	-
Net fair value gain on equity instruments at FVOCI	-	-	314,487	-	-	-	314,487
Net fair value gain on unquoted equity instruments at FVOCI	-	-	7,136,952	-	-	-	7,136,952
Net fair value losses on debt instruments at FVOCI	-	-	(2,314,635)	-	-	-	(2,314,635)
Net fair value losses on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	255,644	-	-	-	255,644
Others	-	-	-	-	-	-	-
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	212,528	-	(212,528)	-	-	-	-
Balance at 31 December 2022	5,846,098	6,402,287	4,636,846	316,458	222,792	127,229	17,551,710

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENT OF CHANGES IN FUNDS – CO-OPERATIVE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Co-operative	Retained surplus (Note 13)	General reserve fund	Fair value reserve	Common good fund (Note 14)	Co-operative education & training fund (Note 15)	Staff welfare fund (Note 16)	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2021	4,522,863	6,402,287	(151,671)	311,322	141,469	135,434	11,361,704
Other appropriations	(24,254)	-	-	24,254	-	-	-
Rebate on loan interest	(58,990)	-	-	-	-	-	(58,990)
Movement in funds	25,000	-	-	23,840	22,696	(6,300)	65,236
Net surplus for the financial year	20,000	-	-	-	-	-	20,000
Other comprehensive income							
Net fair value losses on equity instruments at FVOCI	-	-	351,257	-	-	-	351,257
Net fair value gains on debt instruments at FVOCI	-	-	(645,613)	-	-	-	(645,613)
Net fair value losses on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	5,625	-	-	-	5,625
Others							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	102,672	-	(102,672)	-	-	-	-
Balance at 31 December 2021	4,587,291	6,402,287	(543,074)	359,416	164,165	129,134	11,099,219
Other appropriations	(2,260)	-	-	2,260	-	-	-
Rebate on loan interest	(54,168)	-	-	-	-	-	(54,168)
Movement in funds	984,373	-	-	(45,218)	(8,804)	(1,905)	(55,927)
Net surplus for the financial year	-	-	-	-	-	-	984,373
Other comprehensive income							
Net fair value gain on equity instruments at FVOCI	-	-	314,487	-	-	-	314,487
Net fair value gain on unquoted equity instruments at FVOCI	-	-	7,136,952	-	-	-	7,136,952
Net fair value losses on debt instruments at FVOCI	-	-	(2,314,635)	-	-	-	(2,314,635)
Net fair value gain on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	255,644	-	-	-	255,644
Others							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	212,528	-	(212,528)	-	-	-	-
Balance at 31 December 2022	5,727,764	6,402,287	4,636,846	316,458	155,361	127,229	17,365,945

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Surplus from operations		1,372,500	136,408
<u>Adjustments for:</u>			
Depreciation of investment properties		47,500	47,500
Depreciation of property, plant and equipment		153,717	152,125
Gain on disposal of investment property		(2,009,886)	-
Interest income		(1,378,673)	(1,252,836)
Finance costs		1,265,528	1,339,618
Provision/(Reversal) for expected credit losses		209,493	(136,861)
Net loss/(gain) on disposal of debt instruments, at FVOCI		489,648	(5,625)
Net loss on financial assets at FVTPL		91,908	27,977
Share of results of joint venture		(78,363)	(28,053)
Dividend income		(227,557)	(188,617)
Operating cash flows before working capital changes		(64,185)	91,636
<u>Changes in working capital:</u>			
Loans to members		814,373	1,219,686
Other receivables, prepayments		(1,555,547)	160,094
Members and ex-members' accounts		9,831	1,627
Other payables and accruals		180,156	(143,134)
Cash (used in)/ generated from operating activities		(615,372)	1,329,909
Honorarium paid		(12,000)	(55,000)
Interest received		1,378,673	1,252,836
Payment to CCF		(22,736)	(104,968)
Refund from CCF		-	25,000
Net cash generated from operating activities		728,565	2,447,777
Cash flows from investing activities			
Purchase of financial assets, at FVOCI		(3,734,382)	(10,302,918)
Proceeds from disposal of investments		8,954,486	6,035,811
Proceeds from dividend income		227,557	188,617
Purchase of property, plant and equipment		(8,447)	(10,619)
Proceeds from sale of investment property		2,021,163	-
Net cash generated from/ (used in) investing activities		7,460,377	(4,089,109)
Cash flows from financing activities			
(Payment)/ Receipt of common good fund		(45,218)	23,840
Receipt of co-operative education and training fund		(8,804)	22,696
Payment of staff welfare fund		(1,905)	(6,300)
Rebate on loan interest		(54,168)	(58,990)
Subscription share capital		(151,159)	(50,317)
General savings		(1,756,329)	2,740,302
Bonus savings		(95,886)	703,170
Term deposits		(3,472,486)	(2,213,693)
Interest paid		(712,719)	(783,224)
Dividends paid		(552,809)	(556,394)
Net cash used in financing activities		(6,851,483)	(178,910)
Net increase/ (decrease) in cash & cash equivalents		1,337,459	(1,820,242)
Cash and cash equivalents at the beginning of financial year		38,241,748	40,061,990
Cash and cash equivalents at the end of financial year	12	39,579,207	38,241,748

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The Singapore Teachers' Co-operative Society Limited (The "Co-operative") is domiciled in Singapore and constituted under the Co-operative Societies Act, 1979.

The Co-operative's registered office and principal place of business is at 150 Changi Road, #02-06, Guthrie Building Singapore 419973.

The principal activities of the Co-operative are to promote in accordance with the Co-operative's principles, the economic interest of and self-help and thrift among its members who are professional teachers engaged by the Ministry of Education and other educational institutions.

The principal activities of its subsidiary and joint venture are disclosed in Note 6 and Note 7 to the financial statements.

The Committee of Management has authorised and approved these financial statements for issue on the date of the Statement by the Committee of Management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the applicable requirements of the Singapore Co-operative Societies Act, 1979, under the historical cost convention except as disclosed in the accounting policies below.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 BASIS OF CONSOLIDATION

(a) Business combinations

Business combinations are accounted for under the acquisition method. The cost of acquisition is measured at the fair value of the assets acquired, equity instruments issued and liabilities incurred at the acquisition date. Acquisition related costs are recognised as an expense in the periods in which the costs are incurred and the services are rendered.

Any excess or deficiency of the purchase consideration over and above the fair value of the underlying net assets of the entity acquired is accounted for as goodwill / bargain purchase gain.

(b) Subsidiaries

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 Co-operative's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

(c) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 BASIS OF CONSOLIDATION (CONT'D)

(c) Joint arrangements (cont'd)

Joint operations

A joint operation is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation,

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

Joint ventures

The results of joint ventures are incorporated in these financial statements using the equity method of accounting from the date on which it becomes a joint venture.

On acquisition, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 BASIS OF CONSOLIDATION (CONT'D)

(c) Joint arrangements (cont'd)

Under the equity method, the investment in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Co-operative. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control over the joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would have been required if that joint venture had directly disposed of the related assets or liabilities.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 BASIS OF CONSOLIDATION (CONT'D)

(d) Accounting for subsidiary by the Co-operative

Investments in subsidiary are stated in the Co-operative's statement of financial position at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amount of the investments are recognised in the statement of comprehensive income.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.4 FOREIGN CURRENCIES

(a) Functional and presentation currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Singapore dollars ("S\$"), which is also the functional currency of the Co-operative.

(b) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated to the functional currency at the exchange rates closely approximating to those ruling at the date of the statement of financial position.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value are translated using the exchange rates at the dates when the fair value was determined.

Translation differences are taken to the statement of comprehensive income.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.5 PROPERTY, PLANT AND EQUIPMENT

(a) Owned assets

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost, which includes expenditure that is directly attributable to the acquisition of the assets less accumulated depreciation and impairment losses. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

The carrying amount of property, plant and equipment is reviewed annually to determine whether it is impaired at the date of the statement of financial position.

An impairment loss is recognised immediately in the statement of comprehensive income. Any revaluation surplus if recognised is credited directly to revaluation reserve in equity, except to the extent that it reverses the impairment loss of the same asset previously recognised in the statement of comprehensive income, in which case the surplus is recognised in the statement of comprehensive income. An impairment loss is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same assets carried in the revaluation reserve.

The accumulated depreciation of an asset is eliminated on the date of revaluation or impairment.

(b) Component of costs

The cost of an item of property, plant and equipment initially recognised includes the purchase price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Committee of Management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Disposals

Gain or loss arising from the retirement or disposal of property, plant and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income on the date of retirement or disposal.

(e) Depreciation

No depreciation is provided on freehold land, leasehold land with tenure in excess of 100 years and assets under construction. Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over the estimated useful lives of the assets.

The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimates accounted for on a prospective basis.

2.6 INVESTMENT PROPERTIES

Investment properties are properties (land or a building—or part of a building—or both) held directly or under a finance lease to earn rentals or for capital appreciation or both, rather than for (i) use in the production or supply of goods or services or for administrative purposes; or (ii) sale in the ordinary course of business.

Investment properties are recognised at cost less accumulated depreciation and any impairment losses. Fully depreciated investment properties are retained in the financial statements until they are no longer in use.

The carrying amount of investment properties is reviewed annually to determine whether it is impaired at the date of the statement of financial position.

An impairment loss is recognised immediately in the statement of comprehensive income. Any revaluation surplus if recognised is credited directly to revaluation reserve in equity, except to the extent that it reverses the impairment loss of the same asset previously recognised in the statement of comprehensive income, in which case the surplus is recognised in the statement of comprehensive income. An impairment loss is recognised in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

The accumulated depreciation of an investment property is eliminated on the date of revaluation or impairment.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.6 INVESTMENT PROPERTIES (CONT'D)

Gain or loss arising from the retirement or disposal of investment property is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income on the date of retirement or disposal. Any revaluation surplus included in the revaluation reserve in respect of an asset that is disposed or retired is transferred directly to retained earnings.

Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over their estimated useful lives. The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimate accounted for on a prospective basis.

2.7 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provision of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Subsequent measurement - Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

i) Amortised cost

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

ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI 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 for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from funds and reserves to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

Derecognition

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL). In calculating ECLs for loans to members, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(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.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.8 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.8 LEASES (CONT'D)

(b) As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.9 EMPLOYEE BENEFITS

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Accruals is made for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

Employees' entitlements to annual leave are recognised when they accrue to employees. Such accruals are made for the estimated liability for leave as a result of services rendered by employees up to the date of the statement of financial position.

2.10 INCOME RECOGNITION

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before income is recognised:

Rental income

Rental income is recognised on a straight-line basis over the term of the relevant operating leases.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Finance income comprises interest income from loans granted to members and is recognised using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.11 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the grant relates to an asset, the carrying amount of the asset is deducted against the amount of grant received.

2.12 FINANCE COSTS

Interest expenses and similar charges are recognised as it accrues, using the effective interest method.

2.13 INCOME TAXES

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax for the current period and any adjustments to tax payable in respect of prior periods is recognised to be paid or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of the statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.14 GOODS AND SERVICES TAX ("GST")

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

- (i) where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST included.

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

2.15 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are not subject to significant change in value.

2.16 SUBSCRIPTION SHARE CAPITAL

Subscription shares held by members are repayable on cessation of membership in accordance with By-laws 4.13. Subscription shares shall normally be withdrawn after the effective date of cessation of membership.

Dividends on subscription shares are recognised as finance costs in the statement of comprehensive income in the year in which they are declared and approved for payment.

2.17 FUNDS

General Reserve Fund

The Co-operative shall pay into the General Reserve Fund such portion of its net surplus as the Committee of Management may decide from time to time. The fund shall be indivisible and no member shall be entitled to claim a specific share of it. The General Reserve Fund shall be used:-

- (i) to meet unforeseen losses;
- (ii) to provide a margin beyond the liabilities of the Co-operative so as to ensure its ability to pay such liabilities in full in the event of dissolution; and
- (iii) to enable the Co-operative by reason of the income derived from the General Reserve Fund to reduce the rate of interest on loans granted to members without causing a reduction in the rate of dividend on subscription share capital and bonus shares.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.17 FUNDS (CONT'D)

The Common Good Fund

This fund shall be used only for the benefit of the members of the Co-operative and may be devoted to any educational, medical, social or charitable purposes.

The Common Good Fund shall be derived from:-

- (i) a subscription of \$1.00 per month by each member;
- (ii) annual contribution not exceeding ten per cent of the net surplus of the Co-operative subject to the approval of the general meeting; and
- (iii) donations made by third persons.

Co-operative Education and Training Fund

This fund is used for education and training activities of the Co-operative.

Staff Welfare Fund

This fund is established for the benefit and welfare of the staff of the Co-operative and the appropriation is normally from retained surplus.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the Group's financial statements requires Committee of Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

3.1 KEY SOURCES OF ACCOUNTING ESTIMATION AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk in causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

3.1 KEY SOURCES OF ACCOUNTING ESTIMATION AND ASSUMPTIONS (CONT'D)

(a) Depreciation of investment properties, property, plant and equipment

These assets are depreciated on a straight-line basis over their estimated useful lives. Committee of Management estimates the useful lives of these assets to be 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, and therefore future depreciation charges could be revised.

Depreciation is computed on a straight-line basis so as to write off the cost over their estimated useful lives as follows:

	<u>Number of years</u>
Investment properties (Note 4)	50
<u>Property, plant and equipment (Note 5)</u>	
Freehold properties (strata-title units)	50
Leasehold buildings	50
Renovation	10
Furniture and office equipment	5
Computers	5

The carrying amounts of investment properties, property and plant and equipment at the end of the reporting period are disclosed in Notes 4 and 5, respectively.

(b) Provision for expected credit losses ("ECLs") of loans to members

The Group uses a provision matrix to calculate ECLs for loans to members. The provision rates are based on days past due for groupings of loans that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of members' actual default in the future. The information about the ECLs on the Group's loans to members and the carrying amount of loans to members is disclosed in Note 9 to the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

3.1 KEY SOURCES OF ACCOUNTING ESTIMATION AND ASSUMPTIONS (CONT'D)

(c) Investment in subsidiary – assessment of impairment (Note 6)

At the date of the statement of financial position, the carrying amount of the Co-operative's investment in subsidiary was \$440,815 (2021: \$440,815) after taking into account accumulated impairment losses of \$349,185 (2021: \$349,185), as it was determined by the Committee of Management that the cost of the investment is impaired (see Note 6).

Committee of Management has made a judgement that the decline in the carrying value of this investment is significant and prolonged and has considered the long-term duration of the decline and the significant magnitude by which the recoverable amount is below cost. Other factors taken into consideration in determining the impairment loss include the future profitability of the subsidiary, financial health of and near-term business outlook of the subsidiary.

3.2 CRITICAL JUDGEMENT IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, Committee of Management is not aware of any judgement that has a significant effect on the amounts recognised in the financial statements.

4. INVESTMENT PROPERTIES

	Group and Co-operative	
	2022	2021
	\$	\$
<u>Cost</u>		
As at 1 January	2,159,819	2,159,819
Disposal	(163,221)	-
At 31 December	<u>1,996,598</u>	<u>2,159,819</u>
<u>Accumulated depreciation</u>		
As at 1 January	904,015	856,515
Depreciation charge for the financial year	47,500	47,500
Disposal	(151,944)	-
As at 31 December	<u>799,571</u>	<u>904,015</u>
Carrying amount as at 31 December	<u>1,197,027</u>	<u>1,255,804</u>
<u>Fair value</u>		
Leasehold property	-	2,310,087
Freehold property	1,700,000	1,550,000
	<u>1,700,000</u>	<u>3,860,087</u>

The investment properties are comprised of a 99-year leasehold (strata-title) commercial unit and a freehold (strata-title) commercial unit, held for capital appreciation and rental income purposes.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. INVESTMENT PROPERTIES (CONT'D)

During the financial year, the Co-operative entered into a sales and purchase agreement on 11 November 2022 to dispose an investment property-Golden Mile Complex for a total consideration of \$2,162,644 and the gain on disposal of investment property would be \$2,009,885.

The fair values of the freehold and leasehold properties as 31 December 2022 and 2021 were based on valuation reports prepared by an independent professional valuer at close to the reporting date.

The valuation as done using comparable market transactions that consider sales of similar properties that have been transacted in the open market close to the financial year end.

The following amounts are recognised in the statement of comprehensive income:

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Rental income from investment properties	42,924	29,219	45,924	50,898
Direct operating expenses arising from rental generating investment properties	(26,709)	(29,494)	(26,709)	(29,494)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold building \$	Furniture and fittings \$	Renovation \$	Computers \$	Total \$
Cost					
At 1 January 2021	2,467,226	79,553	27,847	456,052	3,030,677
Additions	-	3,395	-	7,224	10,619
At 1 January 2022	2,467,226	82,948	27,847	463,276	3,041,296
Additions	-	6,044	-	2,403	8,447
Written off	-	(4,366)	-	-	(4,366)
At 31 December 2022	2,467,226	84,626	27,847	465,679	3,045,377
Accumulated Depreciation					
At 1 January 2021	878,473	51,769	27,847	249,702	1,207,790
Depreciation charge	54,785	10,098	-	87,242	152,125
At 1 January 2022	933,258	61,867	27,847	336,944	1,359,915
Depreciation charge	54,785	11,209	-	87,723	153,717
Written off	-	(4,366)	-	-	(4,366)
At 31 December 2022	988,043	68,710	27,847	424,667	1,509,266
Carrying amounts					
At 31 December 2021	1,533,968	21,081	-	126,332	1,681,381
At 31 December 2022	1,479,183	15,916	-	41,012	1,536,111

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<u>Co-operative</u>	Freehold building \$	Furniture and fittings \$	Renovation \$	Computers \$	Total \$
Cost					
At 1 January 2021	2,467,226	64,751	23,521	456,052	3,011,549
Additions	-	3,395	-	7,224	10,619
At 1 January 2022	2,467,226	68,146	23,521	463,276	3,022,168
Additions	-	6,044	-	2,403	8,447
Disposals	-	(4,366)	-	-	(4,366)
At 31 December 2022	2,467,226	69,824	23,521	465,679	3,026,249
Accumulated Depreciation					
At 1 January 2021	878,473	36,995	23,521	249,674	1,188,662
Depreciation charge	54,785	10,098	-	87,242	152,125
At 1 January 2022	933,258	47,093	23,521	336,916	1,340,787
Depreciation charge	54,785	11,209	-	87,723	153,717
Disposals	-	(4,366)	-	-	(4,366)
At 31 December 2022	988,043	53,936	23,521	424,639	1,490,138
Carrying amounts					
At 31 December 2021	1,533,968	21,053	-	126,360	1,681,381
At 31 December 2022	1,479,183	15,888	-	41,040	1,536,111

6. INVESTMENT IN SUBSIDIARY

	Co-operative	
	2022	2021
	\$	\$
Unquoted equity shares, at cost	790,000	790,000
<u>Less: Accumulated impairment losses</u>		
Balance at the beginning of the year	(349,185)	(349,185)
Charge during the year	-	-
Balance at the end of the year	(349,185)	(349,185)
	<u>440,815</u>	<u>440,815</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. INVESTMENT IN SUBSIDIARY (CONT'D)

