

# TEACHERS' NEWS

Always There For You



The Singapore Teachers' Co-operative Society Ltd

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THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

## 74<sup>th</sup> Annual General Meeting

Sunday, 30 May 2010.

Teachers' Co-op

# 74

## Annual General Meeting

The Society held its 74th Annual General Meeting at the Parkroyal Hotel at Kitchener Road, Singapore on 30 May 2010 at 10.00am. We were deeply honoured to have our President, Mrs Tan Ching Yee, Permanent Secretary, Education to chair the meeting, while Vice President, Mrs Brenda Tan (retired principal) was the Returning Officer for the day. Vice President, Mr. T P Naidu (retired principal) was also present to grace the occasion.

Two main items for the members to consider on that day were

- (i) The Amendments to the Singapore Teachers' Co-operative Society's By-Laws in compliance with the Amended Co-op Act and
- (ii) The transfer of Funds to the General Reserve Funds.

The House unanimously endorsed both the items which were necessary for the continued existence of the society.

President's Address



Chairman's Address



Treasurer's Presentation



Interschool Bowling Championship



# President's Address



Good morning ladies and gentlemen and welcome to the 74th Annual General Meeting of The Singapore Teachers' Co-operative Society.

I am happy to see so many of you here this morning. This is testimony of your commitment to the Society.

2009 has been a year of challenge to the Society. The global economic and financial crisis took centre stage. The talk was about the recession and its recovery.

In the ever changing financial and economical landscape doing business came with many challenges. The financial experts predicted recovery in different forms and shapes. The main concern of the Society was the impending written direction which would come into effect some time in March of 2010.

The authorities started imposing restrictions on all Credit Co-operatives. Credit Co-operatives were directed to focus mainly on their core business of thrift and loans (collect deposits and grant loans).

The Society is at present working on various strategies on how to comply with these directions when they come into effect.

Despite working under a lot of constraints, I am happy to note that the balance sheet is healthy. The surplus for the year was \$1,183,191 before making contributions to The Central Co-operative Fund. The net surplus was \$985,748.

In 2009 the Society's total investment was \$14,278,875 through the purchase of bonds and equities. The Society realized a profit of \$1,072,851 or 34% of the total income from the sales of shares, dividends received and interest earned from fixed deposits.

Income from loans amounted to \$1,598,215.

The Society had made full provision of \$500,000 in 2008 for the Mini Bonds. The Society had recovered \$149,000. On the advice of the auditors the Society has made provision of \$500,000 on TT International Ltd for impairments of investment as a precautionary measure, as the company is still trading in the market.

I hope that you will be pleased to learn that on re-evaluation of Guthrie Building, the Society was able to record a reversal of impairment on the freehold property amounting to \$539,780

Another major project of the Society was to amend the By-Laws to comply with the amended Co-operative Societies Act. The new By-laws are ready and will be tabled for you to consider for adoption.

I am pleased to note that the Society has not lost sight of its role to serve the Society and the community. The visit to Hospice Care Association and the disbursement of Student Welfare Grant to needy pupils in our schools are good examples of the Society's commitment.

The government has revised its previous growth forecast rate between 4.5 to 6.5 percent to 7 and 9 percent due to a dramatic turnaround from recession. Singapore's revised growth target comes at a time when the global economy is continuing to recover from the financial and economic crisis of the past two years.

The financial and economic horizon looks promising in 2010 but we must remain vigilant as some European countries show signs of difficulties.

The implementation of the prudential requirements this year will affect us but I am confident that the Task Force which is still in negotiation with the authorities will be able to reach an amicable solution which would be mutually beneficial.

On this optimistic note I wish you a most productive session.

# Chairman's Address

Mrs Tan Ching Yee, President of The Singapore Teachers' Co-operative Society Ltd, Permanent Secretary, Ministry of Education, Vice-Presidents, Mr T P Naidu and Mrs Brenda Tan, Members of the Committee of Management, Supervisory Board, Ladies and Gentlemen.

A very good morning and a warm welcome to our 74th Annual General Meeting. It is really great to see so many of you present on this Sunday morning to participate in the proceedings of our meeting.



