



86TH ANNUAL REPORT

DATE

9th June 2016

—

TIME

11:00 am

—

VENUE

**HomeTeamNS-JOM
Clubhouse,
Function Hall,
31 Ah Hood Road
Singapore 329979**

86TH ANNUAL GENERAL MEETING

86TH ANNUAL REPORT

OUR VISION

We are the Choice Co-operative

OUR MISSION

We Add Value to the Well-being of Our Stakeholders

OUR MOTTO

We Care, We Listen, We Help

OUR WEBSITE

www.policecoop.org.sg

OUR FACEBOOK ADDRESS

www.facebook.com/SingaporePoliceCooperativeSociety

OUR 24-HOUR PHONE BANKING SYSTEM

Tel: 6334 5670

OUR E-MAIL ADDRESS

enquiry@policecoop.org.sg

OUR ADDRESS & CONTACT NO

250 Sims Avenue #04-01 SPCS Building Singapore 387513

Tel: 6334 8055 | Fax: 6334 8497

AGENDA

1. Opening Address by the Chairman, Mr Christopher Ng.
2. Address by the President, Commissioner of Police, Mr Hoong Wee Teck.
3. To approve the Minutes of the 85th AGM held on 24 June 2015 at HomeTeamNS-JOM Clubhouse _____ **PAGE 08**
4. Matters arising from the Said Minutes.
5. To receive & if approved, to adopt the Report of the Board of Directors for the year ended 31 December 2015 _____ **PAGE 19**
6. To receive & if approved, to accept the Statement of Accounts for the year ended 31 December 2015 _____ **PAGE 40**
7. To approve the appropriation of net surplus of \$4,321,085 as follows:
 - (1) To Central Co-operative Fund @ 5% on the first \$500,000 & @ 20% on the rest _____ \$ 777,217
 - (2) To Payment of Dividends @ 3.50% on the members' shares and subscription as on 31st December 2014 _____ \$ 2,253,685
 - (3) To Scholarship Fund _____ \$ 13,000
 - (4) To General Reserve Fund _____ \$ 500,000
 - (5) To Common Good Fund _____ \$ 50,000
 - (6) To Accumulated Fund _____ \$ 727,183
8. To approve a final dividend payment of 3.50% based on members' shares and subscription as at 31 December 2015 to be paid in FY2016.
9. To approve the adjustments for FY2016 and the estimated Expenditure for FY2017 _____ **PAGE 109**

10. To adopt, and if approved, the following resolution:
 "that the meeting approves the revised portfolio allocation mix:

No	Portfolio	Current (approved on 5 June 2014)	Proposed
a	Corporate Bonds (including variable notes)	max 70%	max 87.5%
b	Securities listed on SGX	max 20%	max 10.0%
c	Investment Properties	max 15%	-
d	Joint Ventures	max 10%	max 2.5%
e	Unit Trust	max 5%	-
f	Managed Funds	max 10%	-

With the proposed investment plan, the Board hopes to generate annual returns of between 2.5% to 4% per annum for the period of 3 years commencing from July 2016.

All investment transactions are to be approved by the Investment Committee and/or the Board.

11. To authorise the Board to appoint a professional audit firm, where necessary, to be Internal Auditors of the Co-operative for 2016/2017 and to fix its remuneration.
12. To authorise the Board to appoint two members, where necessary, as Internal Auditors of the Co-operative for 2016/2017 and to fix their remuneration.
13. To authorise the Board to appoint a professional audit firm as External Auditors of the Co-operative for 2016/2017 and to fix its remuneration.
14. To elect 8 members to the Board of Directors as per by-law 7.1. Please refer to Page 113 for the election procedures.
15. To transact any other business in respect of which notice has been received by the Secretary three working days before the Meeting.

For and on behalf of the Board of Directors



Mr Tan Chia Han
Secretary

Note:

- (1) Please bring along this Annual Report to the AGM.
- (2) Lunch will be served.
- (3) Dividends will be credited into members' bank accounts on **23 June 2016**.

CORPORATE INFORMATION

President MR HOONG WEE TECK

1st Vice-President MR TAN HUNG HOOI

2nd Vice-President MS WINNIE TAN WEI GOON

Board of Directors

Chairman Mr Christopher Ng

Vice-Chairman Mr Loy Chye Meng

Secretary Mr Tan Chia Han

Treasurer Mr Abdul Jalil (up to 24 June 2015)
Mr Lim Chin Tiak (from 25 June 2015)

Asst Secretary Mr Alvin Chong

Asst Treasurer Miss Evon Ng Ee Fong

Board Members Mr Balakrishnan Anbarasan
Mr Cheong Chee Ming
Mr Foo Kwee Pinh (co-opted 24 June 2015)
Mr Lim Chee Pheng
Mr Lim Eng Chye
Mr Alvin Moh Tser Loong
Mr Samad Bin Halil
Mr Teo Chun Ching
Mr Teo Hoon San

External Auditors

P G Wee Partnership LLP

79 Anson Road #07-03 Singapore 079906

Internal Auditors (Members)

Mr Chia Tong Seng
Mr Ching Yeow Boon

a) Investment and Loans Committee

Task: To strategise and provide oversight so that the Co-operative continues to meet profit targets and regulatory requirements for its capital adequacy and liquidity ratios

Scope of Work

Investment

- Work out and oversee the Co-operative's investment strategies and policies
- Approve purchases and sales of restricted and non-restricted investments as per Written Direction issued by the Registrar of Co-operative Societies
- Approve fixed deposit placements in financial institutions regulated by the Monetary Authority of Singapore
- Set rental rates for investment properties
- Source for and evaluate new business opportunities

Savings and Loans

- Work out and oversee policies and procedures for savings and loan products offered by the Co-operative
- Set rates for savings and loan products offered by the Co-operative
- Approve IT projects relating to Thrift and Loan System subject to budget endorsed by the Board

Chairman: Mr Abdul Jalil (up to 24 June 2015)
Mr Lim Chin Tiak (from 25 June 2015)

Members : Miss Grace Chong Hung Li (co-opted member)
Mr Foo Kwee Pinh
Miss Evon Ng Ee Fong
Mr Teo Hoon San

b) Audit Committee

Task: To oversee the Co-operative's accounting & operational policies and procedures

Chairman: Mr Cheong Chee Ming

Members : Mr Chua Chuan Seng (co-opted member)
Mr Samad Bin Halil

c) Remuneration Committee

Task: To set personnel and remuneration policies

Chairman: Mr Loy Chye Meng

Members : Mr Abdul Jalil (up to 24 June 2015)
Mr Foo Kwee Pinh (from 25 June 2015)
Mr Lim Chin Tiak
Mr Tan Chia Han

d) Membership & Well-Being Committee

Task: To strategise and provide oversight on the Co-operative's efforts to retain current members and recruit new members.

Chairman: Mr Lim Chee Pheng

Members : Mr Balakrishnan Anbarasan
Mr Alvin Chong
Mr Lim Eng Chye
Mr Samad Bin Halil
Mr Teo Hoon San

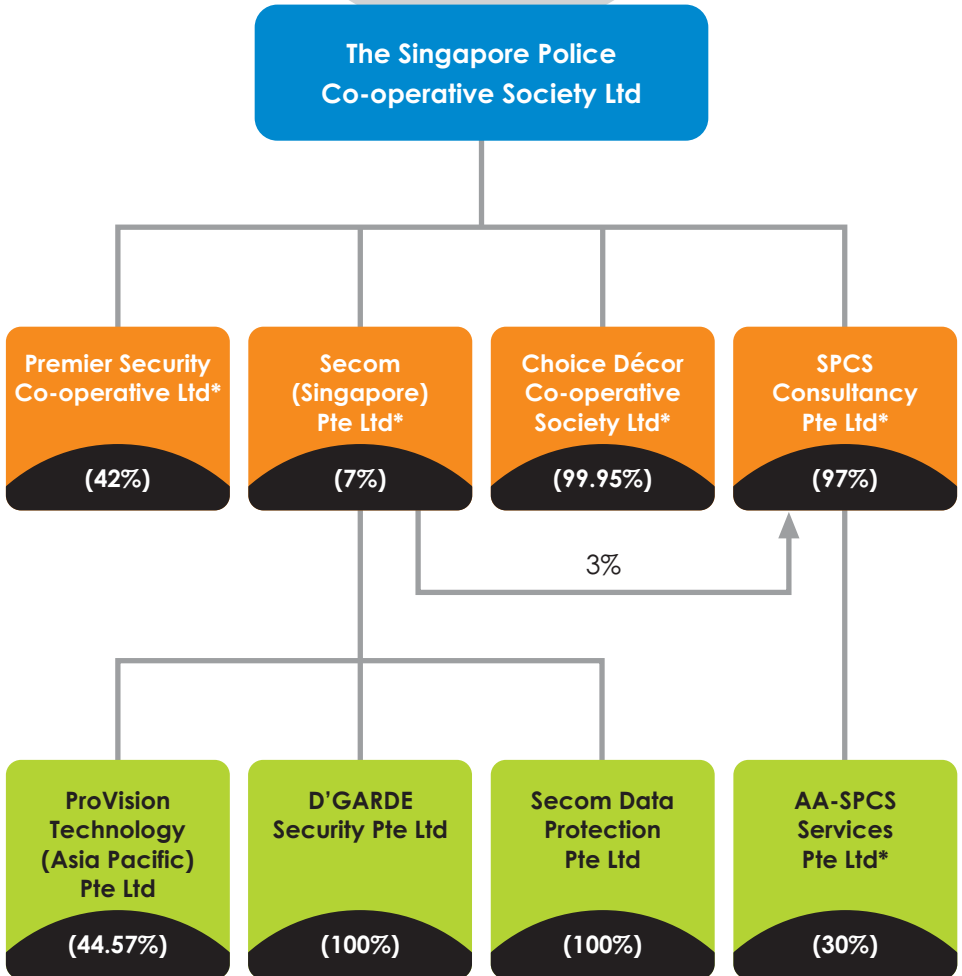
e) Editorial Committee

Task: To oversee contents of quarterly newsletters, website and other publications

Head : Mr Tan Chia Han

Member : Mr Alvin Chong

SHAREHOLDINGS IN COMPANIES WITH BOARD REPRESENTATION*



MINUTES OF THE 85TH ANNUAL GENERAL MEETING

held on 24th June 2015 at 1118 hrs at Home TeamNS–JOM Clubhouse, Function Hall, 31 Ah Hood Road, Singapore 329979

Present

MR HOONG WEE TECK

President, Commissioner of Police
And 88 members

AGENDA 1: OPENING ADDRESS BY THE CHAIRMAN, MR CHRISTOPHER NG

- 1.1 Secretary, Mr Tan Chia Han, called the Annual General Meeting (AGM) to order at 1118 hours with a quorum of 88 members. He invited Mr Christopher Ng, Chairman of The Singapore Police Co-operative Society Ltd, to make his opening speech.

Chairman welcomed the President, Directors and all members present. He said that it had been a busy year for him since he took over as Chairman of the Co-operative and he was glad that the team had been able to build on the good work done by the previous Board to achieve a good performance in FY2014.

Chairman shared with members that the Police Co-op Board, comprising 15 Directors - 7 appointed by the President and 8 elected by the general meeting - began work right after the last Annual General Meeting (AGM). Besides holding key appointments on the Board as Chairman, Vice-Chairman, Treasurer, Secretary and the assistants, the Directors were also assigned roles in committees to strategise and oversee all aspects of work of the Co-operative, such as investment portfolio and loans, audit matters, membership and welfare, and staff remuneration. He also shared that many of the directors of the Co-operative were further assigned key appointments in the subsidiary and associate companies owned by the Co-operative, namely Choice Décor Co-operative Society Ltd, SPCS Consultancy Pte Ltd and Premier Security Co-operative Ltd. Each subsidiary company and committee operated quite independently and reported to the main Board. He noted that a lot of work needed to be done by a 15-member Board to ensure that the Co-operative continued to do well, beyond attending Board meetings.

Chairman cited the example of Mr Abdul Jalil, the current Treasurer of Police Co-operative, as a director with a myriad of duties. As Treasurer, Mr Abdul Jalil's key role was to ensure that the Co-operative's accounts and expenditures were in order. He had to review and approve monthly Profit & Loss reports, sign payment

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

vouchers and cheques, and work with auditors to prepare annual financial reports. Mr Abdul Jalil was also the Chairman of the Investment and Loans Committee. Thus he had to approve every decision that affected investments and loans of the Co-operative. In addition, he had to attend meetings with the Registrar of Co-operative Societies and external parties on all loan-related issues.

Chairman said that the Directors had taken on the responsibility of conscientiously putting in time and energy to ensure that the Co-operative continued to serve the needs of its members, notwithstanding the fact that since FY2013, the Co-operative had stopped giving out honorariums to its directors. Honorarium payment to directors was a commonly accepted practice for holding directorship in co-operatives and societies, as there were fiduciary responsibilities and accountability involved and directors could be individually sued. Nonetheless, the Ministry of Home Affairs had recommended that all Home Team co-operatives do away with this practice and Police Co-operative had thus followed suit.

Chairman informed members that Mr Abdul Jalil would step down from the Board after the AGM. He expressed his gratitude towards Mr Abdul Jalil, who had asked to step down the previous year but agreed to stay on for another year to lend his experience to the Board as quite a number of Directors, including himself, were new to the Board. Chairman commented that he could not have asked for a better team member and reiterated his appreciation to Mr Abdul Jalil for his contributions to the Co-operative and wished him all the best as he moved on to other endeavours.

Beyond serving as a thrift and loan society providing savings and loans services, Chairman mentioned that the Co-operative had also strived to conduct various activities for its members. Some activities conducted in the past year included overnight tours to Batam for members who retired in 2012 and 2013, parent-child holiday activities such as an ice-cream and terrarium making workshops, as well as other social activities. He said that the Co-operative would continue to add value to the welfare of its members and he looked forward to members' continued support.

Chairman then invited the distinguished President, Commissioner of Police, Mr Hoong Wee Teck, to address the members.

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

AGENDA 2: ADDRESS BY THE PRESIDENT, COMMISSIONER OF POLICE, MR HOONG WEE TECK

- 2.1 Mr Hoong Wee Teck addressed members and declared the AGM open. The text of his speech is attached at Annex A.
- 2.2 Following the address, Mr Hoong Wee Teck and Mr Loy Chye Meng, Vice-Chairman of Police Co-operative, took their leave.
- 2.3 The meeting proceeded with Chairman of Police Co-operative, Mr Christopher Ng, conducting the AGM.

AGENDA 3: TO APPROVE THE MINUTES OF THE 84TH AGM HELD ON 5TH JUNE 2014 AT HOME TEAMNS-JOM CLUBHOUSE

- 3.1 There being no objections from the meeting, the minutes were approved as proposed by Mr Soong Boon Seong and seconded by Mr Lakhbir Singh.

AGENDA 4: MATTERS ARISING FROM THE SAID MINUTES

- 4.1 There were no matters arising.

AGENDA 5: TO RECEIVE & IF APPROVED, TO ADOPT THE REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

- 5.1 Secretary replied to the following issues raised by a member of the Co-operative Mr Lakhbir Singh via emails:

a. Board Attendances (Page 32 of Annual Report)

Mr Lakhbir Singh had queried on the attendance record of the directors for the 5 Board meetings.

Secretary informed the meeting that the minimum number of meetings as required by by-law 7.9.1 for the period 6 June 2014 to 23 June 2015 was four. Five meetings were held during this period on the following dates:

- BOD01/2014: 09 July 2014
- BOD02/2014: 24 September 2014
- BOD03/2014: 13 November 2014
- BOD04/2014: 12 January 2015
- BOD05/2014: 15 April 2015

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

A decision had been taken to fix meeting dates on the understanding that more could attend them as the directors would not schedule internal meetings on those dates. However, work-related meetings, especially those from higher HQ, were beyond one's control and they took priority.

Also, it had been a busy year for Police and other Home Team agencies, with preparations for SEA games, Shangri-La Dialogue 2015, etc. taking place.

Besides attending board meetings, the directors were also involved in running the affairs of the Co-operative and its subsidiaries.