Details of the subsidiary is as follows:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Principal Activities</u>	<u>Percentage of equity held</u>	
			2022	2021
			%	%
Singapore Teachers' International Holdings Pte. Ltd. ("STIH") ¹	Singapore	To carry on the business of investment holding and to act as general or special agents or managers or managing agents and to enter into partnership or any agreement for sharing profits or co-operation	100	100

¹Audited by Reanda Adept PAC

7. INVESTMENT IN JOINT VENTURE

The details of the joint venture (held by subsidiary) are as follows:

<u>Name of joint venture</u>	<u>Principal place of business</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Group</u>	
			2022	2021
			%	%
Singapore Edusmart Learning Hub Pte. Ltd. ¹	Singapore	Provision of after school student care services (strategic to the Co-operative's Activities)	42	42

¹Audited by Reanda Adept PAC

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT IN JOINT VENTURE (CONT'D)

The summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised Statement of Financial Position

	Group	
	2022	2021
	\$	\$
<u>Current assets</u>		
Cash and cash equivalents	561,190	437,928
Trade receivables	334,163	33,616
Other current assets	204,700	64,473
<u>Non-current assets</u>	98,395	50,268
Total assets	1,198,448	586,285
<u>Current liabilities</u>	793,565	337,625
<u>Non-current liabilities</u>	42,149	71,149
Total liabilities	835,714	408,774
Net assets	362,734	177,511
Proportion of the Group's ownership	42%	42%
Group's share of net assets	153,464	75,101
Carrying amount of the investment	153,464	75,101

Summarised Statement of Comprehensive Income

	Group	
	2022	2021
	\$	\$
Revenue	1,912,982	984,992
Other income	537,193	224,126
Operating expenses	(2,255,758)	(1,104,871)
Depreciation/amortisation expense	(9,193)	(37,941)
Profit from continuing operations	185,224	66,306
Income tax	-	-
Income after tax	185,224	66,306
Other comprehensive income	-	-
Total comprehensive income	185,224	66,306

The Group jointly controls the joint venture entity with another party (joint venturer) and the joint venture requires unanimous consent from its shareholders for all major decisions.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. INVESTMENT IN JOINT VENTURE (CONT'D)

During the year ended 31 December 2022, the Group identified non-compliance with Goods and Services Tax Act, 1993 ("GST") related to its joint venture, Singapore Edusmart Learning Hub Pte Ltd, not being registered for GST when it was required to do so. The joint venture exceeded the threshold for mandatory registration under GST laws in the financial year 31 December 2022, but failed to register for GST within the prescribed timeline. The joint venture has taken immediate corrective action and has now in process of registration for GST. However, the non-compliance may resulted in a penalty of 10% of GST and fined up to \$10,000. We believe that the impact of this non-compliance is not material to the overall financial statements of the Group.

The presented summarize financial information in financial year ended 31 December 2022 of the joint venture entity are based on unaudited financial statements.

8. FINANCIAL ASSETS

	2022 \$	2021 \$
Group and Co-operative		
<u>Financial assets at FVOCI</u>		
Quoted equity securities	2,572,005	2,597,371
Quoted bonds (debt instruments)	18,273,216	22,946,861
Quoted managed funds	5,142,294	5,895,542
Unquoted shares in other co-operative societies	9,244,758	2,107,806
<u>Financial assets at FVTPL</u>		
Investment fund	-	2,093,906
	<u>35,232,273</u>	<u>35,641,486</u>

The Group has elected to measure its investments in quoted equity securities and unquoted shares in other co-operative societies at fair value through other comprehensive income due to the Group's intention to hold them for long-term appreciation.

During the year, the Group disposed of investments in equity securities with fair value amounting to \$1,662,040 (2021: \$2,030,188) at the date of derecognition to better manage their market price risk exposure. The cumulative gain arising from the disposals amounted \$212,528 (2021: \$ 102,672) and was transferred from the fair value reserve to retained surplus.

The Group's quoted bonds and quoted managed funds are classified as financial assets, at FVOCI as the Group holds them to collect contractual cash flows and sell these assets.

The Group recognised dividends amounting to \$95,181 (2021: \$75,373) from quoted equity securities still held as at the reporting date and \$22,104 (2021: \$1,772) from quoted equity securities disposed during the year prior to their disposal.

The quoted equity securities and bonds are based on their closing bid price quotations on the last market day of the financial year and are classified under Level 1 of the fair value hierarchy.

The unquoted equity shares in co-operative societies are valued based on their realisable values as set out in the By-laws of the respective co-operative societies.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. LOAN TO MEMBERS

	Group and Co-operative 2022 \$	2021 \$
Balance at beginning of financial year	13,689,050	14,908,734
<u>Add:</u>		
Loans granted during the financial year	12,640,075	12,116,898
	<u>26,329,125</u>	<u>27,025,632</u>
<u>Less:</u>		
Repayments during the financial year	(12,385,120)	(12,525,414)
Transfer from subscription share capital	(16,817)	(16,445)
Transfer from bonus savings (Note 19)	(150)	-
Transfer from general savings (Note 18)	(982,785)	(663,558)
Bad debts written off	(69,576)	(131,165)
	<u>(13,454,448)</u>	<u>(13,336,582)</u>
	<u>12,874,677</u>	<u>13,689,050</u>
<u>Less:</u>		
Allowance for expected credit losses/ impairment	(302,226)	(92,733)
Balance at end of financial year	<u>12,572,451</u>	<u>13,596,317</u>
Repayable within one year	4,355,991	5,198,364
Repayable after one year but within five years	8,216,460	8,397,953
	<u>12,572,451</u>	<u>13,596,317</u>

Repayments during the financial year consist of monthly instalments, full repayments and full settlements of existing loans to obtain new loans.

Loans to members bear flat interest rates ranging from 3% to 5.25% (2021: 3% to 5.25%) per annum. Loans to members are repayable within periods of up to 60 months.

Expected credit losses

The movement in allowance for expected credit losses of loans to members computed based on 12-month and lifetime ECL are as follows:

	Group and Co-operative 2022 \$	2021 \$
Group and Co-operative		
Balance at beginning of year	92,733	229,594
Provision for expected credit losses	209,493	-
Reversal of allowance for the financial year	-	(136,861)
Balance at end of year	<u>302,226</u>	<u>92,733</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. OTHER RECEIVABLES

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Sundry receivables	1,405,334	620	1,405,336	620
Interest receivable from:				
- fixed deposits	323,799	187,726	320,888	187,447
- bonds	160,188	184,348	160,188	184,348
Deposits	2,155	2,155	2,155	2,155
	<u>1,891,476</u>	<u>374,849</u>	<u>1,888,567</u>	<u>374,570</u>

11. FIXED DEPOSITS

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Banks	36,869,243	34,953,161	36,869,243	34,953,161
Finance companies	375,334	374,492	-	-
	<u>37,244,577</u>	<u>35,327,653</u>	<u>36,869,243</u>	<u>34,953,161</u>

The effective interest rates of fixed deposits maturing within 12 months from the financial year end vary from 0.08% to 4.48% (2021: 0.03% to 2.38%) per annum.

12. CASH AND BANK BALANCES

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash on hand	526	858	280	549
Cash at bank	1,475,822	2,569,629	1,372,911	2,458,517
Money market fund	858,282	343,608	858,282	343,608
	<u>2,334,630</u>	<u>2,914,095</u>	<u>2,231,473</u>	<u>2,802,674</u>

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are comprised of the following: -

	Group	
	2022	2021
	\$	\$
Cash and bank balances	2,334,630	2,914,095
Fixed deposits (Note 11)	<u>37,244,577</u>	<u>35,327,653</u>
	<u>39,579,207</u>	<u>38,241,748</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. RETAINED SURPLUS

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance at beginning of year	4,623,043	4,523,265	4,587,291	4,522,863
	4,623,043	4,523,265	4,587,291	4,522,863
Less: Other appropriations				
- Common Good Fund (Note 14)	(2,260)	(24,254)	(2,260)	(24,254)
	(2,260)	(24,254)	(2,260)	(24,254)
- Rebate on loan interest of 5% (2021: 5%)	(54,168)	(58,990)	(54,168)	(58,990)
- CCF waiver	-	25,000	-	25,000
- Transfer of fair value reserves of equity instruments at FVOCI upon disposal	212,528	102,672	212,528	102,672
	4,779,143	4,567,693	4,743,391	4,567,291
Net surplus for the year after statutory appropriations	1,066,955	55,350	984,373	20,000
Balance at end of year	5,846,098	4,623,043	5,727,764	4,587,291

14. COMMON GOOD FUND

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	359,416	311,322
<u>Add:</u>		
Contributions received from members	33,410	80,698
Transfer from general savings (Note 18)	1,562	19,340
Transfer from subscription share capital	10	6
Appropriation for the year (Note 13)	2,260	24,254
	37,242	124,298
	396,658	435,620
<u>Less:</u>		
Amounts disbursed during the year	(32,600)	(22,004)
Transfer to general savings (Note 18)	(47,600)	(54,200)
	(80,200)	(76,204)
Balance at end of year	316,458	359,416

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. CO-OPERATIVE EDUCATION AND TRAINING FUND

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance at beginning of year	231,596	208,900	164,165	141,469
<u>Add:</u>				
Refund received	345	25,928	345	25,928
	<u>231,941</u>	<u>234,828</u>	<u>164,510</u>	<u>167,397</u>
<u>Less:</u>				
Amounts disbursed during the year	(9,149)	(3,232)	(9,149)	(3,232)
Balance at end of year	<u>222,792</u>	<u>231,596</u>	<u>155,361</u>	<u>164,165</u>

16. STAFF WELFARE FUND

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	129,134	135,434
<u>Less:</u>		
Amounts disbursed during the year	(1,905)	(6,300)
Balance at end of year	<u>127,229</u>	<u>129,134</u>