>> Chairman's Address

## The Global Economic & Financial Position

The global economic and financial crisis took centre stage in the year 2009. The inevitable reaction to the global economic and financial crisis was quite wide spread, which was quite natural. The blame fell squarely on poor corporate governance and of regulatory oversight. In the light of these expressed sentiments, the authorities had to step in.

All the credit Co-operatives in particular came under greater scrutiny. The introduction and subsequent implementation of the prudential requirements would indeed be a challenge to the management of the Co-operatives.

The authorities on their part had to strike up an appropriate balance between under-regulation and over-regulation. Over-regulation would result in tying up Co-operatives from fulfilling their responsibilities to the members.

The Co-operatives had in this instance to brace

themselves to face the intense scrutiny of their actions and place greater demands on their corporate governance. The Management had to ensure that the system and processes were put in place for effective functioning of the Co-operatives. There was this need to include the audit committee and independent directors to ensure there was proper checks and balances, resulting in complete transparency in all the transactions of the Co-operatives.

The task force which was formed under the auspices of the SNCF held numerous meetings to negotiate with the Registrar of Co-operatives on the implementation of the Prudential Requirements which would impact the functionality of the Credit Co-operatives.

We will explain in detail about the Prudential Requirements through a powerpoint presentation later.

## Society's Performance

The Society enjoyed a reasonably good year. The Management and staff were able to meet the challenges and steer the Society successfully through the difficult period. The staff and the officials must be commended for going that extra mile to achieve the good results. It gives me great pleasure to say that we recorded a net surplus of \$985,748 for the year 2009. From the surplus we have proposed a 4% dividend and a 3% rebate on

loan interest.

Our core business for the year was loans. A total of 809 loans totaling \$23,314,929 was disbursed. The income from the loans amounted to \$1,598,215. The Loan Committee not only managed to increase the quantum of loans given out but was also able to maintain a low loan delinquency ratio. Our sincere appreciation to the Loan Committee for a job well done.



## Investments

The Investment Committee adopted a low profile during the year as we were advised to reduce exposure to high risk investments. The Committee invested only in recommended bonds and Singapore Government Securities. The Committee also took cognizance of the 10% limit of total assets on restricted investments.

## Social and Community Involvement

The Ladies' Committee together with pupils from Coral Primary School visited the Hospice Care Association on 29 May 2009. They interacted with the inmates and entertained them with their songs.

The Youth Committee in collaboration with the Ministry of Education Sports and Recreation Club organized the second Inter-School Bowling Championship on 5 September 2009. The championship was a resounding success as the response was overwhelming. The standard of bowling was high. The champion and runner-up teams represented The Singapore Teachers' Co-op at the SNCF bowling championship. They performed creditably.

The Society disbursed a total of \$18,000.00 to one hundred pupils from 4 Primary, 4 Secondary School and 2 institutions as Student Welfare Grants.

## Business Ventures

Mr Chua Poon Guan was appointed as the full time Executive Director of Singapore Teachers' International Holdings Pte Ltd in July 2009. Since his appointment business network has been established. Projects were undertaken and concluded successfully.

STIH and Linknet Asia Pte Ltd incorporated De-Teachers' Pte Ltd on 2 October 2009 with a share capital of 100,000 shares at \$1.00 per share value. The objective of setting up the company was to provide trainers and instructors to educational centre. STIH is registered as a PA pre-qualified operator on a three-year term from 1 March 2010 to 31 March 2013 to conduct courses for students at (CCs) and (RCs).

## Childcare Centre



The role of Childcare Centres has transformed from being essentially a caregiver into an entity which takes care of the all round development of the child. Our Childcare Centre has successfully fulfilled this obligation. The teachers have been constantly encouraged to upgrade their academic and professional qualifications to meet the demands of the industry. The curriculum is now more broad based and includes more enrichment and creative activities which keep the children engaged and at the same time stretch their potential. The childcare was well managed resulting in a net profit of \$16,500.00.