The duties of Chairman, Vice-Chairman, Secretaries and Treasurers were stated under by-laws 7.14.1 to 7.16. The key appointment holders also had to meet and negotiate with the Registrar of Co-operative Societies and other parties.

The directors also sat in the various committees as highlighted under pages 4 to 5 of the Annual Report.

Examples:

i) Investment Committee (Page 4 of Annual Report)

The Investment and Loans Committee, chaired by Mr Abdul Jalil, approved 58 fixed deposit placements placed with various banks in Singapore amounting to \$59.75 million for the period 6 June 2014 to 23 June 2015.

During the same period, the Committee also approved 64 new bond purchases amounting to \$45.75 million.

The Committee was also involved in approving the fresh/renewed tenancy agreements for investment properties. For the period under discussion, the Co-operative was in negotiations with Citibank and Standard Chartered for the rental of shop houses in Holland Village.

ii) Joint Venture Companies (Page 6 of Annual Report)

Besides Police Co-operative, some directors also had to sit on joint venture companies. For corporate governance purposes, the following office bearers of Police Co-operative were not allowed

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

to sit on the board of joint venture companies so that they could provide independent oversight on the financial performance of these companies:

- Chairman (Mr Christopher Ng)
- Vice-Chairman (Mr Loy Chye Meng)
- Secretary (Mr Tan Chia Han)
- Treasurer (Mr Abdul Jalil)
- Chairman – Audit Committee (Mr Cheong Chee Ming)

b. Common Good Fund (Page 31 of Annual Report)

There was a suggestion by Mr Lakhbir Singh that the amount of \$200 disbursed upon the demise of a member's spouse be increased to \$500.

Secretary informed the meeting that the Co-operative had checked with the following credit co-operatives regarding the amount given by them upon the demise of a member's spouse:

No	Organisation	Amount Given on Spouse Bereavement
1	POLWEL Co-operative Society Ltd	\$100
2	Citiport Credit Co-operative Ltd	\$200
3	Customs Credit Co-operative Society (S) Ltd	\$300
4	The Singapore Teachers' Co-operative Society Ltd	Nil
5	Straits Times Co-operative Ltd	\$200
6	The Singapore Government Staff Credit Co-operative Society Ltd	\$200

While the Board recognised that the current payout was in line with industry practice, this would be reviewed in greater detail when the Board next convened.

- 5.2 There being no objection from the meeting, the Report was approved as proposed by Ms Tay Keng Bee and seconded by Mr Gurdev Singh.

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

AGENDA 6: TO RECEIVE & IF APPROVED, TO ACCEPT THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

- 6.1 Secretary addressed the following issues raised by the same member Mr Lakhbir Singh :

a. Accounting Policies

Mr Lakhbir Singh had stated that the Co-operative had written long paragraphs in its statement of accounts. Examples cited are:-

- Page 54 Significant Accounting Policies
- Page 56 Intangible Assets

Secretary informed the meeting that the external auditor of the Co-operative, P G Wee Partnership LLP had confirmed that such disclosures were necessary to comply with the Financial Reporting Standards.

b. Consolidated Accounts

Mr Lakhbir Singh had queried which companies were in the group under the consolidated accounts and why their names were not published.

Secretary informed the meeting that to comply with regulatory requirements, the Co-operative had prepared consolidated statements commencing from 1 January 2013.

Under page 35 of the Annual Report, it was stated that "The directors present their report to the members together with the audited consolidated financial statements of The Singapore Police Co-operative Society Ltd and its **subsidiaries** (the "Group") and the statement of financial position of the Society for the year ended 31 December 2014."

The names of the subsidiaries were found on page 76 of the Annual Report. They are Choice Décor Co-operative Society Ltd and SPCS Consultancy Pte Ltd.

It was not a requirement, as confirmed by Ms Cyndi Chiam of P G Wee Partnership LLP, to disclose the names of subsidiaries' directors in Police Co-operative's consolidated accounts.

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

c. Proposed Honorarium (Page 90 of Annual Report)

The member Mr Lakhbir Singh had asked whether the Police Co-operative paid an honorarium to the directors of the Group.

Secretary informed the meeting that the subsidiaries were separate legal entities with their respective boards, and no money from Police Co-operative had been utilised to pay the honorarium.

d. Staff Remuneration

The member Mr Lakhbir Singh had raised concerns that staff in the Co-operative might not have been given salary raises.

Secretary informed the meeting that the services of a HR consultant were engaged by the Co-operative to do a salary review for the jobs in the Co-operative in 2013. The review was effective for the period 2013 to 2018. The salaries were also reviewed yearly by the Remuneration Committee chaired by Mr Loy Chye Meng to ensure that the Co-operative remain competitive to attract and retain talents.

- 6.2 There being no objection from the meeting, the Statement of Accounts was approved as proposed by Mr Lai Thong Fock and seconded by Mr Neo Thiam Ann.

AGENDA 7: TO APPROVE THE APPROPRIATION OF NET SURPLUS OF \$4,301,624 AS FOLLOWS:

- 7.1 Secretary read out the appropriation of net surplus as follows:
- 1) To Central Co-operative Fund
@ 5% on the first \$500,000 &
@ 20% on the rest _____ \$ 743,283
 - 2) To Payment of Dividends @ 3.50% on the
members' shares and subscription as on
31st December 2013 _____ \$ 2,264,182
 - 3) To Scholarship Fund _____ \$ 13,000
 - 4) To General Reserve Fund _____ \$ 1,000,000
 - 5) To Common Good Fund _____ \$ 50,000
 - 6) To Accumulated Fund _____ \$ 231,159

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

- 7.2 A member, Mr Cheah Kiu Soon, queried whether a typo error had been made for Agenda Item 7.1(2) and it should be read as 31st December 2014 instead. Secretary confirmed that no typo mistake had been made and the Co-operative had adopted the presentation in compliance with FRS 10 with effect from FY2005.
- 7.3 The appropriation was approved as proposed by Ms Png Kai Heng Mary and seconded by Ms Koh Geok Hong.

AGENDA 8: TO APPROVE A FINAL DIVIDEND PAYMENT OF 3.50% BASED ON MEMBERS' SHARES AND SUBSCRIPTION AS AT 31ST DECEMBER 2014 TO BE PAID IN FY2015

- 8.1 The dividend payment was approved as proposed by Mr Khoo Kok Kwang and seconded by Mr Gurdev Singh.

AGENDA 9: TO APPROVE THE ADJUSTMENTS FOR FY2015 AND THE ESTIMATED EXPENDITURE FOR FY2016

- 9.1 The adjustments for FY2015 and the Estimated Expenditure for FY2016 were approved as proposed by Ms Tay Keng Bee and seconded by Mr Teo Mui Yong.

AGENDA 10: TO ADOPT, IF APPROVED, THE FOLLOWING RESOLUTION:

"That all members present at the meeting authorise the Society to receive up to \$205 million (from current \$190 million) in deposits from members and their immediate family members."

- 10.1 The resolution was approved as proposed by Mr Lai Thong Fock and seconded by Ms Tan Poh Yen.

AGENDA 11: TO AUTHORISE THE BOARD TO APPOINT A PROFESSIONAL AUDIT FIRM, WHERE NECESSARY, TO BE INTERNAL AUDITORS OF THE CO-OPERATIVE FOR 2015/2016 AND TO FIX ITS REMUNERATION

- 11.1 There being no objection from the meeting, the appointment of a professional audit firm as Internal Auditors of the Co-operative for 2015/2016 was approved as proposed by Ms Clara d/o Saminathan and seconded by Ms Mazni Bte Abdullah.

MINUTES OF THE 85TH ANNUAL GENERAL MEETING

AGENDA 12: TO AUTHORISE THE BOARD TO APPOINT TWO MEMBERS, WHERE NECESSARY, AS INTERNAL AUDITORS OF THE CO-OPERATIVE FOR 2015/2016 AND TO FIX THEIR REMUNERATION

- 12.1 There being no objection from the meeting, the appointment of two members as Internal Auditors of the Co-operative for 2015/2016 was approved as proposed by Mr Mohamed Syam Bin Roslan and seconded by Mr Soong Boon Seong.

AGENDA 13: TO AUTHORISE THE BOARD TO APPOINT A PROFESSIONAL AUDIT FIRM AS EXTERNAL AUDITORS OF THE CO-OPERATIVE FOR 2015/2016 AND TO FIX ITS REMUNERATION

- 13.1 There being no objection from the meeting, the appointment of a professional audit firm as External Auditors of the Co-operative for 2015/2016 was approved as proposed by Mr Rabindan Tiwari and seconded by Mr Shanthiyan s/o Pavadai.

AGENDA 14: TO TRANSACT ANY OTHER BUSINESS IN RESPECT OF WHICH NOTICE HAS BEEN RECEIVED BY THE SECRETARY THREE WORKING DAYS BEFORE THE MEETING

- 14.1 Secretary reported that no notice for any other business was received.
- 14.2 There being no other matters to discuss, the meeting ended at 1146 hours as proposed by Mr Loy Jit Cheng Jimmy and seconded by Mr Khoo Kok Kwang.

Recorded by

Tan Chia Han
Secretary

Confirmed by

Christopher Ng
Chairman

SPEECH BY MR HOONG WEE TECK, COMMISSIONER OF POLICE,

at the 85th AGM of The Singapore Police Co-operative Society
Wednesday, 11am, 24 June 2015, HTNS-JOM Clubhouse

Chairman, Directors, and members of The Singapore Police Co-operative Society,

A very good morning to everyone.

I am happy to join you today at your 85th Annual General Meeting.

Business Performance 2014

As highlighted by the Police Co-operative Board in its report to members over the last few years, the Registrar of Co-operatives had, in 2010, required credit co-operatives to pare down their restricted investments to 10% of total assets by the middle of 2015. This restriction had limited the Co-operative's ability to generate higher returns.

So it was with some relief that the Co-operative managed to receive the Registrar's approval on 1 August 2014 to increase its restricted investments to 30% of total assets. We have realised the full benefit of this measure since then.

It should also be noted that the Co-operative had, to the benefit of members, increased the saving rates for specific deposits and fixed deposit savings in 2014, while keeping the loan rates unchanged.

Notwithstanding the restrictions, the Police Co-operative recorded a healthy net surplus of \$4.3 million for FY2014. It was a slight decrease compared to \$4.65 million for FY2013.

Dividend Payment to be paid in 2015

Your Board of Directors has thus recommended a 3.50% dividend payout for FY2014, the same rate as for FY2013.

Growing Co-operative

The Co-operative's total assets as at 31 December 2014 were about \$205.3 million, an increase of 7% as compared to FY2013 of \$191.9 million.

It has also managed to raise total membership to 11,467 as at 31 December 2014, an increase of 5.7% from the previous year. Besides the absolute increase in numbers, I am happy to note that 71% of new members are below the age of 30 years, which is a good sign that the Co-operative remains attractive to successive

SPEECH BY MR HOONG WEE TECK, COMMISSIONER OF POLICE

generations. As the business model of the co-operative works best when there is a good mix of borrowers and savers, and saving and borrowing habits differ with age, a well-balanced demographic base is necessary to ensure the sustainability of the Co-operative's business model.

Corporate Social Responsibility

Besides the strong financial results, I am glad to note that the Co-operative recently donated \$100,000 in May 2015 to help serving and retired Ghurkha Contingent officers affected by the recent earthquakes in Nepal. It was a tragedy with direct impact to our fellow officers and I am heartened to see the Home Team coming together to show solidarity with them. The funds raised by the Police Central Welfare Fund will go towards lightening the financial burden of those who need to re-build their homes or to provide financial support to their immediate family members back home.

Co-option of Board Member

Lastly, Mr Abdul Jalil, the current Treasurer of the Co-operative, will be stepping down from the Board after a meritorious 21 years of service!

Jalil has served the Co-operative as a Director since June 1994. During this period, he served in different capacities as Assistant Treasurer, Assistant Secretary and Secretary, before taking on his current Treasurer portfolio. He is also the Chairman of the Investment and Loans Committee.

I would like to place on record my appreciation to Jalil for his long and outstanding service to the Co-operative, dedicating his personal time and experience to contribute to the Co-operative and its members.

With Jalil stepping down, I co-opt Mr Foo Kwee Pinh to replace Jalil on the Board. I am also appointing Mr Lim Chin Tiak to take over the role of Treasurer from Jalil.

With this, I wish the Police Co-operative every success in its future endeavours. It is my pleasure to declare The Singapore Police Co-operative Society's 85th Annual General Meeting open.

Thank you very much.

BOARD OF DIRECTORS' REPORT

Dear Members,

The Board of Directors is pleased to present the Annual Report, Statement of Accounts and Balance Sheet for the year ending 31 December 2015.

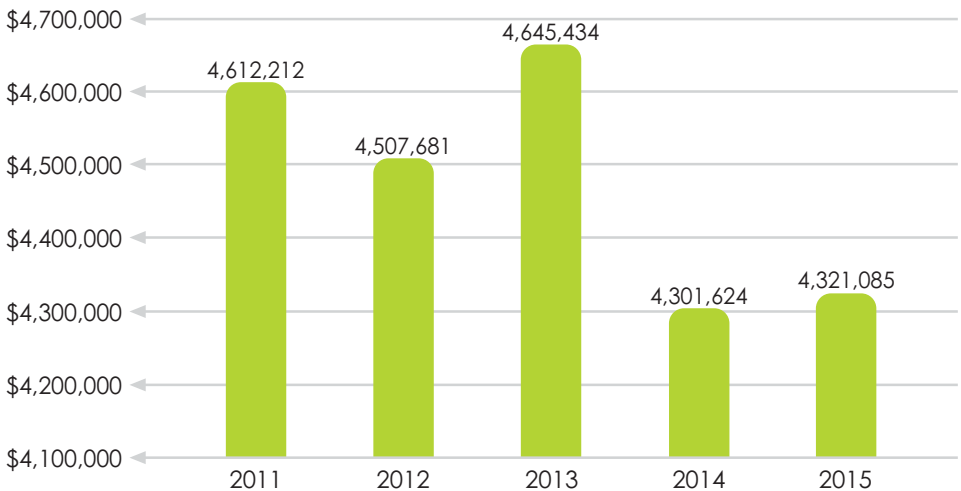
THE YEAR IN REVIEW

1. Net Surplus

The Society recorded a net surplus of \$4,321,085 for the year under review. This was a marginal increase of 0.45% as compared to FY2014's net surplus of \$4,301,624.

Despite limited options¹ for the Co-operative to invest its surplus funds, the Co-operative continued to increase its savings deposit rates (fixed and specific deposits) for the benefit of members in 2015. The loan rates charged to members, on the other hand, have remained unchanged.

GRAPH 1: NET SURPLUS FROM FY2011-2015



¹ Options are restricted by Written Direction for Investments issued by the Registry of Co-operative Societies on 31 May 2010. The effective date of the Written Direction was 30 June 2010.

TABLE 1: CHANGE IN NET SURPLUS FOR FY 2011-2015

Financial Year	Net Surplus	% Change (Year on Year)
2011	\$4,612,212	↑ 1.09%
2012	\$4,507,681	↓ 2.27%
2013	\$4,645,434	↑ 3.06%
2014	\$4,301,624	↓ 7.40%
2015	\$4,321,085	↑ 0.45%

2. Dividends

The Board of Directors recommended a dividend payment of 3.50%² based on the total subscription balance as at 31 December 2015. For share capital, dividends would be paid out on a pro-rata basis, from 1 January to 31 December 2015, if the member was still a shareholder as of 31 December 2015.

According to the Written Direction issued by the Registry of Co-operative Societies on 31 October 2011, the Capital Adequacy Ratio (CAR)³ for credit societies would have to be increased according to the following time frame:

From 1 April 2012 At least 8% CAR	From 1 July 2014 At least 10% CAR	From 1 July 2016 At least 12% CAR
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As at 31 December 2015, the Co-operative has a CAR of 10.14 % before appropriations for FY2015.

In spite of such challenges, the Board would still strive to recommend dividend rates that are competitive compared to those offered by banks and finance companies.

² Dividend payment in 2014 was 3.50%.