17. SUBSCRIPTION SHARE CAPITAL

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	7,009,877	7,060,194
Issue of subscription shares	164,360	218,015
Redemption of subscription shares	(315,519)	(268,332)
Balance at end of year	<u>6,858,718</u>	<u>7,009,877</u>

This relates to subscription shares held by members where the Co-operative does not have the right of refusal to members' request for withdrawals upon cessation of membership.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. GENERAL SAVINGS

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	29,475,700	26,735,398
<u>Add:</u>		
Amounts received from members	4,284,115	3,662,824
Transfer from subscription share capital	25,330	38,890
Transfer from Common Good Fund (Note 14)	47,600	54,200
Transfer from bonus savings with interest (Note 19)	1,688,747	4,299,007
Transfer from term deposits with interest (Note 20)	185,119	-
Other additions		
- Interest on general savings	85,852	84,715
- Dividends on subscription share capital*	552,809	556,394
- Loan interest rebates	54,168	58,990
- Membership Incentive	1,740	-
- Others	53	-
	6,925,533	8,755,020
	36,401,233	35,490,418
Amounts withdrawn by members	(6,673,770)	(5,240,361)
Transfer to subscription share capital	(182)	(742)
Transfer to term deposits (Note 20)	(992,582)	(79,825)
Transfer to Common Good Fund (Note 14)	(1,562)	(19,340)
Transfer to Bonus Savings (Note 19)	-	(2,350)
Adjustment to reduce loans		
- principal (Note 9)	(982,785)	(663,558)
- interest	(16,576)	(8,542)
Others	(14,405)	-
	(8,681,862)	(6,014,718)
Balance at end of year	27,719,371	29,475,700

*Under the Co-operative's By-laws 9.4, dividends declared by the Co-operative will be credited to the members' general savings accounts except when a claim is made by a member.

Interest is payable at the rate of 0.3% (2021: 0.3%) per annum and will be credited into members' accounts on 30th June and 31st December annually.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. BONUS SAVINGS

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	13,733,489	13,030,319
<u>Add:</u>		
Amounts received from members	12,986,791	17,395,767
Transfer from general savings (Note 18)	-	2,350
Interest on maturity of bonus savings	388,930	376,071
	13,375,721	17,774,188
	27,109,210	30,804,507
<u>Less:</u>		
Premature withdrawals by members	(402,160)	(289,540)
Matured withdrawals by members	(10,403,360)	(12,482,471)
Transfer to general savings with interest (Note 18)	(1,688,747)	(4,299,007)
Transfer to term deposit (Note 20)	(977,190)	-
Transfer to loan principal (Note 9)	(150)	-
	(13,471,607)	(17,071,018)
Balance at end of year	13,637,603	13,733,489

Bonus savings are for a period of 24 months and bear effective interest rate of 2.0% to 2.5% (2021: 2.5%) per annum. Bonus savings may be withdrawn prematurely in which case neither interest nor bonuses shall be paid.

20. TERM DEPOSITS FROM MEMBERS

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	29,059,689	31,273,382
<u>Add:</u>		
Amounts received from members	353,400	810,809
Transfer from general savings (Note 18)	992,582	79,825
Interest on maturity of term deposits	237,937	322,438
Transfer from bonus savings (Note 19)	977,190	-
	2,561,109	1,213,072
	31,620,798	32,486,454
<u>Less:</u>		
Amounts withdrawn by members	(5,848,476)	(3,426,765)
Transfer to general savings (Note 18)	(185,119)	-
	(6,033,595)	(3,426,765)
Balance at end of year	25,587,203	29,059,689

Term deposits from members are unsecured and bear interest rate of 0.8% to 3.20% (2021: 0.8% to 1.60%) per annum with maturity period of one year.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. MEMBERS' AND EX-MEMBERS' ACCOUNTS

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	21,099	19,472
<u>Add:</u>		
Over deductions and adjustments	338,914	220,817
	360,013	240,289
<u>Less:</u>		
Refunds during the year	(329,083)	(219,190)
	(329,083)	(219,190)
Balance at end of year	30,930	21,099

22. OTHER PAYABLES

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accruals	204,437	167,213	196,153	154,921
Sundry payables	10,341	10,341	10,341	10,341
Interest payable	150,869	149,744	150,869	149,742
Deposits	11,001	11,001	11,001	6,001
GST payable	146,610	4,803	146,610	4,803
	523,258	343,102	514,974	325,808

23. FINANCE INCOME

This represents interest income from loans granted to members.

24. INVESTMENT INCOME

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interest income from:				
- bonds	934,153	916,764	934,153	916,764
- fixed deposits	428,445	313,451	424,970	312,049
- savings accounts	16,075	22,621	16,075	22,621
Dividend income from:				
- quoted equity investments	117,285	77,145	117,285	77,145
- unquoted equity investments	110,272	111,472	110,272	111,472
Net (loss)/gain on disposal of debts instruments at FVOCI	(489,648)	5,625	(489,648)	5,625
Net loss on financial assets at FVTPL	(91,908)	(27,977)	(91,908)	(27,977)
Rental income	42,924	28,097	45,924	50,896
	1,067,598	1,447,198	1,067,123	1,468,595

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. OTHER INCOME

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Government grants	6,104	27,997	6,104	27,997
Members' admin fee	199,592	197,166	199,592	197,166
Members' entrance fee	439	955	439	954
Gain on disposal of investment property	2,009,886	-	2,009,886	-
Sundry income	52,168	67,354	36,877	24,855
	<u>2,268,189</u>	<u>293,472</u>	<u>2,252,898</u>	<u>250,972</u>

26. FINANCE COSTS

	Group and Co-operative	
	2022	2021
	\$	\$
Interest expenses		
General savings	85,852	84,715
Bonus savings	388,930	376,071
Term deposits from members	237,937	322,438
	<u>712,719</u>	<u>783,224</u>
Dividends paid	552,809	556,394
	<u>1,265,528</u>	<u>1,339,618</u>

27. STAFF COSTS

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Employee benefits expense (including directors):				
Salaries and bonuses	798,474	756,343	724,635	680,041
CPF contributions	87,267	83,029	81,720	77,302
Other short-term benefits	5,051	5,783	4,882	5,601
	<u>890,792</u>	<u>845,155</u>	<u>811,237</u>	<u>762,944</u>

28. INCOME TAX EXPENSE

(a) Major components of income tax expense

	Group	
	2022	2021
	\$	\$
Statement of comprehensive income:		
Current year tax expense	-	-

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. INCOME TAX EXPENSE (CONT'D)

(b) Reconciliation between income tax expense and the accounting surplus

	Group	
	2022	2021
	\$	\$
Surplus from operations	1,372,500	136,408
Tax benefit on profit before tax at 17% (2021: 17%)	233,325	23,189
Non-deductible expenses	510	3,876
Income not subject to taxation	(232,608)	(27,848)
Benefits arising from unrecognised tax losses, tax benefits or temporary differences	(1,227)	783
Total tax expense	-	-

29. CENTRAL CO-OPERATIVE FUND

Section 71(2)(a) of the Co-operative Societies Act, 1979 requires every society to contribute to the Central Co-operative Fund at 5% of the first \$500,000 and 20% thereafter of the surplus resulting from operations of the Co-operative.

	Group and Co-operative	
	2022	2021
	\$	\$
Balance at beginning of year	26,058	104,968
Payment to CCF	(22,736)	(79,968)
CCF Waiver on the first \$500,000	-	(25,000)
Appropriation for the year	293,545	56,490
Reduction on FY2020 net surplus from exemption of income arising from JSS and cash grant	-	(30,432)
	293,545	26,058
Balance at end of year	296,867	26,058

30. COMMITMENTS

Operating lease commitment – as lessor

The Co-operative has entered into a lease agreement on its freehold investment property unit (see Note 4) with an external party to generate rental income.

The Co-operative's leasehold investment property unit is leased to a non-related party to generate rental income.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. COMMITMENTS (CONT'D)

The future minimum rental receivable under non-cancellable operating leases are as follows:

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Due within one year	29,553	29,652	29,553	31,428
Due after one year but within five years	-	14,826	-	14,826
	<u>29,553</u>	<u>44,478</u>	<u>29,553</u>	<u>46,254</u>

The total of future minimum lease payments expected to be received under non-cancellable lease on the Group's freehold investment property unit at the end of the reporting period is \$Nil (2021: \$2,200).

Operating lease commitment – as lessee

The Co-operative's joint venture has lease commitments (as lessee) on office premises and tuition centre.