# Looking Into The Future



The year 2010 promises to be good year. This optimism is based on the belief that Singapore has emerged from the recession in a strong position. The question in everyone's mind is whether the strong growth is only transient or is it sustainable?

The government has revised its growth forecast for the year between 7% and 9%. Some analysts have even made a bold prediction of a possible double digit growth this year. While the forecast is encouraging we should take a cautious approach due to the volatility of our small economy.

The challenge to our Society this year is how to sustain our own growth and viability and stay relevant.

The future plans include the rebranding or refreshing our brand by introducing a more energetic, contemporary and professional approach to doing business.

We have a sound administrative structure. What we have to improve upon is to make this system work efficiently to realize the desired outcome.

Let me list some of the challenges that the Committee will have to face:-

- 1) How to increase the Capital Adequacy Ratio to the acceptable level.
- 2) To pare off restricted investments in five years to meet the 10% limit of total Investments.
- 3) To source for new business opportunities to utilize the excess liquid assets.

These are some of the areas the staff and Committee will be working on this year.

STIH together with its subsidiary De-Teachers' have worked out some business ventures. We have to work towards ensuring these business ventures will bear fruits. We must make the most of these opportunities to push forward our long term plans of transforming the STC into a viable entity and stay relevant to the needs of our members.

Once again I would like to thank you for attending this meeting and hope that your time spent would be productive. I will hand over the proceedings into the hands of our President and Chairperson.

## Hon Treasurer's Presentation on the new Prudential Requirement & the need to make the funds transfer



Hon Treasurer's presentation on the new Prudential Requirement and the need to make the funds transfer

The policy intent of MCYS was as follows :-

- i) To strengthen the prudence in operations and accountability to members
- ii) To improve risk management standards of Credit Co-op sector
- iii) To refocus on care-business – that is Thrift & Loans

WOCCU's recommendation was to have 70% to 80% of total assets as loans.

## A. Minimum Liquid Assets (MLA)

To ensure that there is sufficient liquid assets to meet withdrawals and to maintain confidence.

MLA = ratio of cash, SGD deposits and Singapore Government securities to total deposits of members savings and subscription capital.

Minimum percentage required is 13%. Currently, Society is at 40%.

## B. Investment Restriction

The aim was for Credit Co-ops to refocus themselves to their core business and reduce exposure to high risk investments.

Excess funds could be invested in Singapore Government Securities or deposited in financial institutions licenced by MAS. Not more than 10% of total assets were allowed in restricted investments, such as in equities and corporate bonds. No structural products, foreign currencies and currency instruments were allowed. Co-operatives with more than 10% in restricted investment needed to pare down given a time frame of 5 years with effect from 1 July 2010.

## Capital Adequacy Ratio (CAR)

Co-op needed to maintain sufficient institutional capital to absorb operating losses.

$CAR = \text{Institutional capital} / \text{Total assets}$

Institutional Capital – money from retained earnings and general reserve funds.

Long term target was for Co-op to maintain a CAR of 8% or more. Co-ops with less than 6% CAR needed the Registry's approval before they could declare dividends.

## Unsecured Loan Limits

The new Prudential Requirement would impact the maximum amount of loans allowed and the eligibility.

Members would be duly informed once the details are confirmed by the Registrar.

## Provision for Bad & Doubtful Loans & Diminution of Investments

Adequate provisions needed be made for the above using the WOCCU guidelines.

### Loan Delinquent

1 – 12 months

> 12 months

### Provision

35%

100%

## C. Secured Loan Limits

80% loan to valuation on pledged assets. The Co-op would be looking into this and resource person from SNCF would be approached to help draw up the scheme. Members could borrow 100% on pledged savings and subscription capital.

## D. Reasons for Transfer of Funds

Before transfer, CAR for Society was 4.92%.

After transfer, CAR for Society was 6.53%.

The Society still needed to work towards the 8% target by the next Annual General Meeting.

## E. Implementation

The Prudential Requirement would be fully implemented by end December 2011. Written directions would be issued by the Registrar.