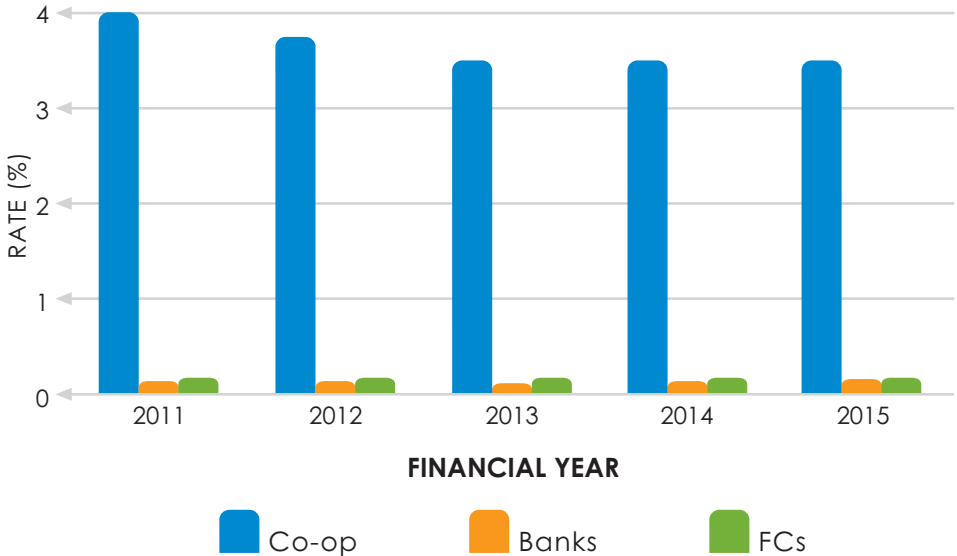
³ CAR would ensure that the Co-operative will have sufficient institutional capital to absorb unforeseen operating losses.

TABLE 2: COMPARISON OF SAVINGS RATES

Financial Year	Police Co-operative Dividend Rate	Rates from Financial Institution (FI)	
		Banks Savings Deposits*	Finance Companies (FC) Savings Deposits*
2011	4.00%	0.11%	0.17%
2012	3.75%	0.11%	0.17%
2013	3.50%	0.10%	0.17%
2014	3.50%	0.11%	0.17%
2015	3.50%	0.14%	0.17%

* Information from the website of the Monetary Authority of Singapore

GRAPH 2: COMPARISON OF SAVINGS RATES OF CO-OP, BANKS AND FCS



3. Membership

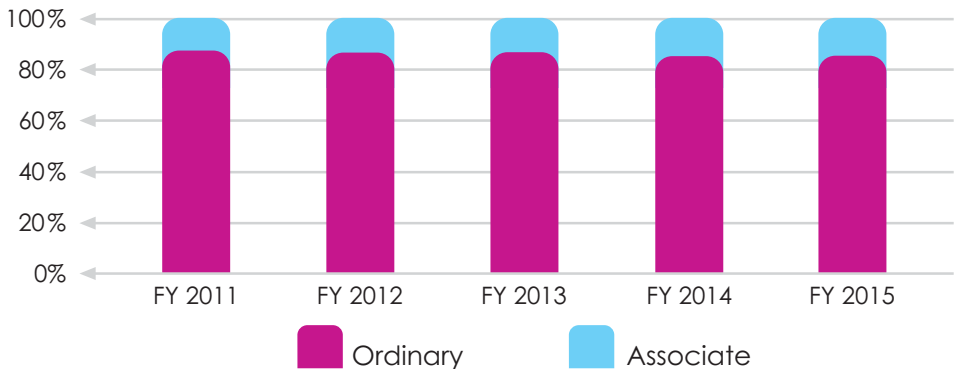
The Co-operative attracted 1,007 new members in FY2015. 178 ordinary members who had either resigned or retired from the Home Team agencies continued their membership with the Co-operative by applying to be associate members. As of 31 December 2015, the membership base stood at 12,190.

Out of these 1,007 new members, 762 (75.67%) of them are below the age of 30 years.

TABLE 3: NUMBER OF MEMBERS

Financial Year	New (Ordinary & Associate)	Associate (Continued)	Resignations	Subtotal Ordinary	Subtotal Associate	Total
2011	666	223	600	7,889	1,533	9,422
2012	830	223	550	8,251	1,674	9,925
2013	1,223	218	519	9,022	1,825	10,847
2014	920	228	528	9,452	2,015	11,467
2015	1,007	178	462	10,059	2,131	12,190

GRAPH 3: PERCENTAGE OF ORDINARY AND ASSOCIATE MEMBERS



3.1 Recruitment

In FY2015, the Co-operative conducted 34 recruitment talks at various Police divisions, Immigration & Checkpoints Authority, AETOS, Certis Cisco and Casino Regulatory Authority⁴.

3.2 Membership Recruitment Drive: Incentives for New and Existing Members

Existing Members

With effect from 1 August 2012, an existing member would receive \$25, which would be credited into his Specific Deposits (SD) Account, for every new applicant proposed by him and successfully accepted as a member of the Co-operative. An amount of \$16,750 was credited into the SD Accounts of members in FY2015 compared to an amount of \$14,650 in FY2014.

New Members

Potential members who personally visited the Co-operative's office with completed membership forms and accompanying documents (a copy each of NRIC, payslip and bank book) received free gifts from the Co-operative.

3.3 25 Years Loyalty Award

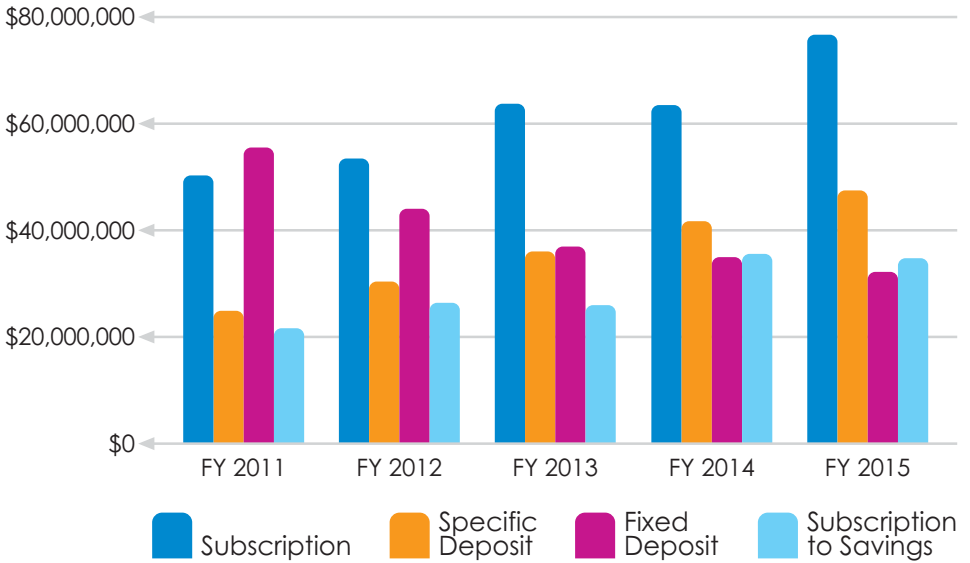
There were 141 members who joined the Co-operative during the period 1 July 1989 to 30 June 1990. Eligible members received \$150 each credited into their Specific Deposits Accounts. A total of \$21,150 was disbursed for the award.

⁴ 29 recruitment talks were conducted in FY2014.

4. Total Deposits

As at 31 December 2015, total deposits (subscription, subscription-to-savings, specific and fixed deposits) collected from members (excluding staff) amounted to \$191,396,005⁵.

GRAPH 4: TOTAL DEPOSITS FOR FY 2011 TO 2015



4.1 Subscription

The total subscription for FY2015 was \$76,866,566.

This is a compulsory monthly savings scheme. The current minimum monthly contribution per month is \$40. The current maximum monthly cap for monthly subscription savings is \$200.

Dividends were paid out based on a member's subscription balance as at 31 December 2015.

⁵ Total deposit collected in FY2014 was \$175,530,900.

TABLE 4: SUBSCRIPTION BALANCE FROM FY2011 TO FY2015

Financial Year	Subscription Balance (\$)	Absolute Increase (Decrease) over Preceding Year (\$)	% Increase (Decrease) over Preceding Year (%)
2011	50,303,225	(14,319,514)*	(22.16)%
2012	53,239,090	2,935,865*	5.84%
2013	63,844,545	10,605,455	19.92%
2014	63,470,021	(374,524)*	(0.57)%
2015	76,866,566	13,396,545	21.11%

* Transfer to STSS

4.2 Subscription-to-Savings (STS) Scheme

The STS Scheme was launched in 2011 by the Co-operative. Eligible members were issued with letters of participation from the Co-operative. Upon agreeing, they were required to transfer funds from their Subscription Account to STS Account.

Series 1

Series 1 matured on 31 October 2014 and was replaced by Series 3.

Series 2

Under Series 2 of the STSS, members would enjoy a guaranteed interest rate of 3.75% per annum for the period 1 November 2012 to 31 October 2016. There would be claw-back of interest in the event of early redemptions. An amount of \$5,369,251 was transferred under Series 2. As at 31 December 2015, the amount was \$5,230,255.

Series 3

The Co-operative launched Series 3 to replace Series 1. Under Series 3, members would enjoy a guaranteed interest rate of 4% per annum for the period 1 November 2014 to 31 October 2019. There would be claw-back of interest in the event of early redemptions. A principal amount of \$18,138,706 was rolled over from Series 1 to Series 3 by 1,560 members. As at 31 December 2015, the amount was \$17,559,556.

Series 4

Under Series 4 of the STSS, members would enjoy a guaranteed interest rate of 3.75% per annum for the period 1 November 2014 to 31 October 2018. There would be claw-back of interest in the event of early redemptions. An amount of \$12,189,838 was transferred under Series 4 by 2,156 members. As at 31 December 2015, the amount was \$12,018,477.

The STS total for FY2015 was \$34,808,288.

4.3 Specific Deposits

The specific deposits total for FY2015 was \$47,657,533.

This is a discretionary savings scheme. The current minimum monthly sum is \$40/-monthly and up to a maximum monthly sum of \$2,500. For deductions via members' salaries, the 50% salary deduction guideline (i.e. total deductions could not exceed 50% of gross salary) will apply.

The interest for specific deposits is calculated on daily balances with half-yearly crediting on 1 January and 1 July.

TABLE 5: COMPARISON BETWEEN CO-OP'S SPECIFIC DEPOSITS RATES AND FI'S SAVINGS RATES

Period	Police Co-op's Specific Deposits Rates	Rates from Financial Institution (FI)	
		Bank Savings Deposits*	Finance Companies Savings Deposits*
1 January to 31 March 2015	0.55% per annum	0.11% per annum	0.17% per annum
1 April to 30 June 2015	0.60% per annum	0.11% per annum	0.17% per annum
1 July to 30 September 2015	0.65% per annum	0.11 to 0.14% per annum	0.17% per annum
1 October to 31 December 2015	0.85% per annum	0.14% per annum	0.17% per annum

* Information obtained from the website of the Monetary Authority of Singapore

TABLE 6: SPECIFIC DEPOSITS BALANCE FROM FY2011 TO FY2015

Financial Year	Specific Deposits Balance (\$)	Absolute Increase over Preceding Year (\$)	% Increase over Preceding Year (%)
2011	25,490,554	4,053,777	18.91%
2012	30,472,322	4,981,768	19.54%
2013	36,064,212	5,591,890	18.35%
2014	41,594,818	5,530,606	15.34%
2015	47,657,533	6,062,715	14.58%

4.4 Fixed Deposits

The Co-operative experienced an outflow of funds amounting to \$2,865,047 in FY2015. Total fixed deposit in the Co-operative in FY2015 was \$32,063,618⁶, a decrease of 8.2% as compared with FY2014.

The Registry of Co-operative Societies had issued a Written Direction on Investments which took effect from 30 June 2010. The directive imposed tight restrictions on the investment options available to the Co-operative.

The Co-operative made two adjustment to its fixed deposit rates in 2015 in tandem with the increase in rates in the financial market.

Rates (per annum) from 1 October 2014

Amount	6 months	12 months	24 months	36 months
\$500 - \$49,999	0.60%	1.00%	1.15%	1.25%
\$50,000 - \$99,999	0.60%	1.00%	1.15%	1.25%
\$100,000 and above	0.60%	1.00%	1.15%	1.25%

⁶ Total fixed deposit in the Co-operative in FY2014 was \$34,928,665

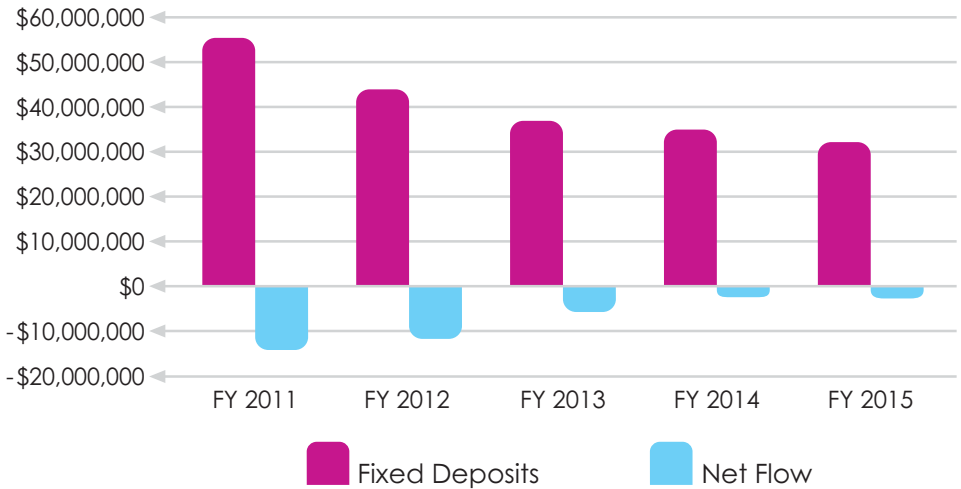
Rates (per annum) from 1 July 2015

Amount	6 months	12 months	24 months	36 months
\$500 - \$49,999	0.70%	1.10%	1.25%	1.35%
\$50,000 - \$99,999	0.70%	1.10%	1.25%	1.35%
\$100,000 and above	0.70%	1.10%	1.25%	1.35%

Rates (per annum) from 1 October 2015

Amount	6 months	12 months	24 months	36 months
\$500 - \$49,999	0.90%	1.20%	1.30%	1.60%
\$50,000 - \$99,999	0.90%	1.20%	1.30%	1.60%
\$100,000 and above	0.90%	1.20%	1.30%	1.60%

GRAPH 5: FIXED DEPOSITS COLLECTIONS FROM FY2011 TO FY2015



5. Personal Loans to Members

5.1 Quantum of Loan

The Registry of Co-operative Societies issued a new written direction for unsecured loans which took effect from 1 April 2012.

The unsecured loan limits for a co-operative, which has a Capital Adequacy Ratio of at least 10% from 1 July 2014, shall be as follows:

- i. \$50,000 or 6 months' gross income whichever is lower if the loan to be granted has salary check-off (i.e. direct deductions from the member's salary) or at least one surety; or
- ii. \$30,000 or 4 months' gross income whichever is lower if the loan to be granted has no salary check-off and no surety.

Unsecured loan limits do not apply to the following loans as they are meant to fulfill the basic needs of members:

- a. Education loan to defray expenses directly attributable to a course of education, including tuition fees and the costs of accommodation, textbooks and computer equipment; or
- b. Medical loan to defray expenses for essential medical treatment that qualifies for claims from the Medisave account, as allowed by the Ministry of Health; or
- c. Renovation loan, not exceeding \$30,000, to defray expenses for the renovation of an owner-occupied property.

The Co-operative has a Capital Adequacy Ratio (CAR) of 10.14% as at 31 December 2015 (before appropriations). If the Co-operative fails to secure a CAR of at least 12% with effect from 1 July 2016, the following limits shall apply:

- i. \$40,000 or 6 months' gross income whichever is lower if the loan to be granted has salary check-off (i.e. direct deductions from the member's salary) or at least one surety; or
- ii. \$20,000 or 4 months' gross income whichever is lower if the loan to be granted has no salary check-off and no surety.