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

Commitments - As lessee

	Group		Co-operative	
	2022	2021	2022	2021
	\$	\$	\$	\$
Due within one year	-	33,156	-	-
Due after one year but within five years	-	1,104	-	-
	<u>-</u>	<u>34,260</u>	<u>-</u>	<u>-</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. COMPENSATION OF OFFICERS OF THE CO-OPERATIVE

The reimbursement and expenses of the officers of the Co-operative for the financial year are as follows:

	Group	
	2022	2021
	\$	\$
<u>Paid/Payable by the Co-operative</u>		
Allowances	21,600	20,700
Honorarium	12,000	55,000
Meeting expenses	10,130	8,690
Transport reimbursement	13,873	13,069
	<u>57,603</u>	<u>97,459</u>
 <u>Paid/Payable by subsidiary</u>		
Director's remuneration	37,050	41,388
Board meeting expenses	700	450
	<u>37,750</u>	<u>41,838</u>

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 January 2022	Proceeds from funds	Funds withdrawal and transfer	Non-cash changes		31 December 2022
				Interest expense	Dividend paid	
	\$	\$	\$	\$	\$	\$
General savings	29,475,700	6,286,872	(8,681,862)	85,852	552,809	27,719,371
Bonus savings	13,733,489	12,986,791	(13,471,607)	388,930	-	13,637,603
Term deposits from members	29,059,689	2,323,173	(6,033,596)	237,937	-	25,587,203

Group	1 January 2021	Proceeds from funds	Funds withdrawal and transfer	Non-cash changes		31 December 2021
				Interest expense	Dividend paid	
	\$	\$	\$	\$	\$	\$
General savings	26,735,398	8,113,911	(6,014,718)	84,715	556,394	29,475,700
Bonus savings	13,030,319	17,398,117	(17,071,018)	376,071	-	13,733,489
Term deposits from members	31,273,382	890,634	(3,426,765)	322,438	-	29,059,689

33. FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, liquidity risk, market risk and fund management risk which arise in the normal course of its operations. The Group reviews and agrees policies for managing each of these risks and they are summarised below. The Group does not hold or issue derivative financial instruments.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.1 SUMMARY OF FINANCIAL INSTRUMENT

Group	Financial assets at amortised cost \$	Financial assets, equity accounted \$	Financial liabilities at amortised cost \$	Non-financial instruments \$	Financial assets, at FVOCI \$	Financial assets, at FVTPL \$	Total \$
As at 31 December 2022							
Non-current assets							
Investment properties	-	-	-	1,197,027	-	-	1,197,027
Property, plant and equipment	-	-	-	1,536,111	-	-	1,536,111
Investment in joint venture	-	153,464	-	-	-	-	153,464
Financial assets	-	-	-	-	35,232,273	-	35,232,273
Loans to members	8,216,460	-	-	-	-	-	8,216,460
Current assets							
Loans to members	4,355,991	-	-	-	-	-	4,355,991
Other receivables	1,891,476	-	-	-	-	-	1,891,476
Prepayment	-	-	-	43,651	-	-	43,651
Fixed deposits	37,244,577	-	-	-	-	-	37,244,577
Cash and bank balances	2,334,630	-	-	-	-	-	2,334,630
Total assets	54,043,134	153,464	-	2,776,789	35,232,273	-	92,205,660
Current liabilities							
Subscription share capital	-	-	6,858,718	-	-	-	6,858,718
General savings	-	-	27,719,371	-	-	-	27,719,371
Bonus savings	-	-	13,637,603	-	-	-	13,637,603
Term deposits from members	-	-	25,587,203	-	-	-	25,587,203
Members' and ex-members' accounts	-	-	30,930	-	-	-	30,930
Other payables	-	-	523,258	-	-	-	523,258
Central Co-operative Fund	-	-	296,867	-	-	-	296,867
Total Liabilities	-	-	74,653,950	-	-	-	74,653,950

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)

Group	Financial assets at amortised cost \$	Financial assets, equity accounted \$	Financial liabilities at amortised cost \$	Non-financial instruments \$	Financial assets, at FVOCI \$	Financial assets, at FVTPL \$	Total \$
As at 31 December 2021							
Non-current assets							
Investment properties	-	-	-	1,255,804	-	-	1,255,804
Property, plant and equipment	-	-	-	1,681,381	-	-	1,681,381
Investment in joint venture	-	75,101	-	-	-	-	75,101
Financial assets	-	-	-	-	33,547,580	2,093,906	35,641,486
Loans to members	8,397,953	-	-	-	-	-	8,397,953
Current assets							
Loans to members	5,198,364	-	-	-	-	-	5,198,364
Other receivables	374,849	-	-	-	-	-	374,849
Prepayment	-	-	-	4,730	-	-	4,730
Fixed deposits	35,327,653	-	-	-	-	-	35,327,653
Cash and bank balances	2,914,095	-	-	-	-	-	2,914,095
Total assets	52,212,914	75,101	-	2,941,915	33,547,580	2,093,906	90,871,416
Current liabilities							
Subscription share capital	-	-	7,009,877	-	-	-	7,009,877
General savings	-	-	29,475,700	-	-	-	29,475,700
Bonus savings	-	-	13,733,489	-	-	-	13,733,489
Term deposits from members	-	-	29,059,689	-	-	-	29,059,689
Members' and ex-members' accounts	-	-	21,099	-	-	-	21,099
Other payables	-	-	343,102	-	-	-	343,102
Central Co-operative Fund	-	-	26,058	-	-	-	26,058
Total Liabilities	-	-	79,669,014	-	-	-	79,669,014

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)

Co-operative As at 31 December 2022	Financial assets at amortised cost \$	Financial assets carried at cost \$	Financial liabilities at amortised cost \$	Non- financial instruments \$	Financial assets, at FVOCI \$	Financial assets, at FVTPL \$	Total \$
Non-current assets							
Investment properties	-	-	-	1,197,027	-	-	1,197,027
Property, plant and equipment	-	-	-	1,536,111	-	-	1,536,111
Investment in subsidiary	-	440,815	-	-	-	-	440,815
Financial assets	-	-	-	-	35,232,273	-	35,232,273
Loans to members	8,216,460	-	-	-	-	-	8,216,460
Current assets							
Loans to members	4,355,991	-	-	-	-	-	4,355,991
Other receivables	1,888,567	-	-	-	-	-	1,888,567
Prepayment	-	-	-	43,651	-	-	43,651
Fixed deposits	36,869,243	-	-	-	-	-	36,869,243
Cash and bank balances	2,231,473	-	-	-	-	-	2,231,473
Total assets	53,561,734	440,815	-	2,776,789	35,232,273	-	92,011,611
Current liabilities							
Subscription share capital	-	-	6,858,718	-	-	-	6,858,718
General savings	-	-	27,719,371	-	-	-	27,719,371
Bonus savings	-	-	13,637,603	-	-	-	13,637,603
Term deposits from members	-	-	25,587,203	-	-	-	25,587,203
Members' and ex-members' accounts	-	-	30,930	-	-	-	30,930
Other payables	-	-	514,974	-	-	-	514,974
Central Co-operative Fund	-	-	296,867	-	-	-	296,867
Total Liabilities	-	-	74,645,666	-	-	-	74,645,666

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)

Co-operative As at 31 December 2021	Financial assets at amortised cost \$	Financial assets carried at cost \$	Financial liabilities at amortised cost \$	Non- financial instruments \$	Financial assets, at FVOCI \$	Financial assets, at FVTPL \$	Total \$
Non-current assets							
Investment properties	-	-	-	1,255,805	-	-	1,255,805
Property, plant and equipment	-	-	-	1,681,381	-	-	1,681,381
Investment in subsidiary	-	440,815	-	-	-	-	440,815
Financial assets	-	-	-	-	33,519,603	2,121,883	35,641,486
Loans to members	8,397,953	-	-	-	-	-	8,397,953
Current assets							
Loans to members	5,198,364	-	-	-	-	-	5,198,364
Other receivables	374,570	-	-	-	-	-	374,570
Prepayment	-	-	-	4,730	-	-	4,730
Fixed deposits	34,953,161	-	-	-	-	-	34,953,161
Cash and bank balances	2,802,674	-	-	-	-	-	2,802,674
Total assets	51,726,722	440,815	-	2,941,916	33,519,603	2,121,883	90,750,939
Current liabilities							
Subscription share capital	-	-	7,009,877	-	-	-	7,009,877
General savings	-	-	29,475,700	-	-	-	29,475,700
Bonus savings	-	-	13,733,489	-	-	-	13,733,489
Term deposits from members	-	-	29,059,689	-	-	-	29,059,689
Members' and ex-members' accounts	-	-	21,099	-	-	-	21,099
Other payables	-	-	325,808	-	-	-	325,808
Central Co-operative Fund	-	-	26,058	-	-	-	26,058
Total Liabilities	-	-	79,651,720	-	-	-	79,651,720

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.2 CREDIT RISK

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from loans to members. For other financial assets (including financial assets, at FVOCI, fixed deposits and cash and cash balances), the Group minimises credit risk by dealing with high credit rating counterparties.

In the management of credit risk on loans to members, the Group considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group generally does not require a collateral on loans.

The Group has determined the default event on loans to members to be when internal and/or external information indicates that the loan is unlikely to be received, which could include default of loan instalments due for more than 30 days or there is significant difficulty of the member in repaying the loan.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is based on the Group's own records to rate its loans to members. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in Singapore's financial or economic conditions that are expected to cause a significant change to the members' ability to meet their obligations,
- Actual or expected significant changes in the employment status and creditworthiness of the individual members,
- Significant changes in the expected performance and behaviour of the member, including changes in the payment status of members in the group and changes in the creditworthiness of the member.

Regardless of the analysis above, a significant increase in credit risk is presumed if a member has defaulted (past due) in making a loan instalment payment.

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

- There is a significant difficulty of the member,
- A breach of the loan agreement, such as a default or past due event,
- It is becoming probable that the member will enter bankruptcy or another financial difficulty.

The Group categorises a loan for potential write-off when a member has defaulted in making loan instalment payment for at least 180 days. Loans are written off when there is evidence indicating that the member is in severe financial difficulty and there is no realistic prospect of recovery of the loan.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.2 CREDIT RISK (CONT'D)

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

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

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Individual impairment \$	Net carrying amount \$
31 December 2022							
Loans to members	9	I	12-month ECL	12,190,665	-	-	12,190,665
Loans to members	9	II	Lifetime ECL	684,012	(86,114)	(216,112)	381,786
				<u>12,874,677</u>	<u>(86,114)</u>	<u>(216,112)</u>	<u>12,572,451</u>
31 December 2021							
Loans to members	9	I	12-month ECL	12,921,514	-	-	12,921,514
Loans to members	9	II	Lifetime ECL	767,536	(92,733)	-	674,803
				<u>13,689,050</u>	<u>(92,733)</u>	<u>-</u>	<u>13,596,317</u>

The Group has assessed the latest repayments and creditworthiness of the members, adjusted for the future outlook of the economic environment. In the current year, loans amounting to \$69,576 (2021:\$131,165) were deemed credit-impaired) were deemed credit-recovered owing to change in the members' financial situation and default of loan instalments. Accordingly, the Group measured the impairment loss using the lifetime ECL and determined that the entire amount owed was to be written off.