Phased introduction of requirements:-

Requirement	w.e.f.
M L A	31 March 2010
Investment Restriction	30 June 2010
Provision for bad & doubtful loan & Diminution of Investments	31 December 2010

CAR and Dividend Restriction, Secured and Unsecured loan limits (to be introduced in 2011 in phases).

## F. Non-Compliance

Under section 100 (i) (c) of the Act, it would be an offence for a person, without reasonable excuse, to disobey any written direction issued under the Act.

## Interest Rates

General Savings – For the first six months ending 30th June 2010, an interest rate of 0.25% p.a. was declared on members' General Savings.

## Term Deposits

The current interest rates for term deposits are as follows:

12 months	-	0.5%	(New Accounts)
12 months	-	0.75%	(For Renewal)

## Dividend

A rate of 4% was declared on members' Share Capital for year ending 31st Dec 2009. Amount due was credited into members' General Savings account in the month of May 2010.

## Loan Interest Rebate

A 3% loan interest rebate was declared on members' loan interests paid for the year ending 31 December 2009. This amount had been credited into members' General Savings account in the month of May 2010.

# Society's Website

Visit the society's website at [www.teachersco-op.org.sg](http://www.teachersco-op.org.sg) to obtain further information on the Society. The various types of forms are available and may be downloaded or printed for submission to the society.

## INTER SCHOOL BOWLING CHAMPIONSHIP 2010

Jointly organized by The Singapore Teachers' Co-operative Society Ltd & MESRC

Venue : Orchid Country Club Bowl Centre  
Date : Saturday, 6 November 2010  
Fee : \$40.00 per team  
Time : 9.00am - 2.00pm



This is a team competition which is open to all teaching staff in schools only. Top 10 winning teams will walk away with fabulous prizes. Lunch will be provided. Registration will be based on a first-come first-served basis.

Registration ends on 3 September 2010. SIGN-up NOW!  
Sign up with MESRC @ 64680305 or log onto: [www.mesrc.net](http://www.mesrc.net)

## Society's By-Laws

The adopted amended By-Laws of the society were sent to the Registrar of Co-operative Societies for registration. These By-laws were registered by the Registrar on 9 July 2010.

At the 74th AGM, there was a request that the 2005 July copy be posted to every member. As the 2010 version supercedes the 2005 version, the committee decided it would upload the 2005 version onto the society's website to save cost. Members who are interested in the 2005 version may download and print them from the website.

## Nominees

Members who wish to update their nominees may request for a nomination form or download it from the society's website. Complete this form and send it to the society for updates. Members may wish to note that with effect from August 2010, the new nominee form requires you to submit only the name of one nominee. This is in compliance with the amended By-Law No. 4.9.



### SOCIETY'S MANAGEMENT

#### PATRON

Ms Grace Fu  
Senior Minister of State  
Ministry of National Development &  
Ministry of Education

#### PRESIDENT

Mrs Tan Ching Yee  
Permanent Secretary  
Ministry of Education

#### VICE-PRESIDENTS

Mrs Brenda Tan  
(Principal, retired)  
Mr T P Naidu  
(Principal, retired)

### COMMITTEE OF MANAGEMENT

#### CHAIRMAN

Mr Richard Zaccheus Bains

#### DEPUTY CHAIRMAN

Mr Fok Kim Fook

#### HON. SECRETARY

Mr Teo Chor Kai

#### HON. TREASURER

Mr Chua Poon Guan, PBM

#### HON. ASST. SECRETARY

Mr G Anthony Samy, PBM

#### HON. ASST. TREASURER

Mr Loo Choo Beng

#### MEMBERS

Mr Raymond Poon Siow Leng  
Mr Lal Yeok Chun  
Mdm Patsy Ng Moi Sng  
Mdm Elene Lim Lan Hiang  
Mr Chua Sian Kay  
Mr Peter Tan Swee Chong  
Mr K A Nair  
Mr K Kesavadas

### EDITORIAL BOARD

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Mr Teo Chor Kai

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Mdm Patsy Ng Moi Sng  
Mr Raymond Poon Siow Leng  
Mdm Elene Lim Lan Hiang

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