TABLE 7: NUMBER OF LOAN APPLICATIONS FROM FY2011 TO FY2015

Financial Year	Number of Applications Approved	Total Personal Loans Granted by the Co-operative
2011	1,986	\$ 22,543,510
2012	1,981	\$ 21,536,090
2013	1,872	\$ 19,641,520
2014	1,776	\$ 21,332,410
2015	1,474	\$ 18,216,810

5.2 Credit Default Insurance

The Co-operative has entered into a contract with an insurance company to provide a credit guarantee cover for loans taken by eligible members effective from 1 February 2011. The coverage is 90% of net outstanding amount (loans less savings) owed by the member to the Co-operative.

With this cover, members would not have to furnish guarantors to the Co-operative unless the type of loans applied for is not covered by the insurance. This would facilitate the loan-taking process as, in the past, some members were not able to furnish credit-worthy guarantors to secure their loans with the Co-operative. Both parties, however, have the right to terminate the contract by giving the other party the required notice period under the contract.

Members continue to be insured under a group credit policy that would cover their death and permanent disability, unless excluded by the insurance company.

5.3 Bad Debts

The Co-operative wrote off \$31,868 from 29 ex-members, as bad debts for FY2015.

6. Investments

6.1 Restricted and Non-Restricted Investments

With effect from 30th June 2010, the Co-operative's investments were segregated into restricted investments and non-restricted investments in accordance with the tightened financial requirements imposed by the Registry of Co-operative Societies.

Based on a revised Written Direction issued by the Registrar of Co-operative Societies to credit co-operatives on 18 November 2013, restricted investments refer to any form or type of investment other than:

- (a) Bonds issued by Singapore Statutory Boards;
- (b) Singapore Dollar deposits in financial institutions licensed by the Monetary Authority of Singapore;
- (c) Singapore Government Securities; or
- (d) Capital-guaranteed investment funds or products managed by financial institutions licensed by the Monetary Authority of Singapore, where the issuer(s) guarantee(s) the return of 100% of the capital invested at a pre-determined date in the future.

Shares in other co-operative societies held, and investment properties purchased, before 30th June 2010 were exempt from the restricted investments (RI) limit. However, any co-operative shares and investment properties acquired on and after 30 June 2010 are subject to the RI limit.

6.2 Restricted Investment (RI) Limit

The default RI limit is 10%. Credit co-operatives are allowed until 30 June 2015 to pare down their RI to 10%.

Based on the revised Written Direction dated 18 November 2013, credit co-operatives are allowed to apply to the Registrar of Co-operative Societies for a higher RI limit of 20% to 30% subject to conditions imposed.

The Co-operative applied for the 30% RI limit and written approval was granted to the Co-operative on 1 August 2014 for a period of 3 years or the Co-operative's Annual General Meeting in 2017, whichever is earlier.

6.3 Assets Allocation

The general meeting on 5 June 2014 gave approval to the Board to place the investible funds broadly based on the following asset allocation:

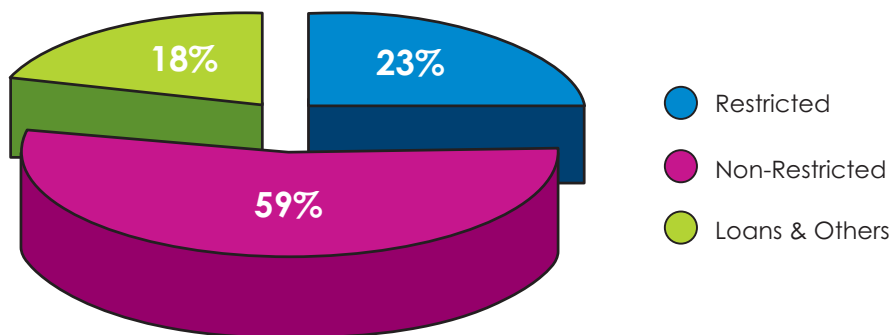
- | | |
|---|---------|
| a. Corporate Bonds (including variable notes) | max 70% |
| b. Shares listed on SGX | max 20% |
| c. Investment Properties | max 15% |
| d. Joint Venture | max 10% |
| e. Unit Trusts | max 5% |
| f. Managed Funds | max 10% |

6.4 Percentage of Restricted and Non-Restricted Investments

As at 31 December 2015, the Co-operative has \$51,353,884 in restricted investments and \$131,467,904 in non-restricted investments. Including loans, fixed assets, cash and receivables, amounting to \$39,093,752, the Co-operative has total assets of \$221,915,540.

As at 31 December 2015, the Co-operative has a Minimum Liquid Assets (MLA)⁷ ratio of 46.56%. The minimum MLA required by the Registrar of Co-operative Societies is 16%.

GRAPH 6: PERCENTAGE OF RESTRICTED AND NON-RESTRICTED INVESTMENTS AS AT 31ST DECEMBER 2015



⁷ MLA helps ensure that a credit co-op maintains sufficient liquid assets as a buffer against withdrawals.

6.5 Investment Performance of Restricted Investments

On 5 June 2014, members gave approval for the Co-operative to invest up to 30% of its total assets in restricted investments for a period of 3 years.

The Registrar has also given approval for the 30% limit, for a 3-year period from 1 August 2014 to 31 July 2017, or the Co-operative's Annual General Meeting in 2017, whichever is earlier.

As at 31 December 2015, our restricted investments amounted to \$51,353,884 or 23% of total assets, as follows:

Restricted Investments	As at 31 December 2015	As at 31 December 2014	Income 2015	Income 2014
a. Shares listed on SGX	\$ 4,442,803	\$ 5,511,021	\$ 384,816	\$ 467,023
b. Corporate Bonds (including variable notes)	\$ 45,267,081	\$ 41,344,995	\$ 2,135,971	\$ 1,533,965
c. Shares in Joint Venture Companies (private limited)	\$ 1,029,000	\$ 1,029,000	\$ 530,740	\$ 488,950
d. Shares in other co-operatives (invest after 30 June 2010)	\$ 615,000	\$ 615,000	\$ 10,324	\$ 3,816
Total	\$ 51,353,884	\$ 48,500,016	\$ 3,061,851	\$ 2,493,754
Annual Return			5.96%	5.14%

As reported in the Annual General Meeting on 5 June 2014, the Board hopes to generate annual returns of between 2.5% to 4% per annum from these restricted investments for the 3-year period.

7. Well-Being Programmes for Members

7.1 Common Good Fund

A total sum of \$18,000 was disbursed in FY2015⁸ under the Common Good Fund. This sum included grants offered to members under the following circumstances:

a) Demise of member's parent	\$ 100/-
b) Demise of member's child	\$ 200/-
c) Demise of member's spouse	\$ 200/-
d) Demise of member in active duty	\$ 1,000/-
e) Demise of member in inactive duty	\$ 500/-

7.2 Scholarship Fund

The Police Co-operative contributed \$13,000 to the SPF-Lee Foundation Study Award in 2015⁹. This study award aims to assist children of PCWF members who have attained excellent academic achievements as well as to support children from low-income families in their studies.

7.3 Sponsorship of Divisions' Functions

The Police Co-operative allocated a sum of \$2 per member per year for units celebrating their Dinner and Dance or other staff functions. The Police Co-operative spent \$7,280.04 in 2015¹⁰.

7.4 Activities in FY2015

The Co-operative had the following giveaways and subsidies for members in FY2015:

- Free 1,000 pieces of \$20 The Coffee Bean and Tea Leaf stored value card;
- 12 pairs of tickets to Rainbow Loom workshop at a subsidised price of \$25;
- 100 pairs of Universal Studios Singapore passes at a subsidised price of \$50 for a pair of passes;
- Free 1,000 pairs of Cathay Cineplex movie tickets.

The activities organised as above incurred expenses amounting to \$45,878.

⁸ Common Good Fund: A total of \$17,800 was disbursed in FY2014.

⁹ Similarly, \$13,000 was contributed to the SPF-Lee Foundation Study Award in FY2014.

¹⁰ In FY2014, the Co-operative spent an amount of \$6,488 for sponsorship of divisions' functions.

8. Corporate Governance

8.1 Attendance of Directors

The Board held five meetings for the period 24 June 2015 to 8 June 2016. The attendance of each director at every Board Meeting is as follows:

Name	Position	No of Meetings Held	No of Meetings Attended
Mr Christopher Ng	Chairman	5	5
Mr Loy Chye Meng	Vice-Chairman	5	5
Mr Tan Chia Han	Secretary	5	4
Mr Lim Chin Tiak	Treasurer	5	4
Mr Alvin Chong	Asst Secretary	5	4
Miss Evon Ng Ee Fong	Asst Treasurer	5	4
Mr Balakrishnan Anbarasan	Director	5	5
Mr Cheong Chee Ming	Director	5	4
Mr Foo Kwee Pinh	Director	5	5
Mr Lim Chee Pheng	Director	5	4
Mr Lim Eng Chye	Director	5	4
Mr Alvin Moh Tser Loong	Director	5	4
Mr Samad Bin Halil	Director	5	4
Mr Teo Chun Ching	Director	5	2
Mr Teo Hoon San	Director	5	4

8.2 Internal Audit

The objective of the internal audit is to provide independent and reasonable assurance to the Audit Committee and Management that the Co-operative's controls and governance processes are adequate and effective. The internal auditors report directly to the Audit Committee (AC).

The Audit Committee appointed two members as internal auditors of the Co-operative for the period 1 January to December 2015. Their term was renewed for another year to 31 December 2016.

The AC had reviewed with the two internal auditors their audit plans, evaluation of the system of internal controls, audit findings and management's responses to those findings. The audits covered, inter alia, effectiveness of material internal controls, including financial, operational and compliance controls of the Co-operative.

8.3 Audit Committee

The Co-operative formed its first Audit Committee (AC) on 26 October 2004. With effect from FY2009, the Audit Committee's terms of reference were expanded to include the following:

- Reviewing and evaluating financial and operating results and accounting policies;
- Reviewing audit plans of external auditors and their audit report;
- Reviewing audit plans of internal auditors and their audit report;
- Reviewing the Co-operative's financial results before submission to the Board for approval;
- Considering the appointment/re-appointment of external auditors;
- Considering the appointment/re-appointment of internal auditors;
- Reviewing interested person transactions; and
- Executing other functions required by law or the Code.

During FY2015, the AC's activities included the following:

- Performed independent review of Police Co-operative's full year financial result before submitting to the Board. In conducting its review of the audited financial statements of Police Co-operative, the AC had discussed with Management and the external auditors the accounting principles that were applied. Based on the review and discussion with Management and the external auditors, the AC is of the view that the financial statements are fairly represented and conform to generally accepted accounting principles in all material aspects.

BOARD OF DIRECTORS' REPORT

- The AC reviewed and approved the audit plan and scope of the external auditors on the audit of the full year financial results.
- The AC reviewed the nature and extent of the non-audit services provided to Police Co-operative by the external auditors for the financial year and was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors.

The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2015 was \$24,400 of which audit fees amounted to \$23,100 and non-audit fees amounted to \$1,300.

The non-audit fees paid/payable to the external auditors were related to general tax compliance.

- The AC reviewed and approved the terms of engagement for the two internal auditors (member).
- The AC reviewed and approved the internal audit plan and scope of the internal auditors' work. It reviewed the findings during the year and Management's responses thereto and it satisfied itself as to the adequacy of the internal audit function. In anticipation of the revised Code of Corporate Governance, the AC will consider outsourcing some of the internal auditor's work to professional audit firms to enhance the effectiveness of the internal audit.
- The AC reviewed its Terms of Reference to take into consideration revised requirements by the Registry of Co-operative Societies.

In FY2015, the AC held four meetings.

Name	Position	No of Meetings Held	No of Meetings Attended
Mr Cheong Chee Ming	Chairman	4	4
Mr Chua Chuan Seng	Member	4	4
Mr Samad Bin Halil	Member	4	3

8.4 Code of Ethics

Committed to maintaining the highest standards of ethical conduct, the Co-operative had drawn up a Code of Ethics which was approved by the Board on 30 August 2005. The Code applies to each employee of the Co-operative and its affiliates.

The Code also served to guide the Co-operative's Board of Directors in all dealings and transactions with third persons, direction and supervision of the business and property of the Co-operative, overseeing its financial reporting process and monitoring the integrity of the Co-operative's financial statements.

8.5 Director's Appointment Declaration

With effect from 2009, all directors were required to sign the Director's Appointment Declaration as required under Section 64 of the Act. This section deals with disclosure of interests in transactions, property, office, etc, which the directors might have with the Co-operative, to prevent any conflict of interests.

9. The Year Ahead

In 2010, the Registry of Co-operative Societies issued written directions on investment restrictions and capital adequacy ratios which greatly impacted the revenue which the Co-operative derived from its investment income stream.

On 1 April 2012, the Written Direction (WD) on Unsecured Loans came into effect. Under this WD, limits are placed on the maximum quantum of loan which the Co-operative can lend to an individual member. Prior to this WD, loan policy and quantum were solely under the purview of the Board.

On 18 November 2013, the Registrar issued a revised Written Direction that would supersede the Written Direction on Investment Restrictions issued in 2010. The revised Written Direction allows credit co-operatives to apply to the Registrar for a higher limit of up to 20% or 30% for their restricted investments instead of the default 10%. Approval was given by the Registrar for the Co-operative to invest up to 30% for its restricted investments on 1 August 2014 for a period of 3 years.

The Board has proposed to the meeting to revise the portfolio allocation mix which was originally approved on 5 June 2014. With this revision, the Board would be in a better position to capitalise on the investment opportunities available to the Co-operative.

With the expected uptick in interest rates in the foreseeable future, the Board will also have to look at its array of savings and loan products and its corresponding interest rates. It will strive to seek a balanced approach towards meeting the needs of its members as borrowers or savers.

Amidst global financial uncertainty and volatility, the Board seeks the continued support from members. Barring unforeseen circumstances, the Board is confident that the Co-operative will deliver a reasonable set of results for the year.

10. Appreciation

The Directors of the Board would like to express their appreciation to the staff for their dedication and commitment to work and to members for their continued support and co-operation. The Directors would also like to express their appreciation to the following persons for their advice and guidance:

- (a) The President, Commissioner of Police, Mr Hoong Wee Teck;
- (b) 1st Vice-President, Mr Tan Hung Hooi;
- (c) 2nd Vice-President, Ms Winnie Tan; and
- (d) The Registrar of Co-operative Societies.

For and on behalf of the Board of Directors,



Tan Chia Han
Secretary

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

The directors present their report to the members together with the audited consolidated financial statements of The Singapore Police Co-operative Society Limited (the "Society") and its subsidiaries (the "Group") and the statement of financial position of the Society for the year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors, financial statements of the Group and Society and notes comprising a summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the financial position of the Group and Society as at 31 December 2015, and the financial performance of the Group and Society, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Group and Society will be able to pay its debts when they fall due.

Directors

The directors of the Society in office at the date of this report are as follows:

Chairman	Mr Ng Christopher
Vice-Chairman	Mr Loy Chye Meng
Secretary	Mr Tan Chia Han
Treasurer	Mr Lim Chin Tiak
Asst Secretary	Mr Chong Huat Suang Alvin
Asst Treasurer	Ms Ng Ee Fong Evon
Board Members	Mr Balakrishnan Anbarasan Mr Cheong Chee Ming Mr Foo Kwee Pinh Mr Lim Chee Pheng Mr Lim Eng Chye Mr Moh Tser Loong Alvin Mr Samad Bin Halil Mr Teo Chun Ching Mr Teo Hoon San

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Society to acquire benefits by means of the acquisition of shares in, or debentures of, the Society or related corporations.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Society, none of the directors of the Society holding office at the end of financial year had held more than 20% interest in shares or debentures of the Society and its related corporations except as disclosed in the financial statements.

Share Options

During the financial year, there were:

- no share options granted by the Society or its subsidiaries to any person to take up unissued shares in the Society and its subsidiaries; and
- no shares issued by virtue of the exercise of options to take up unissued shares of the Society and its subsidiaries.

At the end of the financial year, there were no unissued shares of the Society or its subsidiaries under options.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2015

Independent auditor

The independent auditor, P G Wee Partnership LLP, has expressed their willingness to accept re-appointment.