Information regarding the loss allowance movement of loans to members is disclosed in Note 9.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.2 CREDIT RISK (CONT'D)

Set out below is the information about the credit risk exposure on the Group's loans to members using a provision matrix:

	Trade receivables					
	Days past due					Total
	Not past due	30-90 days	91-182 days	183-365 days	>365 days	
	\$	\$	\$	\$	\$	\$
31 December, 2022						
Total gross carrying amount	12,190,666	361,994	161,554	121,040	39,423	12,874,677
ECL rate	0%	1%	31%	21%	11%	
31 December, 2021						
Total gross carrying amount	12,921,513	421,879	103,512	109,598	132,548	13,689,050
ECL rate	0%	2%	10%	27%	44%	

33.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group and the Co-operative will not be able to meet its financial obligations as and when they fall due. The Group's and the Co-operative's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and Co-operative's reputation.

The Group and the Co-operative monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Committee of Management to finance the Group's and Co-operative's operations and to mitigate the effects of fluctuations in cash flows.

The following table analyses the Group's and Co-operative's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.3 LIQUIDITY RISK (CONT'D)

	Group		Co-operative	
	One year or less \$	Total \$	One year or less \$	Total \$
At 31 December 2022				
Subscription share capital	6,858,718	6,858,718	6,858,718	6,858,718
General savings	27,719,371	27,719,371	27,719,371	27,719,371
Bonus savings	13,637,603	13,637,603	13,637,603	13,637,603
Term deposits from members	25,587,203	25,587,203	25,587,203	25,587,203
Members' and ex-members accounts	30,930	30,930	30,930	30,930
Other payables	523,258	523,258	514,974	514,974
Central Co-operative Fund	296,867	296,867	296,867	296,867
	<u>74,653,950</u>	<u>74,653,950</u>	<u>74,645,666</u>	<u>74,645,666</u>

At 31 December 2021				
Subscription share capital	7,009,877	7,009,877	7,009,877	7,009,877
General savings	29,475,700	29,475,700	29,475,700	29,475,700
Bonus savings	13,733,489	13,733,489	13,733,489	13,733,489
Term deposits from members	29,059,689	29,059,689	29,059,689	29,059,689
Members' and ex-members accounts	21,099	21,099	21,099	21,099
Other payables	343,102	343,102	325,808	325,808
Central Co-operative Fund	26,058	26,058	26,058	26,058
	<u>79,669,014</u>	<u>79,669,014</u>	<u>79,651,720</u>	<u>79,651,720</u>

33.4 Fund Management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value.

The Co-operative is also required to comply with the prudential requirements issued in 2010 by the Registrar of the Co-operative Societies. The relevant ratios are:

	Prudential Requirements		Co-operative	
	2022	2021	2022	2021
Capital Adequacy Ratio (CAR)	≥ 10%	≥ 10%	13.1%	12.1%
Minimum Liquid Assets (MLA)	≥ 15%	≥ 15%	57.3%	52.6%
Restricted Investments	≤ 30%	≤ 30%	17.4%	21.8%

The Co-operative had complied with all of the prudential requirements for the financial years ended 31 December 2022 and 31 December 2021.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.5 MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Price risk on quoted bonds and equity

Group

If prices for quoted bonds and equity increase or decrease by 10% (2021: 10%) with all other variables held constant, the Group's fair value reserves would increase or decrease respectively by \$2,598,751 (2021: \$3,352,483).

Foreign currency risk

The Group is not exposed to foreign currency risk since it does not operate in currencies other than the functional currency of each entity.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

33.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including loans to members, other receivables, fixed deposits, cash and bank balances, subscription share capital, general savings, bonus savings, term deposits from members, members' and ex-members' accounts, other payables and Central Co-operative Fund) are assumed to approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of the financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of other financial assets and liabilities are determined as follows:

- a) the fair value of financial assets and financial liabilities traded on liquid markets are determined with reference to quoted market prices; and
- b) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on observable current market transactions and dealer quotes for similar instruments.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. FINANCIAL RISK MANAGEMENT (CONT'D)

33.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	2022			
	Fair value measurements at the reporting date using			
	Quoted prices in active markets for identical instruments	Significant other observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	Total
	\$	\$	\$	\$
Group and Co-operative 2022				
<u>Financial assets, at FVOCI</u>				
Quoted equity securities	2,572,005	-	-	2,572,005
Quoted bonds	18,273,216	-	-	18,273,216
Quoted managed funds	5,142,294	-	-	5,142,294
Unquoted shares in other co-operative societies	-	-	9,244,758	9,244,758
<u>Financial assets, at FVTPL</u>				
Investment fund	-	-	-	-
	25,987,515	-	9,244,758	35,232,273
2021				
<u>Financial assets, at FVOCI</u>				
Quoted equity securities	2,597,371	-	-	2,597,371
Quoted bonds	22,946,861	-	-	22,946,861
Quoted managed funds	5,895,542	-	-	5,895,542
Unquoted shares in other co-operative societies	-	2,107,806	-	2,107,806
<u>Financial assets, at FVTPL</u>				
Investment fund	-	2,093,906	-	2,093,906
	31,439,774	4,201,712	-	35,641,486

Information regarding Financial asset, at FVOCI is disclosed in Note 8.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

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

Effective date (annual periods beginning on or after)	New or revised accounting standards and interpretations
1 January 2023	<ul style="list-style-type: none"> Amendments to FRS 117
1 January 2023	<ul style="list-style-type: none"> Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies
1 January 2023	<ul style="list-style-type: none"> Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
1 January 2023	<ul style="list-style-type: none"> Amendments to FRS 8: Definition of Accounting Estimates
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 1: Classification of Liabilities as Current or Non-current
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 116: Lease Liability in a Sale and Leaseback
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 1: Non-current Liabilities with Covenants
Date to be determined	<ul style="list-style-type: none"> Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Committee of Management expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

DETAILED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

(For Committee of Management purposes)

	CO-OPERATIVE	
	2022	2021
	\$	\$
Revenue		
Interest income from:		
- loans granted to members	1,005,355	1,094,158
- bonds	934,153	916,764
- fixed deposits	424,970	312,049
- savings account	16,075	22,621
Dividend income from:		
- quoted equity investments	117,285	77,145
- unquoted equity investments	110,272	111,472
Net loss on financial assets at FVTPL	(91,908)	(27,977)
Net (loss)/gain on redemption of bonds	(489,648)	5,625
Rental income	45,924	50,896
Administrative fee income	199,592	197,166
Entrance fee income	439	954
Gain on disposal of investment property	2,009,886	-
Other income	42,981	52,852
	<u>4,325,376</u>	<u>2,813,725</u>
LESS: EXPENDITURE		
Depreciation of investment properties	(47,500)	(47,500)
Depreciation of property, plant and equipment	(153,717)	(152,125)
Interest expense paid/payable on:		
- general savings	(85,852)	(84,715)
- bonus savings	(388,930)	(376,071)
- term deposits from members	(237,937)	(322,438)
Staff costs	(811,237)	(762,944)
Other expenses	(757,476)	(410,480)
	<u>(2,482,649)</u>	<u>(2,156,273)</u>
SURPLUS FROM THE YEAR	1,842,727	657,452
Dividends paid	(552,809)	(556,394)
SURPLUS FROM OPERATIONS	<u>1,289,918</u>	<u>101,058</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

ANNEX A

OPERATING EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

(For Committee of Management purposes)

	Co-operative	
	2022	2021
	\$	\$
OTHER EXPENSES		
Administrative expenses	34,800	34,800
Affiliation fee	1,010	1,055
Provision/ (Reversal) for expected credit losses on loans to members	209,493	(136,861)
AC exp/internal audit	17,390	16,500
Auditor's remuneration	31,500	31,500
Bad debts written off	69,576	131,165
Bank charges	5,312	7,487
Central pay office charges	6,197	6,265
Co-operative activities	7,141	9,630
Computer service charges and supplies	74,726	74,620
Debts Collection Fees	43,200	43,200
General meeting expenses	14,862	8,454
General expenses	11,640	9,046
Insurance	26,192	25,475
Internal audit expenses	8,040	7,560
Investment management fee	18,824	5,609
Legal and professional fee	37,097	1,742
Maintenance of equipment	2,771	2,809
MC meeting expenses	7,850	8,450
Membership drive expenses	2,823	3,255
Property maintenance fee	33,225	35,180
Postages	8,218	2,332
Printing and stationery	7,303	8,833
Property tax	10,870	12,075
Refreshments	5,249	3,133
Treasurer allowance	21,600	20,700
Sub-comm meeting expenses	2,280	240
Telephone expenses	12,099	11,612
Transport reimbursement	18,073	17,269
Utilities	8,115	7,345
	<u>757,476</u>	<u>410,480</u>

Annex 1

The Singapore Teachers' Co-operative Society Limited
150 Changi Road, #02-06, Guthrie Building
86th/87th Committee of Management 2022