On Behalf of the Board of Directors,



Ng Christopher
Chairman



Tan Chia Han
Secretary



Lim Chin Tiak
Treasurer

4 April 2016

INDEPENDENT AUDITORS' REPORT

To the Members of The Singapore Police Co-operative Society Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Singapore Police Co-operative Society Limited (the "Society") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Society as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of The Singapore Police Co-operative Society Limited

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the group and statement of financial position of the Society are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and Society as at 31 December 2015 and of the financial performance of the Group and Society, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Society and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure and investments of monies and acquisition and disposal of assets made by the Society during the financial year ended 31 December 2015 have not been made in accordance with the By-laws of the Society and the provisions of the Act.



P G Wee Partnership LLP

Public Accountants and
Chartered Accountants
Singapore

4 April 2016

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	NOTE	GROUP		SOCIETY	
		2015 SGD	2014 SGD	2015 SGD	2014 SGD
Income					
Administrative levy		170,638	194,995	170,638	194,995
Bad debts recovery		22,024	18,739	22,024	18,739
Commission received		353,298	330,892	353,298	330,892
Dividend income (gross) - unquoted		667,215	627,768	718,274	665,534
- quoted		324,816	256,814	324,816	256,814
Entrance fees		9,161	9,916	9,161	9,916
Gain on disposal of investments - shares		60,000	210,210	60,000	210,210
Gain on disposal of investments - bonds		7,150	210,788	7,150	210,788
Grant income		83,021	61,002	65,847	50,201
Interest on cash and cash equivalents		983,037	848,623	981,123	846,748
Interest on held-to-maturity investments		2,614,439	1,868,563	2,584,470	1,838,563
Interest on loans to members		3,166,083	3,094,098	3,166,083	3,094,098
Interest on loans to a subsidiary		-	-	25,807	25,356
Recovery of investment loss		55,279	98,605	55,279	98,605
Rental income and service charges		1,255,736	1,159,187	1,206,591	1,098,695
Revenue	4	9,489,570	6,340,082	-	-
Reversal of impairment loss on investment		-	500,000	-	500,000
Reversal of provision expenses		950,000	477,901	950,000	477,901
Other income		24,540	4,704	16,830	6,000
		20,236,007	16,312,887	10,717,391	9,934,055

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	NOTE	GROUP		SOCIETY	
		2015 SGD	2014 SGD	2015 SGD	2014 SGD
Less:					
Expenditure					
Administrative and general expenses		1,737,429	1,669,027	1,468,157	1,448,869
Depreciation and amortisation	5	369,727	378,145	349,231	358,937
Donation		101,000	-	100,000	-
Employee benefits expenses	6	1,570,604	1,459,743	1,105,522	1,047,389
Finance cost	7	1,946,653	1,884,971	1,946,653	1,884,971
Impairment loss on investment		637,018	535,000	637,018	535,000
Loss on disposal of plant and equipment		326	-	-	-
Membership promotion and related expenses		350,536	94,620	350,536	94,512
Raw materials and consumables used		8,530,352	5,483,580	-	-
Property maintenance and related expenses		452,652	266,052	439,189	262,753
		15,696,297	11,771,138	6,396,306	5,632,431
Surplus for the year		4,539,710	4,541,749	4,321,085	4,301,624
Finance cost	7	(2,253,685)	(2,264,182)	(2,253,685)	(2,264,182)
Surplus Before Income Tax and Contributions		2,286,025	2,277,567	2,067,400	2,037,442
Income Tax Benefit (Expenses)	8	(3,096)	(7,001)	-	-
Contribution to Central Co-operative Fund		(787,372)	(748,445)	(777,217)	(743,283)
Surplus After Income Tax and Contributions		1,495,557	1,522,121	1,290,183	1,294,159

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

NOTE	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Other Comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Net (loss) gain on fair value changes of available-for-sale financial assets	(418,898)	327,235	(418,898)	327,235
	(418,898)	327,235	(418,898)	327,235
Total Comprehensive Income	1,076,659	1,849,356	871,285	1,621,394
Attributable to:				
Owners of the Society	1,493,561	1,517,042	1,290,183	1,294,159
Non-Controlling Interests	1,996	5,079	-	-
Surplus After Income Tax and Contributions	1,495,557	1,522,121	1,290,183	1,294,159
Attributable to:				
Owners of the Society	1,074,663	1,844,277	871,285	1,621,394
Non-Controlling Interests	1,996	5,079	-	-
Total Comprehensive Income	1,076,659	1,849,356	871,285	1,621,394

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	NOTE	GROUP		SOCIETY	
		2015 SGD	2014 SGD	2015 SGD	2014 SGD
Assets					
Non-Current Assets					
Property, Plant and Equipment	9	1,549,464	1,584,310	1,124,828	1,144,254
Intangible Assets	10	17,775	24,100	17,775	24,100
Investment Properties	11	9,864,381	10,133,562	9,864,381	10,133,562
Investment Securities	12	66,575,672	76,031,450	65,925,672	75,531,450
Investment In Subsidiaries	13	-	-	1,294,000	1,294,000
Loan To Subsidiary	14	-	-	232,808	257,940
Loan To Members	15	18,169,854	18,886,172	18,169,854	18,886,172
Total Non-Current Assets		96,177,146	106,659,594	96,629,318	107,271,478
Current Assets					
Investment Securities	12	22,487,735	13,516,770	22,487,735	13,516,770
Trade and Other Receivables	16	3,053,736	5,605,300	1,923,495	4,893,903
Loan To Subsidiary	14	-	-	525,132	524,059
Loan To Members	15	11,156,134	11,006,261	11,156,134	11,006,261
Other Assets	17	500,746	391,906	20,767	17,077
Cash and Cash Equivalents	18	90,016,177	69,454,793	89,172,959	68,056,506
Total Current Assets		127,214,528	99,975,030	125,286,222	98,014,576
Total Assets		223,391,674	206,634,624	221,915,540	205,286,054

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	NOTE	GROUP		SOCIETY	
		2015 SGD	2014 SGD	2015 SGD	2014 SGD
Accumulated Fund And Liabilities					
Funds					
General Reserve Fund	19	16,200,142	15,700,142	16,200,142	15,700,142
Common Good Fund	20	270,247	232,565	256,272	224,272
Scholarship Fund	21	13,000	13,000	13,000	13,000
Fair Value Reserve		1,873,956	2,292,854	1,873,956	2,292,854
Statutory Reserve Fund		-	48,391	-	-
Accumulated Fund		6,610,010	5,632,610	5,458,210	4,731,027
Attributable to Owners of the Society		24,967,355	23,919,562	23,801,580	22,961,295
Non-Controlling Interest		38,769	38,034	-	-
Total Funds		25,006,124	23,957,596	23,801,580	22,961,295
Non-Current Liabilities					
Term Deposits	22	8,831,037	8,872,054	8,831,037	8,872,054
Members' Specific Deposits	23	33,836,848	29,532,321	33,836,848	29,532,321
Subscription-To-Savings Scheme	24	29,578,033	35,835,866	29,578,033	35,835,866
Share Capital	25	2,083,284	1,976,860	2,083,284	1,976,860
Subscription Capital	26	71,485,906	57,177,343	71,485,906	57,177,343
Other Liabilities	28	2,000	2,000	-	-
Interest and Premium Received In Advance		30,759	340,718	30,759	340,718
Total Non-Current Liabilities		145,847,867	133,737,162	145,845,867	133,735,162

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	NOTE	GROUP		SOCIETY	
		2015 SGD	2014 SGD	2015 SGD	2014 SGD
Current Liabilities					
Term Deposits	22	23,273,072	26,075,641	23,273,072	26,075,641
Members' Specific Deposits	23	13,820,685	12,062,497	13,820,685	12,062,497
Subscription-To-Savings Scheme	24	5,528,725	-	5,528,725	-
Share Capital	25	42,516	61,140	42,516	61,140
Subscription Capital	26	5,498,380	6,353,038	5,498,380	6,353,038
Interest and Premium Received In Advance		339,406	399,730	339,406	399,730
Trade and Other Payables	27	1,368,536	1,334,021	1,118,926	1,015,920
Other Liabilities	28	591,327	215,004	584,502	206,604
Ex-Member's Accounts		23,208	6,855	23,208	6,855
Provision	29	1,137,572	1,525,072	1,137,572	1,525,072
Income Tax Payables		3,000	10,000	-	-
Central Co-Operative Fund	30	911,256	888,262	901,101	883,100
Proposed Honorarium	31	-	8,606	-	-
Total Current Liabilities		52,537,683	48,939,866	52,268,093	48,589,597
Total Liabilities		198,385,550	182,677,028	198,113,960	182,324,759
Total Accumulated Fund And Liabilities		223,391,674	206,634,624	221,915,540	205,286,054

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

NOTE	Total Fund	Atributable to Owners of the Society	General Reserve	Common Good Fund	Scholarship Fund	Fair Value Reserve		Statutory Reserve Fund	Accumulated Fund	Non-Controlling Interests
						SGD	SGD			
GROUP										
Balance as at										
1 January 2015	23,957,596	23,919,562	15,700,142	232,565	13,000	2,292,854	48,391	5,632,610	38,034	
Net movement	(35,472)	(35,472)	-	(22,467)	(13,000)	-	-	(5)	-	
Proposed honorarium	8,606	8,602	-	-	-	-	-	8,602	4	
Total comprehensive income for the year	1,076,659	1,074,663	-	-	-	(418,898)	-	1,493,561	1,996	
Dividends paid	32	(1,265)	-	-	-	-	-	-	(1,265)	
Transfer from accumulated fund	-	-	500,000	60,149	13,000	-	(48,391)	(524,758)	-	
Balance as at										
31 December 2015	25,006,124	24,967,355	16,200,142	270,247	13,000	1,873,956	-	6,610,010	38,769	
GROUP										
Balance as at										
1 January 2014	22,153,580	22,119,566	14,700,142	204,251	13,000	1,965,619	48,391	5,188,163	34,014	
Net movement	(36,030)	(36,026)	-	(26,845)	(13,000)	-	-	3,819	(4)	
Proposed honorarium	(8,260)	(8,255)	-	-	-	-	-	(8,255)	(5)	
Total comprehensive income for the year	1,849,356	1,844,277	-	-	-	327,235	-	1,517,042	5,079	
Dividends paid	32	(1,050)	-	-	-	-	-	-	(1,050)	
Transfer from accumulated fund	-	-	1,000,000	55,159	13,000	-	-	(1,068,159)	-	
Balance as at										
31 December 2014	23,957,596	23,919,562	15,700,142	232,565	13,000	2,292,854	48,391	5,632,610	38,034	

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	NOTE	2015 SGD	GROUP 2014 SGD
Cash Flows From Operating Activities			
Surplus Before Income Tax and Contributions		2,286,025	2,277,567
Adjustments for:			
Amortisation		10,825	11,080
Depreciation of plant and equipment		89,721	97,884
Depreciation of investment properties		269,181	269,181
Dividends income		(992,031)	(884,582)
Gain on disposal of financial assets		(67,150)	(420,998)
Loss on disposal of plant and equipment		326	-
Reversal of impairment loss on investment		-	(500,000)
Reversal of provision expenses		(950,000)	(477,901)
Provision for impairment loss on investment		637,018	535,000
Provision expenses		635,000	140,000
Interest expenses		4,200,338	4,149,153
Interest income		(6,763,559)	(5,811,284)
Operating Cash Flows Before Changes in Working Capital		(644,306)	(614,900)
Changes in Working Capital			
Loans to members		566,445	(2,008,377)
Trade and other receivables		2,551,564	(669,548)
Other assets		(108,840)	(271,333)
Amounts owing to members		16,031,726	12,539,291
Trade and other payables		(335,768)	(579,197)
Ex-member's accounts		16,353	-
Payment of provision expenses		(72,500)	(67,500)
Other liabilities		376,323	(85,100)
Cash Flows From (Used In) Operations		18,380,997	8,243,336

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

		GROUP	
	NOTE	2015 SGD	2014 SGD
Interest paid		(4,200,338)	(4,149,153)
Interest received		3,166,083	3,094,098
Payment of central co-operative fund		(764,378)	(816,848)
Income taxes paid		(10,096)	(4,501)
Net Cash Flows From (Used In) Operating Activities		16,572,268	6,366,932
Cash Flows From Investing Activities			
Interest received		3,597,476	2,717,186
Dividends received		992,031	884,582
Purchase of plant and equipment		(55,201)	(59,784)
Purchase of intangible assets		(4,500)	(23,625)
Net (purchase) proceeds from sale/ maturity of investments		(503,953)	(27,268,697)
Net Cash Flows From (Used In) Investing Activities		4,025,853	(23,750,338)
Cash Flows From Financing Activities			
Dividends paid to non-controlling interests		(1,265)	(1,050)
Payment of common good fund		(22,472)	(23,030)
Payment of scholarship fund		(13,000)	(13,000)
Reversal (payment) of honorarium		-	(3,470)
Net Cash Flows From (Used In) Financing Activities		(36,737)	(40,550)
Net Increase (Decrease) in Cash and Cash Equivalents		20,561,384	(17,423,956)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		69,454,793	86,878,749
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	18	90,016,177	69,454,793

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

1. The Society's Information

The Singapore Police Co-operative Society Limited (the "Society") is incorporated in Singapore. The Society's registered office is located at 250 Sims Avenue # 04-01 SPCS Building Singapore 387513. The Society is situated in Singapore.

The principal activities of the Society, which are governed by the Co-operative Societies Act, Chapter 62 are to promote, in accordance with co-operative principles, co-operation and self-help, to encourage thrift, to receive subscriptions and deposits from members and to assist members by enabling them to take loans on reasonable terms, and to undertake any co-operative venture or project subject to the approval of the Registrar of Co-operative Societies.

The principal activities of the subsidiary are stated in note 13.

2. Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Group and the statement of financial position of the Society have been prepared in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 and Singapore Financial Reporting Standards ("FRS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards and interpretations does not have any effect on the financial statements.

Functional and Presentation Currency

Items included in the financial statements 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 Dollar ("SGD"), which is the Group's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivables for rendering of services, net of goods and services taxes, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

(a) Service Income

Revenue from rendering services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

(b) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

(c) Rental Income

Rental income is recognised as monthly rental accrues in accordance with the terms and conditions of the rental agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

(d) Dividend Income

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

(e) Sale of Investments

Revenue from sale of investments is recognised upon transfer of ownership rights, net of brokerage, clearing and trading fees incurred.

Finance Costs

Interest expenses and similar charges are expensed in the income statement in the financial year in which they are incurred. Interest expense is recognised on a time-proportion basis in the income statement using the effective interest method.

Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund ("CPF") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting year.

Operating Leases

Assets leased out under operating leases are included in investment properties and are stated at cost less accumulated depreciation and impairment loss. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

Basis of Consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

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

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combination does not apply to the formation of a joint venture, the acquisition of an asset or a group of assets that does not constitute a business and a combination of entities or businesses under common control.

Transactions with Non-Controlling Interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent ("Society"), and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent ("Society").

Changes in the Society owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in other comprehensive income and attributed to owners of the parent ("Society").

Investment in Subsidiaries

Investment in subsidiaries are stated at cost less accumulated impairment losses in the Society's statement of financial position. On disposal of investment in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

Income Tax Benefit (Expense)

(a) Current Tax

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

(b) Deferred Tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

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

The Society is a registered co-operative society under the Singapore Co-operative Societies Act, Chapter 62 and its income is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

(c) Sales Tax

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

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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

Intangible Assets

Intangible assets represent the Society's computer software that is not an integral part of a computer-controlled machine. The intangible assets are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure which enhances or extends the performance of the intangible assets beyond its specifications and which can be reliably measured, is added to the original cost of the intangible assets. Costs associated with maintaining the intangible assets are recognised as an expense when incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of the intangible assets is assessed to be finite. Amortisation is computed using the straight-line method over five years. It is assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

period and amortisation method are reviewed at least at end of each reporting year. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Freehold property	- 50 years
Leasehold property	- 50 years
Computer hardware and software	- 2 to 5 years
Furniture and fittings	- 5 years
Office equipment	- 5 years
Renovation	- 5 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year.

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

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Investment Properties

Investment properties are held for long-term rental yields and are not occupied by the Society. Investment properties are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the properties over their estimated useful lives of 50 years.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year.

On disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Impairment of Non-Financial Assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recovered amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Investments in Financial Assets

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

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

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 entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchase and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Society commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

The financial assets of the Society that are within the scope of FRS 39 are classified as follows:

Held-to-maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Society has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or uncollectibility. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate method, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Available-For-Sale Financial Assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses and interest calculated using the effective interest rate method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss when the financial asset is derecognised.

Investments in equity instruments that do not have a quoted market price in an active market whose fair value cannot be reliably measured are measured at cost less impairment loss.

Loans and Receivables

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

Impairment of Financial Assets

The Society assesses at end of each reporting year whether there is any objective evidence that a financial asset is impaired.

Assets Carried at Amortised Cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

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

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

Available-For-Sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income to profit or loss. Reversals of impairment losses in respect of equity instruments are recognised in profit or loss; increase in their value after impairment are recognised directly in other comprehensive income. Reversal of impairment losses on debt instruments are recognised in profit or loss if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised. Capitalisation of borrowing costs shall commence when activities necessary to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the financial statements of the Society are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Cash and Cash Equivalents

This include cash on hand and deposits with financial institutions.

Financial Liabilities

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gain and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is extinguished.

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.

Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability effected in the future.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Useful Lives of Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 2 to 50 years. The carrying amount of the Group's property, plant and equipment at 31 December 2015 is SGD 1,549,464 (2014: SGD 1,584,310). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Useful Lives of Investment Properties

Investment properties are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 50 years. The carrying amount of the Group's investment properties at 31 December 2015 is SGD 9,864,381 (2014: SGD 10,133,562). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Unquoted Investments at Cost

Unquoted investments are stated at cost less provision for impairment in value because there is no reliable method to determine the fair value of these investments. Management exercises judgement based on the observable data relating to the possible events that may have caused the decline in value to determine whether the decline in value is an impairment that should be recognised in the profit or loss. For the financial year ended 31 December 2015, the amount of unquoted investments stated at cost less provision for impairment in value for Group and Society are unquoted shares in companies of SGD 2,400,000 (2014: SGD 2,250,000) and SGD 2,250,000 (2014: SGD 2,250,000) respectively.

Allowance for Impairment of Receivables

The management establishes allowance for impairment of receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its members' financial position. If the financial conditions of members were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amounts of the Group's and Society's loans to members as at 31 December 2015 are disclosed in note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

2. Significant Accounting Policies (Cont'd)

Held-to-Maturity Investments at Cost

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method and less any impairment loss. Held-to-maturity investments purchased before 1 January 2011 amounting to SGD 10,590,508 are not measured at amortised cost using the effective interest rate method, as the fair value cannot be measured reliably. However, all purchases from 1 January 2011 are measured at amortised cost using the effective interest rate method. As at 31 December 2015, the carrying amounts of held-to-maturity investments are disclosed in note 12 to the financial statements.

Classification of Current and Non-current Liabilities

The Society is required to classify and apportion any liabilities that are due within one year after the end of the reporting year. Management were to classify members' specific deposits, share capital and subscription capital as current and non-current liabilities based on the pattern of withdrawals and infusion of funds by members for their specific deposits accounts, share capital accounts and subscription capital accounts for the last 3 years. Management exercises judgement based on the withdrawal patterns and infusion of funds in the last 3 years to estimate the apportion rate as current liabilities that are due within one year after the end of the reporting year. The basis of estimates is reviewed at end of each reporting year and adjusted to reflect the current best estimate. The carrying amount and apportionment of members' specific deposits, share capital and subscription capital are set out in note 23, note 25 and note 26 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3. Related Party Relationship and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- (b) An entity is related to the reporting entity if any of the following conditions apply:
 - (i) The entity and the reporting entity are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.1 Related companies:

Related companies in these financial statements are the members of the group. There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured, without fixed repayment terms and interest unless stated otherwise. Intragroup transactions and balances that have been eliminated in these financial statements are not disclosed as related party transactions and balances below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

3. Related Party Relationship and Transactions (Cont'd)

Significant related companies transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	SOCIETY	
	2015 SGD	2014 SGD
<i>Transactions with subsidiaries</i>		
Dividend income	51,064	37,766
Rental income	17,675	4,200
Interest income	25,807	25,356
Other income	2,764	4,375

3.2 Related parties:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

There is no related parties transaction during the financial year.

4. Revenue

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Consultancy services and other related services	623,835	739,312	-	-
Commission income	341,400	333,779	-	-
Renovation, décor and other services	8,524,335	5,266,991	-	-
	9,489,570	6,340,082	-	-

Transactions within the Group have been excluded from consolidated revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

5. Depreciation and Amortisation

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Amortisation	10,825	11,080	10,825	11,080
Depreciation of property, plant and equipment	89,721	97,884	69,225	78,676
Depreciation of investment properties	269,181	269,181	269,181	269,181
	369,727	378,145	349,231	358,937

6. Employee Benefits Expense

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Contributions to defined Contribution plan ("CPF" and Skills Development Levy ("SDL"))	186,856	169,571	139,287	129,054
Medical expenses	8,967	9,296	5,507	5,846
Directors' fee	8,000	10,000	-	-
Salaries and bonus	1,350,210	1,255,400	950,871	903,995
Staff training and incentive	16,571	15,476	9,857	8,494
	1,570,604	1,459,743	1,105,522	1,047,389

7. Finance Cost

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Interest on members' specific deposits	292,043	196,755	292,043	196,755
Interest on members' term deposits	294,534	216,571	294,534	216,571
Interest on members' subscription-to-savings scheme	1,360,076	1,471,645	1,360,076	1,471,645
	1,946,653	1,884,971	1,946,653	1,884,971
# Dividend paid on share capital and subscription capital	2,253,685	2,264,182	2,253,685	2,264,182
	4,200,338	4,149,153	4,200,338	4,149,153

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

7. Finance Cost (Cont'd)

Share capital and subscription capital are classified as liability. Thus, dividends thereon are recognised as finance costs in the profit or loss.

At the end of reporting year, finance cost of SGD 13,805 (2014: SGD 13,984) were paid to the Society's staff.

8. Income Tax Benefit (Expense)

	GROUP	
	2015 SGD	2014 SGD
Current income tax	(3,000)	(10,000)
Over (under) provision in previous year	(96)	2,999
	(3,096)	(7,001)

Reconciliation of effective tax rate

	GROUP	
	2015 SGD	2014 SGD
Surplus before income tax	2,286,025	2,277,567
Tax using the Singapore tax rate at 17% (2014: 17%)	388,624	387,186
Expenses not deductible for tax purpose	1,408	914
Tax exempt revenue and tax incentives	(386,530)	(377,985)
(Over) under provision in previous year	96	(2,999)
Other items	(502)	(115)
Total income tax expense	3,096	7,001

The Societies are exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

9. Property, Plant and Equipment

GROUP Cost	Freehold Property		Leasehold Property		Computer Hardware and Software		Furniture and Fittings		Office Equipment		Renovation		Total	
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
At 1.1.2014	1,441,750	534,506	-	-	247,048	162,691	88,737	108,937	2,583,669	-	-	-	-	-
Additions	-	-	24,416	-	19,438	15,930	-	-	59,784	-	-	-	-	-
Disposals	-	-	(5,471)	-	-	-	-	-	(5,471)	-	-	-	-	(5,471)
At 31.12.2014 and 1.1.2015	1,441,750	534,506	265,993	182,129	104,667	108,937	2,637,982	-	-	-	-	-	-	-
Additions	-	-	38,938	13,023	3,240	-	55,201	-	-	-	-	-	-	-
Disposals	-	-	(8,373)	(13,497)	(4,470)	-	(26,340)	-	-	-	-	-	-	-
At 31.12.2015	1,441,750	534,506	296,558	181,655	103,437	108,937	2,666,843	-	-	-	-	-	-	-
Accumulated Depreciation														
At 1.1.2014	317,185	106,900	218,571	149,829	65,713	103,061	961,259	-	-	-	-	-	-	-
Depreciation for year	28,835	10,690	36,217	8,509	11,408	2,225	97,884	-	-	-	-	-	-	-
Disposals	-	-	(5,471)	-	-	-	(5,471)	-	-	-	-	-	-	-
At 31.12.2014 and 1.1.2015	346,020	117,590	249,317	158,338	77,121	105,286	1,053,672	-	-	-	-	-	-	-
Depreciation for year	28,835	10,690	25,270	11,130	11,858	1,938	89,721	-	-	-	-	-	-	-
Disposals	-	-	(8,047)	(13,497)	(4,470)	-	(26,014)	-	-	-	-	-	-	-
At 31.12.2015	374,855	128,280	266,540	155,971	84,509	107,224	1,117,379	-	-	-	-	-	-	-
Net Carrying Amount														
At 31.12.2015	1,066,895	406,226	30,018	25,684	18,928	1,713	1,549,464	-	-	-	-	-	-	-
At 31.12.2014	1,095,730	416,916	16,676	23,791	27,546	3,651	1,584,310	-	-	-	-	-	-	-

The subsidiary's leasehold property with carrying amount of SGD 406,226 (2014: SGD 416,916) is mortgaged to secure for commercial property loan with holding company (note 14).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

9. Property, Plant and Equipment (Cont'd)

	Freehold Property		Computer Hardware and Software		Furniture and Fixings		Office Equipment		Renovation		Total	
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
SOCIETY												
Cost												
At 1.1.2014	1,441,750		215,250		134,786		55,297		1,435			1,848,518
Additions	-		23,799		17,590		6,661		-			48,050
Disposals	-		(5,471)		-		-		-			(5,471)
At 31.12.2014 and 1.1.2015	1,441,750		233,578		152,376		61,958		1,435			1,891,097
Additions	-		35,185		13,023		1,591		-			49,799
Disposals	-		(7,814)		(13,497)		(4,470)		-			(25,781)
At 31.12.2015	1,441,750		260,949		151,902		59,079		1,435			1,915,115
Accumulated Depreciation												
At 1.1.2014	317,185		190,706		128,199		36,400		1,148			673,638
Depreciation for year	28,835		34,103		6,969		8,482		287			78,676
Disposals	-		(5,471)		-		-		-			(5,471)
At 31.12.2014 and 1.1.2015	346,020		219,338		135,168		44,882		1,435			746,843
Depreciation for year	28,835		22,540		9,259		8,591		-			69,225
Disposals	-		(7,814)		(13,497)		(4,470)		-			(25,781)
At 31.12.2015	374,855		234,064		130,930		49,003		1,435			790,287
Net Carrying Amount												
At 31.12.2015	1,066,895		26,885		20,972		10,076		-			1,124,828
At 31.12.2014	1,095,730		14,240		17,208		17,076		-			1,144,254

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

10. Intangible Assets

	Computer Software SGD
GROUP AND SOCIETY	
Cost	
At 1.1.2014	404,826
Disposals	23,625
At 31.12.2014 and 1.1.2015	428,451
Additions	4,500
At 31.12.2015	432,951
Accumulated Amortisation	
At 1.1.2014	393,271
Amortisation for year	11,080
At 31.12.2014 and 1.1.2015	404,351
Amortisation for year	10,825
At 31.12.2015	415,176
Net Carrying Amount	
At 31.12.2015	17,775
At 31.12.2014	24,100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11. Investment Properties

Freehold Properties SGD

GROUP AND SOCIETY

Cost

At 1.1.2014	13,993,240
At 31.1.2014 and 1.1.2015	13,993,240
At 31.12.2015	13,993,240

Accumulated Depreciation

At 1.1.2014	3,590,497
Depreciation for year	269,181
At 31.12.2014 and 1.1.2015	3,859,678
Depreciation for year	269,181
At 31.12.2015	4,128,859

Net Carrying Amount

At 31.12.2015	9,864,381
At 31.12.2014	10,133,562

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

11. Investment Properties (Cont'd)

The investment properties held by the Society as at 31 December 2015 are as follows:

Description and location	Existing use	Tenure
* Two adjoining 2- storey intermediate shophouses - 259 Holland Avenue, Singapore - 261 Holland Avenue, Singapore	Commercial	Freehold
4-storey commercial building with a basement carpark known as SPCS Building, 250 Sims Avenue, Singapore - #02-01 - #03-01	Commercial	Freehold
Two office units of a 4-storey shop-cum-office building with a basement carpark known as Guthrie Building - #01-01 - #02-01 - #02-01A	Commercial	Freehold

* Investment properties with carrying amount of SGD 4,910,714 (2014: SGD 5,059,524) were mortgaged to secure for banking facilities (note 18).

The rental income earned by the Society for the year ended 31 December 2015 from investment properties leased out under operating leases amounted to SGD 1,010,319 (2014: SGD 937,678).

Direct operating expenses (including repairs and maintenance) arising from rental generating properties amounted to SGD 397,377 (2014: SGD 223,445).

The investment properties were valued at SGD 28,900,000 (2014: SGD 29,000,000) on 31 December 2015 by Suntec Real Estate Consultants Pte Ltd, an independent professional valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuations are based on the properties highest-and-best-use using the Direct Sales Comparison Approach and Income Approach.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

12. Investment Securities

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Non-current				
<i>Held-to-maturity investments</i>				
Structured deposits	900,000	900,000	900,000	900,000
Quoted bonds and notes	40,010,982	34,280,336	39,510,982	33,780,336
Bonds from statutory board	21,493,905	35,125,093	21,493,905	35,125,093
Less: Impairment loss	(2,672,018)	(2,035,000)	(2,672,018)	(2,035,000)
	59,732,869	68,270,429	59,232,869	67,770,429
<i>Available-for-sale financial assets</i>				
Quoted equities in corporation, at fair value	4,442,803	5,511,021	4,442,803	5,511,021
Unquoted investments, at cost				
Shares in co-operative societies and companies:				
NTUC Income Insurance Co-operative Limited	250,000	250,000	250,000	250,000
NTUC Choice Homes Co-operative	200,000	200,000	200,000	200,000
Premier Security Co-operative Limited	1,450,000	1,450,000	1,450,000	1,450,000
Secom (Singapore) Private Limited	350,000	350,000	350,000	350,000
AA-SPCS Services Pte Ltd	150,000	-	-	-
	2,400,000	2,250,000	2,250,000	2,250,000
Total Available-for-sale financial assets	6,842,803	7,761,021	6,692,803	7,761,021
Total non-current investment securities	66,575,672	76,031,450	65,925,672	75,531,450

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

12. Investment Securities (Cont'd)

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Current				
<i>Held-to-maturity investments</i>				
Quoted bonds and notes	7,426,938	8,514,659	7,426,938	8,514,659
Bonds from statutory board	15,060,797	5,002,111	15,060,797	5,002,111
Total current investment securities	22,487,735	13,516,770	22,487,735	13,516,770
Total investment securities	89,063,407	89,548,220	88,413,407	89,048,220
<i>Analysis of impairment loss</i>				
At beginning of year	2,035,000	2,000,000	2,035,000	2,000,000
Impairment for the year	720,839	535,000	720,839	535,000
Reversal to profit or loss	(83,821)	(500,000)	(83,821)	(500,000)
At end of year	2,672,018	2,035,000	2,672,018	2,035,000

The fair value of held-to-maturity investments of the Group and the Society were valued at SGD 83,346,495 (2014: SGD 82,928,942) and SGD 82,836,495 (2014: SGD 82,417,292) respectively based on in-house valuation provided by bank on the last market day of the financial year.

Impairment testing of investment securities

At the end of reporting year, the Group and the Society recognised the impairment loss of SGD 2,672,018 (2014: SGD 2,035,000) for structured deposits and quoted bonds and notes as there were significant decline in the fair value of these investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

13. Investment in Subsidiaries

	SOCIETY	
	2015 SGD	2014 SGD
Unquoted shares, at cost	1,679,000	1,679,000
Accumulated impairment losses	(385,000)	(385,000)
	1,294,000	1,294,000

Details of subsidiaries:

Name	Principal Activities	Country of Incorporation and Business Carried Out in	Proportion (%) of Ownership Interest	
			2015 %	2014 %
* Choice Décor Co-operative Society Ltd	Renovation and decor business.	Singapore	99.95	99.95
* SPCS Consultancy Pte. Ltd.	Consultancy services related to security, law and order and other areas.	Singapore	97	97

* Audited by P G Wee Partnership LLP, Singapore.