Attendance at the Committee of Management Meetings for the Year 2022

S/No	Name of COM Member Designation	J	F	M	A	M	J	J	A	S	O	N	D	Total	%
1	Mr Richard Zaccheus Bains Chairman	1	1	0	0	2	2	2	1	1	1	1	1	13	86.7%
2	Mr Allan Tok Wei Cheng Deputy Chairman	1	1	1	1	2	1	2	1	1	1	0	1	13	86.7%
3	Mr Fok Kim Fook Honorary Treasurer	1	1	1	1	2	2	2	1	1	1	1	1	15	100%
4	Mdm Elaine Seah Ee Leng Honorary Assistant Treasurer	0	1	1	0	2	1	2	1	1	1	0	1	11	73.3%
5	Mdm Elene Lim Lan Hiang Honorary Assistant Secretary	0	1	1	0	2	2	2	1	0	1	1	1	12	80.0%
6	Mr Peter Tan Swee Chong Member	1	1	1	1	2	2	2	1	1	1	1	0	14	93.3%
7	Mdm Pasty Ng Moi Sng Member	1	1	1	1	2	2	1	1	1	1	0	1	13	86.7%
8	Mr Chern Meng Hock Member	0	1	1	1	1	2	1						7	87.5%
9	Mr Wilson Koh Kian Neng Member	1	1	1	1	2	1	2	1	1	0	1	1	13	86.7%
10	Mdm Kiren Kaur Gill Member	1	1	1	1	2	2	1	1	1	1	1	1	14	93.3%
11	Mr Ho Boon Huat Member	1	1	1	1	1	1	1	1	1	1	0	0	10	66.7%

Note:

1. Mr Chern Meng Hock was disqualified as a committee member w.e.f 06.07.2022.

COMMITTEES' LIST 2022/2023**Membership Committee:**

Chairperson - Mdm Patsy Ng Moi Sng
 Secretary - Mdm Garmit Kaur

Members:

Mdm Elene Lim Lan Hiang
 Mr Wilson Koh Kian Neng
 Mdm Shamsulbadariah

Loan Committee:

Chairman - Mr Peter Tan Swee Chong
 Vice-Chairman - Mr Fok Kim Fook

Members:

Mdm Elaine Seah Ee Leng
 Mdm Elene Lim Lan Hiang
 Mr Teo Chor Kai

Recording Secretary- Ms Amelia Sim

Investment Committee:

Chairman - Mr Allan Tok Wei Cheng
 Vice Chairman - Mr Fok Kim Fook

Members:

Mr Wilson Koh Kian Neng
 Mr Ho Boon Huat
 Mr Teo Chor Kai

Recording Secretary- Ms Jaise Choi

Finance Committee:

Chairman - Mr Fok Kim Fook
 Recording Secretary- Ms Jaise Choi

Members:

Mr Allan Tok Wei Cheng
 Mdm Elaine Seah Ee Leng
 Mr Teo Chor Kai

Media/ Publicity/Welfare Committee:

Chairperson - Mdm Kiren Kaur Gill
 Secretary - Mr Ho Boon Huat
 Editor - Mr Teo Chor Kai

Members:

Mdm Lau Bee Eng
 Mdm Tan Hui Teng
 Mr Willy Siang

Remuneration Committee:

Chairman - Mr Allan Tok Wei Cheng
 Secretary - Mr Phua Chin Hong
 CEO - Mr Teo Chor Kai

Members:

Mr Richard Zaccheus
 Mr Fok Kim Fook

Internal Auditors:**Members:**

Mr Phua Chin Hong
 Professional Accountant from
 M/s Yang & Lee Associates

PDPA

Officer - Mr Willy Siang

Members:

Mr Teo Chor Kai
 Mdm Arifah Begum

Staff Welfare:

Chairman - Mr Richard Zaccheus
 Hon Treasurer - Mr Fok Kim Fook
 CEO - Mr Teo Chor Kai

Society's Staff:

Mrs Chia Teck Lim
 Ms Jaise Choi

Audit Committee:

Chairperson - Mdm Chow Fong Leng (from 25 October 2022 to 13 December 2022)
 Secretary - Mr Peter Tan Swee Chong (from 25 October 2022 to 13 December 2022)
 Member - Mdm Patsy Ng Moi Sng (from 25 October 2022 to 13 December 2022)

Chairman - Mr Terence Pan (from 28 January 2023 to 25 March 2023)
 Mr Chua Kia Khian (w.e.f. 25 March 2023)

Member - Mr Terence Pan (w.e.f. 11 March 2023)
 Mr Chua Kia Khian (from 28 January 2023 to 11 March 2023)
 Secretary - Mdm Elaine Seah (w.e.f. 28 January 2023)

Representatives/Delegates/Staff in Other Co-operative Organisation**Singapore National Co-operative Federation (SNCF)**

Delegates / EXCO	-	-	-	-	Mr Allan Tok Wei Cheng
					Mr Fok Kim Fook (Credit Sector)

The Singapore Amalgamated Services Co-operative Organisation Ltd (SASCO)

Member, Board of Directors	-	-	-	-	Mr Fok Kim Fook
Delegates	-	-	-	-	Mr Peter Tan Swee Chong
					Mr Teo Chor Kai

Consumers Association of Singapore (CASE)

Delegates	-	-	-	-	Mr Allan Tok Wei Cheng
					Mr Fok Kim Fook

Premier Security Co-operative Society Ltd

Delegate	-	-	-	-	Mr Teo Chor Kai
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National Trades Union Congress (NTUC)**NTUC Income Insurance Co-operative Limited (NTUC INCOME)**

Delegate	-	-	-	-	Mdm Kiren Kaur Gill
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NTUC FairPrice Co-operative Ltd

Delegates	-	-	-	-	Mr Peter Tan Swee Chong
					Mdm Ng Moi Sng Patsy

NTUC Health Co-operative Ltd

Delegate	-	-	-	-	Mdm Elene Lim Lan Hiang
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NTUC Choice Home

Delegate	-	-	-	-	Mdm Kiren Kaur Gill
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EDUCARE CO-OPERATIVE LIMITED

Delegates	-	-	-	-	Mr Fok Kim Fook (Board Member)
					Mr Teo Chor Kai

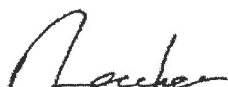
THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

(Registered under the Co-operative Societies Act, Cap. 62, Singapore)

Annual Report 2022

ANNEX 4**PROPOSED DISTRIBUTION OF 2022 SURPLUS**

		S\$	S\$
SURPLUS FOR THE YEAR 2022			1,842,727.09
(before dividend payment of \$552,808.98 in Aug 2022)			
Less: Contribution to Central Co-operative Fund	***		(293,545.42)
			1,549,181.67
Proposed Dividend on Share Capital:	10% x \$ 6,858,717.83	685,871.78	
(2021 = 8%)			
Proposed Loan Interest Rebate:	5% x \$ 1,005,354.96	50,267.75	(736,139.53)
(2021 = 5%)			
			813,042.14
Distribution to:-			
Common Good Fund		100,000.00	
Staff Welfare Fund		20,000.00	
Retained Surplus		693,042.14	(813,042.14)
			(0.00)



ZACCHEUS RICHARD BAINS
CHAIRMAN



FOK KIM FOOK
HON TREASURER

***** Contribution to Central Co-operative Fund**

SURPLUS FOR THE YEAR 2022		1,842,727.09	
1st \$500k	@ 5%	500,000.00	25,000.00
Amount in excess of \$500k	@ 20%	1,342,727.09	268,545.42
			293,545.42

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

(Registered under the Co-operative Societies Act, Cap. 62, Singapore)

Annual Report 2022

ANNEX 5

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

ESTIMATES FOR FY 2023 - FY 2024

	FY 2023	FY 2023 (Adjustments)	Adjusted FY2023	FY 2024
	S\$	S\$		S\$
<u>OPERATING EXPENDITURE</u>				
Administrative Expenses	34,800		34,800	34,800
Affiliation Fees	1,500		1,500	1,500
Allowance for COM Responsibility		87,000	87,000	90,000
Allowance for Hon Secretary & Treasurer	25,000	(25,000)	-	-
Attendance Allowance / MC Meeting	9,000	(1,850)	7,150	7,150
Attendance Allowance / Sub-Comm Meeting	1,000		1,000	1,000
Auditor's Remuneration	31,500		31,500	33,500
Audit COM Expenses / Internal Audit	27,000	3,600	30,600	30,600
Allowance for expected credit losses on loans to members	100,000	(80,000)	20,000	20,000
Bad Debts Written Off	200,000		200,000	200,000
Bank Charges	8,000	(2,000)	6,000	6,000
Computer Service & Supplies	100,000	20,000	120,000	120,000
Co-Operative Activities	30,000		30,000	30,000
Debts Management Fees	43,200		43,200	43,200
General Expenses	10,000	2,000	12,000	12,000
General Meeting Expenses	30,000	(10,000)	20,000	40,000
Insurance	28,000		28,000	30,000
Investment Management Fee	20,000		20,000	20,000
Maintenance of Office Equipment	5,000		5,000	5,000
Maintenance of Office Premises	5,000		5,000	5,000
Membership Drive Expenses	10,000		10,000	10,000
Postages & Courier	8,000	500	8,500	8,500
Printing & Stationery	20,000	(10,000)	10,000	10,000
Professional & Legal Expenses	30,000	25,000	55,000	55,000
Property Tax & Quit Rent	14,000	(5,200)	8,800	8,800
Refreshment	6,000		6,000	6,000
Service Charges for Check-off	7,000		7,000	7,000
Service Charges for Premises	35,000	(10,000)	25,000	21,000
Skill Development Levy	1,400	170	1,570	1,570
Staff CPF Contributions	90,000	(1,500)	88,500	94,000
Staff Dental & Medical Expenses	9,000		9,000	9,000
Staff Salaries & Bonuses	780,000	31,600	811,600	808,950
Telephone Charges	15,000		15,000	15,000
Transport Expenses	20,000	(10,000)	10,000	10,000
Utilities	10,000		10,000	10,000
TOTAL	1,764,400	14,320	1,778,720	1,804,570
<u>CAPITAL EXPENDITURE</u>				
Computer & Equipment	20,000		20,000	50,000
Computer Software	50,000		50,000	200,000
Furniture & Office Equipment	30,000	(10,000)	20,000	30,000
Renovation	50,000	(10,000)	40,000	200,000
TOTAL	\$ 150,000	\$ (20,000)	\$ 130,000	\$ 480,000
TOTAL ESTIMATED EXPENDITURE	\$ 1,914,400	\$ (5,680)	\$ 1,908,720	\$ 2,284,570

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

(Registered under the Co-operative Societies Act, Cap. 62, Singapore)

Annual Report 2022

ANNEX 6

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

MAXIMUM LIABILITY

The Committee of Management reviewed its savings policy and is satisfied that it is possible to maintain the present level of liability and provide members with better returns. It is therefore recommended that the maximum borrowing limit of the Society for the year 2023 be set at **S\$80,000,000**.