Impairment testing of investment in subsidiaries

At the end of reporting year, management performed an impairment test for the investment in Choice Décor Co-operative Society Ltd. An accumulated impairment loss of SGD 385,000 (2014: SGD 385,000) was recognised for the year ended 31 December 2015 to write down this subsidiary to its recoverable amount. The recoverable amount of the investment in subsidiary has been based on a cash-generating unit determined after consideration of net assets of the subsidiary that are not part of the cash-generating unit to the society.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

14. Loan to a Subsidiary

	SOCIETY	
	2015 SGD	2014 SGD
<i>Loans on:</i>		
Current		
- Overdraft facility (Note (a))	500,000	500,000
- Commercial property loan (Note (b))	25,132	24,059
	<hr/>	<hr/>
	525,132	524,059
Non-current		
- Commercial property loan (Note (b))	232,808	257,940
	<hr/>	<hr/>
Total loans to a subsidiary	757,940	781,999

(a) The overdraft facility is unsecured and not subject to any terms of repayment. Interest is charged at cost of funds plus 2% (2014: 2.6% to 3%) per annum.

(b) Commercial property loan was secured by the subsidiary's leasehold property. Interest is charged at 3.50% per annum and increases at 0.25% every year until the 10th year which will be charged at UOB's prime lending rate less 0.50% per annum on monthly rest basis. The current year interest rate is 4.50% (2014: 4.50%). The remaining repayment period for commercial property loan is repayable within 103 months (2014: 115 months).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

15. Loans to Members

	GROUP AND SOCIETY	
	2015	2014
	SGD	SGD
At beginning of year	30,715,643	28,753,134
Add: Loans given during the year	18,205,810	21,332,410
	48,921,453	50,085,544
Less: Repayments during the year	(18,772,255)	(19,324,033)
Write-off against provision	(31,868)	(45,868)
	30,117,330	30,715,643
Less: Allowance for impairment of receivables	(791,342)	(823,210)
At end of year	29,325,988	29,892,433
<i>Analysis of Allowance for Impairment of Receivables</i>		
At beginning of year	(823,210)	(869,078)
Write-off against provision	31,868	45,868
At end of year	(791,342)	(823,210)
As disclosed in the statement of financial position:		
Receivable within the next 12 months		
– Current assets	11,156,134	11,006,261
Receivable after the next 12 months		
– Non-current assets	18,169,854	18,886,172
	29,325,988	29,892,433

Loans amounting to SGD 642,119 (2014: SGD 525,604) are secured by savings.

The rates of interest for loans to members ranged between 3 % to 12% (2014: 3% to 12%) per annum. Interest rates are fixed at contract dates. Loans to members are repayable within a period of 1 month up to 120 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

16. Trade and Other Receivables

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Trade receivables	1,472,542	3,879,709	392,794	3,218,277
Other receivables	54,768	42,275	12,837	-
Interest receivables	1,522,350	1,681,200	1,516,807	1,675,626
Grant receivables	4,076	2,116	1,057	-
	3,053,736	5,605,300	1,923,495	4,893,903

Trade and other receivables are non-interest bearing and generally on 30 days' credit terms.

Receivables that are past due but not impaired

The Group and Society have trade receivables that are past due at the end of the reporting year but not impaired. These receivables are unsecured and the analysis of the ageing at the end of the reporting year is as follows:

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
<i>Trade receivable past due</i>				
Less than 30 days	392,794	3,218,277	392,794	3,218,277
31 days to 60 days	9,000	1,000	-	-
More than 60 days	7,324	13,494	-	-
	409,118	3,232,771	392,794	3,218,277

Trade receivables amounting to SGD 392,794 (2014: SGD 3,218,277) represent deductions through salary check-off for the month of December 2015 which had been received in January 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

17. Other Assets

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Deposits	478,992	373,530	4,760	4,910
Prepayments	21,754	18,376	16,007	12,167
	500,746	391,906	20,767	17,077

18. Cash and Cash Equivalents

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Cash in hand	6,318	6,949	1,000	1,000
Cash at bank	6,506,070	5,445,969	5,921,959	4,305,506
Fixed deposits	83,503,789	64,001,875	83,250,000	63,750,000
	90,016,177	69,454,793	89,172,959	68,056,506

Fixed deposits bear interest rates ranging from 0.7% to 2.35% (2014: 0.7% to 1.42%) per annum and for a tenure of approximately 3 to 36 months (2014: 3 to 36 months).

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
The maturity of fixed deposits:				
Maturing more than 12 months	5,500,000	15,500,000	5,500,000	15,500,000
Maturing less than 12 months	78,003,789	48,501,875	77,750,000	48,250,000
	83,503,789	64,001,875	83,250,000	63,750,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

18. Cash and Cash Equivalents (Cont'd)

Banking facilities of the Society

At the end of the reporting year, the Group and Society has bank facilities as follows:-

	GROUP AND SOCIETY	
	2015	2014
	SGD	SGD
Bank overdraft	1,990,000	1,990,000
Performance guarantees	10,000	10,000

The interest charged on the overdraft is the bank's prevailing prime rate, which is 5% (2014: 5%) per annum, with monthly rest. The bank overdraft facilities are not utilised.

The bank overdraft facilities is secured by investment properties (note 11).

As at 31 December 2015, cash and cash equivalents denominated in foreign currency are:

	GROUP		SOCIETY	
	2015	2014	2015	2014
	SGD	SGD	SGD	SGD
United States Dollar	55,279	-	55,279	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

19. General Reserve Fund

	GROUP AND SOCIETY	
	2015 SGD	2014 SGD
At beginning of year	15,700,142	14,700,142
Transferred from accumulated fund	500,000	1,000,000
At end of year	16,200,142	15,700,142

The reserve fund shall be used (By-Law 8.6):

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

20. Common Good Fund

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
At beginning of year	232,565	204,251	224,272	192,072
Transferred from accumulated fund	60,149	55,159	50,000	50,000
Disbursed during the year	(22,467)	(26,845)	(18,000)	(17,800)
At end of year	270,247	232,565	256,272	224,272

The Common Good Fund was set up for the benefit of the members of the Society and may be devoted to any educational, medical, social or charitable purposes.

The fund shall be derived from an annual contribution not exceeding ten percent of the net surplus of the Society (By-Law 8.7).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

21. Scholarship Fund

	GROUP AND SOCIETY	
	2015	2014
	SGD	SGD
At beginning of year	13,000	13,000
Transferred from accumulated fund	13,000	13,000
Disbursed during the year	(13,000)	(13,000)
At end of year	13,000	13,000

This fund is set up for the purpose of awarding scholarship to deserving children of members.

22. Term Deposits

	GROUP AND SOCIETY	
	2015	2014
	SGD	SGD
At beginning of year	34,947,695	37,164,394
Add: Received during the year		
- 1 year & 6 months	25,275,655	28,865,105
- 2 years	2,406,575	1,880,165
- 3 years	2,195,441	3,432,969
	29,877,671	34,178,239
Less: Withdrawals during the year		
- 1 year & 6 months	28,078,224	31,558,106
- 2 years	2,838,914	2,277,769
- 3 years	1,804,119	2,559,063
	32,721,257	36,394,938
At end of year	32,104,109	34,947,695

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

22. Term Deposits (Cont'd)

GROUP AND SOCIETY

2015 2014

SGD SGD

As disclosed in the statement of financial position:

Payable within the next 12 months

– Current liabilities

23,273,072 26,075,641

Payable after the next 12 months

– Non-current liabilities

8,831,037 8,872,054

32,104,109 34,947,695

The term deposits received from members and staff are for a period of 6 months, 12 months, 24 months and 36 months respectively at various interest rates payable on maturity. The members and staff can roll over the term deposits after the expiration of the term or they can withdraw, subject to bank charges and other costs, at any time within the term. The interest of term deposits are 0.60% to 1.60% (2014: 0.60% to 1.25%) per annum.

At the end of reporting year, the Society's staff have SGD 40,491 (2014: SGD 19,030) under the term deposits.

23. Members' Specific Deposits

GROUP AND SOCIETY

2015 2014

SGD SGD

At beginning of year

41,594,818 36,064,212

Add: Received during the year

20,635,874 17,627,754

Interest credited

226,873 91,500

62,457,565 53,783,466

Less: Withdrawn during the year

(14,800,032) (12,188,648)

At end of year

47,657,533 41,594,818

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

23. Members' Specific Deposits (Cont'd)

GROUP AND SOCIETY	
2015	2014
SGD	SGD

As disclosed in the statement of financial position:

Payable within the next 12 months		
– Current liabilities	13,820,685	12,062,497
Payable after the next 12 months		
– Non-current liabilities	33,836,848	29,532,321
	47,657,533	41,594,818

Interest is calculated based on daily balance. Interest will be credited into members' accounts on the 1st day of January and July annually. The interest of members' specific deposits are 0.55% to 0.85% (2014: 0.50% to 0.55%) per annum.

24. Subscription-To-Savings Scheme (STSS)

GROUP AND SOCIETY	
2015	2014
SGD	SGD

STSS Series 2	5,256,455	5,312,312
STSS Series 3	17,762,186	18,264,076
STSS Series 4	12,088,117	12,259,478
	35,106,758	35,835,866

As disclosed in the statement of financial position:

Payable within the next 12 months		
– Current liabilities	5,528,725	-
Payable after the next 12 months		
– Non-current liabilities	29,578,033	35,835,866
	35,106,758	35,835,866

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

24. Subscription-To-Savings Scheme (STSS) (Cont'd)

This is in respect of amount transferred from subscription capital. The members will earn interest on the principal sum deposited.

STSS Series 2 was issued in year 2012. The interest rate was 3.75% per annum for the period from 1 November 2012 to 31 October 2016.

STSS Series 3 was issued to replace STSS Series 1. The interest rate was 4.00% per annum for the period from 1 November 2014 to 31 October 2019.

STSS Series 4 was issued in year 2014. The interest rate was 3.75% per annum for the period from 1 November 2014 to 31 October 2018.

For early withdrawals by a member, there will be a pro-rata claw-back of the interest paid out with corresponding deduction made to the principal sum that would be repaid to the member.

At the end of reporting year, the Society's staff have SGD 298,470 (2014: SGD 298,470) under the subscription-to-savings scheme.

25. Share Capital

GROUP AND SOCIETY

2015 2014
SGD SGD

Issued and fully paid share of SGD 1 each

At beginning of year	2,038,000	1,936,030
Additional shares issued	140,400	148,500
	2,178,400	2,084,530
Less:		
Share withdrawn	(52,600)	(46,530)
At end of year	2,125,800	2,038,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

25. Share Capital (Cont'd)

GROUP AND SOCIETY

2015
SGD

2014
SGD

As disclosed in the statement of financial position:

Payable within the next 12 months

– Current liabilities

42,516

61,140

Payable after the next 12 months

– Non-current liabilities

2,083,284

1,976,860

2,125,800

2,038,000

Each member shall hold at least 150 shares. No member shall hold more than one-fifth of the paid-up share capital of the Society (By-Law 8.3).

26. Subscription Capital

GROUP AND SOCIETY

2015
SGD

2014
SGD

At beginning of year

63,530,381

63,919,775

Contribution for the year

18,343,147

16,977,487

Withdrawn during the year

(4,889,242)

(5,107,403)

Transferred to Subscription-To-Savings
Scheme (note 24)

-

(12,259,478)

At end of year

76,984,286

63,530,381

As disclosed in the statement of financial position:

Payable within the next 12 months

– Current liabilities

5,498,380

6,353,038

Payable after the next 12 months

– Non-current liabilities

71,485,906

57,177,343

76,984,286

63,530,381

Every member shall be allowed to subscribe a minimum monthly sum to his Subscription Account in accordance with the Administrative Rules on Subscription (By-Law 8.4). The minimum monthly subscription is currently at SGD 40 for each member. The maximum subscription contributed by each member should not exceed SGD 200 per month. Subscription capital may not be withdrawn except for such

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

26. Subscription Capital (Cont'd)

purposes and under such conditions as laid down in the By-Laws or except on a termination of membership.

At the end of reporting year, subscription capital of SGD 117,720 (2014: SGD 60,360) were received from the Society's staff.

27. Trade and Other Payables

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Trade payables	125,831	213,306	-	-
Other payables	242,470	154,984	242,388	154,984
Interest payables	615,834	495,488	615,834	495,488
Accrued expenses	322,216	410,586	233,440	342,836
GST payables	54,185	49,574	27,264	22,612
Provision for contractual liabilities	-	83	-	-
Directors' fee	8,000	10,000	-	-
	1,368,536	1,334,021	1,118,926	1,015,920

28. Other Liabilities

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Security deposits	2,000	2,000	-	-
Received in advance	365,073	-	365,073	-
Rental deposits	226,254	215,004	219,429	206,604
	593,327	217,004	584,502	206,604

As disclosed in the statement of financial position:

Payable within the next 12 months				
- Current liabilities	591,327	215,004	584,502	206,604
Payable after the next 12 month				
- Non-current liabilities	2,000	2,000	-	-
	593,327	217,004	584,502	206,604

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

29. Provision

	GROUP AND SOCIETY			Total
	Provision for Shared-IT	Provision Expenses	Provision for Building Sinking Fund	
	SGD	SGD	SGD	SGD
At 1.1.2014	1,000,000	930,473	-	1,930,473
Reversal during the year	-	(477,901)	-	(477,901)
Utilised during the year	-	(67,500)	-	(67,500)
Additions during the year	-	140,000	-	140,000
At 31.12.2014 and 1.1.2015	1,000,000	525,072	-	1,525,072
Reversal during the year	(950,000)	-	-	(950,000)
Utilised during the year	(50,000)	(22,500)	-	(72,500)
Additions during the year	-	375,000	260,000	635,000
At 31.12.2015	-	877,572	260,000	1,137,572

The provision related to compensation and penalty fee of SGD 1,000,000 on termination of contract with respect to system migration and other issues.

Management estimates the expected future cash outflow as a provision for compensation for shared IT fee for termination. During the year, the case has been resolved and a compensation fee of SGD 50,000 was mutually agreed between both parties.

Provision expenses represents the Society's expenditure such as retirement party, employment and staff-related program and other expenditures based on management estimates with current and historical information.

Provision for Building Sinking Fund represents the Society additional contribution towards the maintenance and upgrade fund for SPCS Building, 250 Sims Avenue, Singapore. This provision was based on the estimated replacement costs for the building by the management agent of MCST 2135 during the 16th Annual General Meeting held on 12 February 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

30. Central Co-operative Fund

Pursuant to Section 71 of the Co-operative Societies Act, Chapter 62, the Society shall contribute 5% of the first SGD 500,000 of the surplus resulting from the operations of the Society during the preceding financial year to the Central Co-operative Fund; and 20% of any surplus in excess of SGD 500,000 from the operations of the Society during the preceding financial year either to the Central Co-operative Fund or to the Singapore Labour Foundation as the Society may opt.

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
Contribution for the year	787,372	748,445	777,217	743,283
Unpaid contribution from previous year	123,884	139,817	123,884	139,817
	911,256	888,262	901,101	883,100

31. Proposed Honorarium

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
At beginning of year	8,606	3,816	-	-
Amount disbursed (including meeting fee)	-	(3,816)	-	-
Provision (reversal)	(8,606)	8,606	-	-
At end of year	-	8,606	-	-

The service of a member of the Board of Directors shall be gratuitous by way of honorarium subject to compliance with By-Law 7.13.1. The Board of Directors of the Society has proposed no honorarium for the current year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

32. Dividends

	GROUP	
	2015 SGD	2014 SGD
Declared and paid		
Dividends paid to non-controlling interests	1,265	1,050

Proposed but not recognised as a liability

The Society's Board of Directors has proposed a final dividend of 3.50% (2014: 3.50%) on the members' shares and subscriptions as at 31 December 2015.