	BALANCE 31/12/2022	MONTHLY CONTRIBUTION	PROJECTED BALANCE 31/12/2023	ESTIMATE INTEREST PAYABLE	INTEREST PAYABLE 31/12/2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GENERAL SAVINGS	27,719	300	31,000	90	86
BONUS SAVINGS	13,638	1,000	15,000	410	389
TERM DEPOSITS	25,587	-	34,000	400	238
TOTAL	\$ 66,944	\$ 1,300	\$ 80,000	\$ 900	\$ 713



ZACCHEUS RICHARD BAINS
CHAIRMAN



FOK KIM FOOK
HON TREASURER

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

(Registered under the Co-operative Societies Act, Cap. 62, Singapore)

Annual Report 2022

ANNEX 7
INVESTMENT PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2022

Restricted Investments	FY 2022		FY 2021	
	Investment Amount (\$)	Income (\$)	Investment Amount (\$)	Income (\$)
Shares listed on SGX	2,572,005	329,812	2,597,371	179,816
Corporate bonds and Managed Funds	12,377,768	152,316	16,605,455	701,071
Shares in private companies	440,815	-	440,815	-
Shares in other co-op (invest after 30/06/2010)	650,884	9,599	169,990	9,599
Total	\$ 16,041,472	\$ 491,727	\$ 19,813,631	\$ 890,486
Returns on restricted investment		3.07%		4.49%
Total Assets	\$ 92,011,611		\$ 90,750,939	
Restricted Investment (RI) approved	30%		30%	
Approved RI @ 30% of Total Assets	\$ 27,603,483		\$ 27,225,282	
Total RI invested	\$ 16,041,472		\$ 19,813,631	
RI as a % of Total Assets	17.4%		21.8%	

Non Restricted Investments	FY 2022		FY 2021	
	Investment Amount (\$)	Income (\$)	Investment Amount (\$)	Income (\$)
Investment properties	1,197,027	45,925	1,255,805	52,019
Statutory board bonds	11,037,742	292,188	12,236,948	221,318
Central investment fund (SI)	-	(91,908)	2,093,906	(27,977)
Shares in other co-op (invest before 30/06/2010)	8,593,874	100,673	1,937,816	101,873
Fixed deposits and bank balances	39,100,716	441,044	37,755,835	334,671
Total	\$ 59,929,359	\$ 787,922	\$ 55,280,310	\$ 681,904
Returns on non restricted investment		1.31%		1.23%

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

150 CHANGI ROAD #02-06

GUTHRIE BUILDING

SINGAPORE 419973

TEL: 6440 4393

87th ANNUAL GENERAL MEETING – 24 JUNE 2023**NOMINATION FOR ELECTION TO THE COMMITTEE OF MANAGEMENT – 2023/2026**

NO	NAME OF CANDIDATE	NAME OF PROPOSER	NAME OF SECONDER
01.	MR FOK KIM FOOK	MR HO BOON HUAT	MR TOK WEI CHENG ALLAN
02.	MR HO BOON HUAT	MR FOK KIM FOOK	MR TOK WEI CHENG ALLAN
03.	MR TOK WEI CHENG ALLAN	MR FOK KIM FOOK	MR HO BOON HUAT
04.	MR KOH KIAN NENG	MR FOK KIM FOOK	MR TEO CHOR KAI
05.	MR CHAN KWAN MENG ALEX	MR SANTOKH SINGH	MR LOUIS ISACK KUMAR
06.	MR LOUIS ISACK KUMAR	MR CHAN KWAN MENG ALEX	MR SANTOKH SINGH
07.	MR SANTOKH SINGH	MR CHAN KWAN MENG ALEX	MR LOUIS ISACK KUMAR
08.	MDM SEAH EE LENG ELAINE	MR FOK KIM FOOK	MR TAN SWEE CHONG PETER
09.	MR ONG CHEE KIONG RAY	MR TEO CHOR KAI	MR FOK KIM FOOK


**MR DANNEE NG
RETURNING OFFICER****DATED: 19 MAY 2023**



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: Fok Kim Fook

Designation: Retired Senior Teacher

Date of joining the Society: 12 July 1969

Positions held and contributions:

Co-op delegate at NTUC and CASE.

Represent Co-op on the Board of Management of Edu Care Co-op, SASCO Co-op and SASCO Senior Citizen Home

Years servicing in Teachers' Co-op:

Years of Service

1994 – 1997

1997 – 1998

1999 – To date

2000 – 2020

2002 – 2018

2002 – 2020

2002 – 2004

2007 – 2010

2010 – 2014

2014 – 2018

2018 – To date

Committee

Insurance Committee

Supervisory Board

Committee of Management

Loan Committee

Childcare Committee

Investment Committee

Hon Asst Treasurer

Hon Asst Secretary

Deputy Chairman

1st Deputy Chairman

Hon Treasurer



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: Ho Boon Huat

Designation: HOD

Date of joining the Society: 30 September 2013

Positions held and contributions:

Committee of Management (current)

Media/Publicity/Welfare Committee (Secretary)

Investment Committee (member)

Member of the Youth STU Co-operative (Youth Committee)



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: Tok Wei Cheng Allan

Designation: Lead Teacher (Math)

Date of joining the Society: 27 June 2001

Positions held and contributions:

Singapore National Co-operative Federation - EXCO member (2020 - current)

STCS Committee of Management - 1st Deputy Chairman (2017 - current)

STCS Committee of Management - 2nd Deputy Chairman (2013 – 2016)

Investment Committee Chairman (current)

Remuneration Committee Chairman (current)

Finance Committee (member)

CASE – Delegate



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: **Koh Kian Neng**

Designation: **Teacher**

Date of joining the society: **22 October 2016**

Positions held and contributions:

Committee of Management (Member)

Investment Committee (Member)

Media/Publicity/Welfare Committee (Secretary)



**Profile of candidate standing for election to be a member of
The Committee of Management**

Name: **Alex Chan**

Designation: **Teacher**

Date of joining the Society: **30 April 2018**

Community Involvement and contributions (if any):

I have some volunteer experience when I was in University helping students from Boys' Home by giving them tuition and encouragement. Having been helped as a teacher and with the new generation of teachers having no more pension, I wish to contribute back to the teaching community and I hope to use my financial knowledge (My hobby is reading and investment) to help the cooperative members to enjoy higher returns on their hard-earned savings and enjoy a better retirement.



**Profile of candidate standing for election to be a member of
The Committee of Management**

Name: **LOUIS ISACK KUMAR**

Designation: **SENIOR TEACHER**

Date of joining the Society: **31 January 2011**

Community Involvement and contributions (if any):

- LCEC member of Ang Mo Kio Tamil Methodist church and overall in-charge for Communications and Archives, website designing and updating, social media content creator for local church activities.
- Exco Member and Chairman for Board of Communications & Archives of Emmanuel Tamil Annual Conference and looking after 8 churches Archives, website designing and updating, social media content creator at conference level.
- Council Member for Archies & History of MCS



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: Santokh Singh

Designation: Subject Head (Combined Humanities)

Date of joining the Society: 31 August 2016

Community Involvement and contributions:

Volunteer for Letter-writing at Meet-the-People Sessions since 2002
National Day Parade Pledge Taker representing the Ministry of Education in 1997
Former Assistant Commandant for NPCC
Awarded Police Commendation (For both Individual and Team Awards)
Member of Sembawang Sea Sports Club
Represented National Youth Council at World Youth Conference held in India 1997
Former STU Representative for school for two terms
SINDA Centre Principal 2013-2015



**Profile of candidate standing for election to be a member of
The Committee of Management**

Name: Seah Ee Leng Elaine

Designation: Teacher

Date of joining the society: 13 December 1987

Positions held and contributions:

- a. Ladies Committee Member
- b. Ladies Committee Secretary
- c. Committee of Management Member (current)
- d. 1st Assistant Treasurer
- e. Assistant Treasurer (current)
- f. Investment Committee Member
- g. Loan Committee Member (current)
- h. Finance Committee Member (current)
- i. Audit Committee Secretary (current)



**Profile of candidate standing for re-election to be a member of
The Committee of Management**

Name: ONG CHEE KIONG

Designation: TEACHER

Date of joining the Society: 30 November 2011

Community Involvement and contributions:

Committee Member of the Design & Technology Educators Society, Singapore

NOTES

Co-operative Principles

Voluntary Association and Open Membership

1. Membership of a co-operative society shall be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

Democratic Control

2. Co-operative societies are democratic organisations. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

Limited interest on Capital

3. Share capital shall only receive a strictly limited rate of interest, if any.

Equitable division of surplus

4. The economic results arising out of the operations of the society belong to the members of that society and shall be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (a) By provision for development of the business of the Co-operative;
- (b) By provision of common services; or,
- (c) By distribution among the members in proportion to their transactions with the society.

Co-operative Education

5. All co-operative societies shall make provision for the education of their members, officers, and employees and of the general public, in the principles and technique of Co-operation, both economic and democratic.

Co-operation among Co-operatives

6. All co-operative organisations, in order to best serve the interests of their members and communities shall actively co-operate in every practical way with other co-operatives at local, national and international levels.



The Singapore Teachers' Co-operative Society Ltd

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