33. Operating Lease Arrangements

Operating Lease Expense

At the end of the reporting year, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
<i>Rental Payable</i>				
Not later than one year	69,600	69,600	-	-
Later than one year but not later than five years	17,400	87,000	-	-
	87,000	156,600	-	-

Operating lease payments are for rentals payable for office premises. The lease rental terms are negotiated for an average term of two to three years and rentals are not subject to an escalation clause.

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For the financial year ended 31 December 2015

33. Operating Lease Arrangements (Cont'd)

Operating Lease Income

The Group and Society leases out its investment properties under non-cancellable lease arrangements. At the end of the reporting year, the Group and Society has future minimum rent receivables under non-cancellable operating leases which fall due as follows:

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
<i>Rental Receivable</i>				
Not later than one year	1,252,173	755,220	1,195,497	696,969
Later than one year but not later than five years	1,210,978	465,567	1,198,378	402,567
	2,463,151	1,220,787	2,393,875	1,099,536

34. Financial Risk Management Objectives and Policies

The main risks from the Group's and the Society's financial instruments are interest rate risk, currency risk, liquidity risk, credit risk and market risk. The policies for managing each of these risks are summarised below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Society's financial instruments will fluctuate because of changes in market interest rates. The Group and the Society are exposed to interest rate risk through the impact of rate changes on interest-earning assets and interest-bearing liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

Sensitivity Analysis for Interest Rate Risk

The following carrying amounts of interest-earning assets and interest-bearing liabilities of the Group and the Society that are exposed to interest rate risk:

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
<i>Interest-earning assets</i>				
Investment securities	82,220,604	81,787,199	81,720,604	81,287,199
Loans to members	29,325,988	29,892,433	29,325,988	29,892,433
Cash and cash equivalents	90,016,177	69,454,793	89,172,959	68,056,506
	201,562,769	181,134,425	200,219,551	179,236,138
<i>Interest-bearing liabilities</i>				
Term deposits	32,104,109	34,947,695	32,104,109	34,947,695
Members' specific deposits	47,657,533	41,594,818	47,657,533	41,594,818
Subscription-to-Savings scheme	35,106,758	35,835,866	35,106,758	35,835,866
	114,868,400	112,378,379	114,868,400	112,378,379
Net interest-earning assets	86,694,369	68,756,046	85,351,151	66,857,759

At the end of the reporting year, if SGD interest rates had been 0.5% (2014: 0.5%) lower/ higher with all other variables held constant, the Group's and Society's profit would have been SGD 433,472 (2014: SGD 343,780) and SGD 426,756 (2014: SGD 334,289) higher/ lower respectively.

Currency Risk

The company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD").

Transactions denominated in foreign currencies during the year have been converted into Singapore Dollar ("SGD") at exchange rates approximating those ruling at transaction date. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities and firm and probable purchases and sales commitments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the company's profit (loss) before taxation to a reasonably possible change in the Singapore Dollar ("SGD") exchange rates against United States Dollar ("USD"), with all other variables held constant.

	GROUP		SOCIETY	
	Profit (loss) before tax		Profit (loss) before tax	
	2015	2014	2015	2014
	SGD	SGD	SGD	SGD
USD/SGD				
Strengthened 3% (2014: 3%)	1,658	-	1,658	-
Weakened 3% (2014: 3%)	(1,658)	-	(1,658)	-

Liquidity Risk

Liquidity risk is the risk that the Group and the Society will not be able to meet their financial obligations as and when they fall due. The Group's and the Society's exposure to liquidity risk arise primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Society review their working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Society's financial assets and liabilities at the end of the reporting year based on contractual undiscounted repayment obligations.

	GROUP 2015		GROUP 2014		Total	One year or less SGD	One year or less SGD	More than one year SGD	Total
	One year or less SGD	More than one year SGD	Total	More than one year SGD					
<i>Financial assets</i>									
Investment securities	22,487,735	69,247,690	91,735,425	13,516,770	78,066,450	91,583,220			
Loans to members	11,156,134	18,961,196	30,117,330	11,006,261	19,709,382	30,715,643			
Trade and other receivables	3,053,736	-	3,053,736	5,605,300	-	5,605,300			
Other assets	478,992	-	478,992	373,530	-	373,530			
Cash and cash equivalents	84,516,177	5,500,000	90,016,177	53,954,793	15,500,000	69,454,793			
	121,692,774	93,708,886	215,401,660	84,456,654	113,275,832	197,732,486			
<i>Financial liabilities</i>									
Term deposits	23,273,072	8,831,037	32,104,109	26,075,641	8,872,054	34,947,695			
Members' specific deposits	13,820,685	33,836,848	47,657,533	12,062,497	29,532,321	41,594,818			
Share capital	42,516	2,083,284	2,125,800	61,140	1,976,860	2,038,000			
Subscription capital	5,498,380	71,485,906	76,984,286	6,353,038	57,177,343	63,530,381			
Subscription-To-Savings Scheme (STSS)	5,528,725	29,578,033	35,106,758	-	35,835,866	35,835,866			
Trade and other payables	1,368,536	-	1,368,536	1,334,021	-	1,334,021			

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

	GROUP 2015		GROUP 2014		Total	One year or less SGD	More than one year SGD	Total	One year or less SGD	More than one year SGD	Total
	One year or less SGD	More than one year SGD	One year or less SGD	More than one year SGD							
Financial liabilities											
Other liabilities	226,254	2,000	228,254	215,004	2,000	217,004					
Ex-member's accounts	23,208	-	23,208	6,855	-	6,855					6,855
Central co-operative fund	911,256	-	911,256	888,262	-	888,262					888,262
Proposed honorarium	-	-	-	8,606	-	8,606					8,606
	50,692,632	145,817,108	196,509,740	47,005,064	133,396,444	180,401,508					
Total net undiscounted assets (liabilities)	71,000,142	(52,108,222)	18,891,920	37,451,590	(20,120,612)	17,330,978					

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

	SOCIETY 2015		Total SGD	SOCIETY 2014		Total SGD
	One year or less SGD	More than one year SGD		One year or less SGD	More than one year SGD	
<i>Financial assets</i>						
Investment securities	22,487,735	68,597,690	91,085,425	13,516,770	77,566,450	91,083,220
Loan to a subsidiary	525,132	232,808	757,940	524,059	257,940	781,999
Loans to members	11,156,134	18,961,196	30,117,330	11,006,261	19,709,382	30,715,643
Trade and other receivables	1,923,495	-	1,923,495	4,893,903	-	4,893,903
Other assets	4,760	-	4,760	4,910	-	4,910
Cash and cash equivalents	83,672,959	5,500,000	89,172,959	52,556,506	15,500,000	68,056,506
	119,770,215	93,291,694	213,061,909	82,502,409	113,033,772	195,536,181
<i>Financial liabilities</i>						
Term deposits	23,273,072	8,831,037	32,104,109	26,075,641	8,872,054	34,947,695
Members' specific deposits	13,820,685	33,836,848	47,657,533	12,062,497	29,532,321	41,594,818
Share capital	42,516	2,083,284	2,125,800	61,140	1,976,860	2,038,000
Subscription capital	5,498,380	71,485,906	76,984,286	6,353,038	57,177,343	63,530,381
Subscription-To-Savings Scheme (STSS)	5,528,725	29,578,033	35,106,758	-	35,835,866	35,835,866
<i>Financial liabilities</i>						
Other payables	1,118,926	-	1,118,926	1,015,920	-	1,015,920
Other liabilities	219,429	-	219,429	206,604	-	206,604
Ex-member's accounts	23,208	-	23,208	6,855	-	6,855
Central co-operative fund	901,101	-	901,101	883,100	-	883,100
	50,426,042	145,815,108	196,241,150	46,664,795	133,394,444	180,059,239
Total net undiscounted assets (liabilities)	69,344,173	(52,523,414)	16,820,759	35,837,614	(20,360,672)	15,476,942

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a party default on its obligations.

Exposure to Credit Risk

Credit risk arises from the Group's and the Society's lending and investment activities where members are unable to meet their contractual liabilities when they fall due. Credit to members is reviewed regularly to ensure that credit risk is supported by adequate guarantees and their earnings. Exposure to loan lending is minimised by a policy of generally granting loans on the conduct of regular review. Loans are mainly granted to a co-operative in which the Society has an equity interest and is represented on the Board of Directors.

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with parties of high credit ratings.

At the end of the reporting year, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group has no significant concentration at credit risk.

Financial Assets that are Neither Past Due nor Impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, that are neither past due nor impaired are placed with or entered into with reputable companies with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

34. Financial Risk Management Objectives and Policies (Cont'd)

Financial Assets that are Either Past Due or Impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 16 (trade receivables).

Market Risk

The Group and the Society are exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes.

Further details of these equity investments can be found in note 12 to the financial statements.

Sensitivity Analysis for Equity Price Risk

At the end of the reporting year, if the prices for quoted equities had been 2% (2014: 2%) higher/lower with all other variables held constant, the Group's and Society's fair value reserve would increase/decrease by SGD 88,856 (2014: SGD 110,220).

35. Fair Value of Financial Assets and Financial Liabilities

(A) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35. Fair Value of Financial Assets and Financial Liabilities (Cont'd)

The following table shows an analysis of the Group and the Society for each class of assets and liabilities measured at fair value at the end of the reporting year.

GROUP AND SOCIETY
Quoted prices in
active markets for
identical instruments
(Level 1)

2015	2014
SGD	SGD

Recurring fair value measurements

Financial assets:

Available-for-sale financial assets (note 12)

Quoted equities securities

4,442,803	5,511,021
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Determination of fair value

Quoted equity instruments (note 12): Fair value is determined directly by reference to their published market bid price at the end of the reporting year.

Unquoted equity securities amounting SGD 2,400,000 (2014: SGD 2,250,000) and being classified as available for sale assets, are valued using valuation models which use both observable and non-observable data. Fair value information has not been disclosed for the Group's investments in equity securities that are carried at cost because fair value cannot be measured reliably.

The Group does not intend to dispose of this investment in the foreseeable future. The Group intends to eventually dispose of this investment through sale to institutional investors. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

(B) Assets and liabilities not carried at fair value but for which fair value is disclosed
The following table shows an analysis of the Group and the Society for each class of assets and liabilities not measured at fair value at the end of the reporting year but for which fair value is disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35. Fair Value of Financial Assets and Financial Liabilities (Cont'd)

GROUP

	Quoted prices in active markets for identical instruments (Level 1)		Significant observable inputs other than quoted prices (Level 2)	
	2015	2014	2015	2014
	SGD	SGD	SGD	SGD
Financial assets:				
Held-to-maturity investments (note 12)	83,346,495	82,928,942	-	-
Non-financial assets:				
Investments properties (note 11)	-	-	28,900,000	29,000,000

SOCIETY

	Quoted prices in active markets for identical instruments (Level 1)		Significant observable inputs other than quoted prices (Level 2)	
	2015	2014	2015	2014
	SGD	SGD	SGD	SGD
Financial assets:				
Held-to-maturity investments (note 12)	82,836,495	82,417,292	-	-
Non-financial assets:				
Investments properties (note 11)	-	-	28,900,000	29,000,000

Fair value is determined for the above table of the Group and the Society are disclosed in respective note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

35. Fair Value of Financial Assets and Financial Liabilities (Cont'd)

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

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

36. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39.

	GROUP		SOCIETY	
	2015 SGD	2014 SGD	2015 SGD	2014 SGD
<i>Financial assets</i>				
Held-to-maturity investments	82,220,604	81,787,199	81,720,604	81,287,199
Loans and receivables (including cash and cash equivalents)	122,874,893	105,843,455	121,185,142	103,629,751
Available-for-sale financial assets	6,842,803	7,761,021	6,692,803	7,761,021
<i>Financial liabilities</i>				
Financial liabilities at amortised cost (including share capital repayable on demand)	196,509,740	180,401,508	196,241,150	180,059,239

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

37. New Accounting Standards and FRSs Interpretations

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the group were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16: Property, Plant and Equipment	1 January 2016
Amendments to FRS 38: Intangible Assets	1 January 2016
Amendments to FRS 109: Financial Instruments	1 January 2016
Amendments to FRS 110: Consolidated Financial Statements	1 January 2016
Improvements to FRSs (November 2014)	
Amendments to FRS 19: Employee Benefits	1 January 2016
Amendments to FRS 107: Financial Instruments: Disclosures	1 January 2016

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

38. Comparative Figures

(a) The following comparative figures in the statement of financial position have been reclassified to provide a proper and meaningful presentation of the group's assets and liabilities.

	GROUP		SOCIETY	
	Reclassified	Previously Reported	Reclassified	Previously Reported
	2014	2014	2014	2014
	SGD	SGD	SGD	SGD
Current Assets				
Trade and Other Receivables	5,605,300	5,575,280	-	-
Cash and Cash Equivalents	69,454,793	70,002,212	-	-
Current Liabilities				
Trade and Other Payables	1,334,021	1,858,275	1,015,920	1,022,775
Ex-Member's Accounts	6,855	-	6,855	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

38. Comparative Figures (Cont'd)

(b) The following comparative figures in the statement of cash flows have been reclassified to provide a proper and meaningful presentation of the group's cash flows from operating, investing and financing activities.

	GROUP	
	Reclassified	Previously Reported
	2014	2014
	SGD	SGD
Cash Flows From Operating Activities		
Trade and Other Receivables	(669,548)	(639,528)
Trade and Other Payables	(579,197)	(61,798)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	69,454,793	70,002,212

39. Authorisation of Financial Statement for Issue

These financial statements for the year ended 31 December 2015 were authorised for issue by the Board of Directors on the date shown on Directors' Statement.

EXPENDITURE FOR 2016 – 2017

EXPENDITURE FOR 2016 – 2017

Revenue Expenditure for	2016	2016 (Adjustments)	2017
	\$	\$	\$
Office at 250 Sims Ave #04-01	5,542,602	529,172	6,583,125
Back-up Office	5,794	1,195	5,794
Investment Properties <ul style="list-style-type: none"> • 259 Holland Avenue • 261 Holland Avenue • #01-01 & #02-01/01A Guthrie Building • #02-01 & #03-01 SPCS Building 	677,550	(4,850)	708,500
Total	6,225,946	525,517	7,297,419

Capital Expenditure for	2016	2016 (Adjustments)	2017
	\$	\$	\$
Office at 250 Sims Ave #04-01	118,000	792,600	135,000
Investment Properties: <ul style="list-style-type: none"> • 259 Holland Avenue • 261 Holland Avenue • #01-01 & #02-01/01A Guthrie Building • #02-01 & #03-01 SPCS Building 	- - 10,000 10,000	- - - -	- - 10,000 10,000
Total	138,000	792,600	155,000

Please refer to Pages 110 to 112 for detailed listing of expenditure.

EXPENDITURE FOR 2016 – 2017

REVENUE EXPENDITURE (OFFICE) FOR 2016 – 2017

Office: (250 Sims Ave #04-01)	2016	2016 (Adjustments)	2017
	\$	\$	\$
Advertising & Promotion (Include social and recreational activities)	167,000	(41,000)	118,000
Affiliation Fee	3,000	-	3,000
Auditor's Remuneration (Internal – Members)	7,200	-	7,200
Auditor's Remuneration (Internal–Professional)	-	30,000	30,000
Auditor's Remuneration (External)	15,000	1,000	16,000
Bank & Broking Charges	12,000	-	12,000
CPF & SDF	168,000	5,100	178,000
Debts Recovery Expense	10,000	-	10,000
Depreciation	201,600	43,400	267,000
General Meeting Expense (AGM/EOGM)	35,000	-	24,000
General Expenses	60,000	17,000	79,000
Goods & Services Tax	36,000	-	36,000
Insurance Premium (Loans)	950,000	-	950,000
Interest on Financing (Office)	16,000	-	18,200
Interest on Fixed Deposit	424,000	(33,000)	454,000
Interest on Specific Deposit	625,000	(126,000)	697,000
Interest on Subscription-to-Savings Scheme	1,391,600	608,400	2,165,000
Maintenance Expenses	73,300	(7,150)	102,765
Medical/Insurance Expenses	21,000	-	25,200
Property Maintenance Fund & Other Expense	28,440	-	28,440
Property Sinking Fund	6,162	1,422	9,480
Property Tax	11,800	-	11,800
Postage	16,000	-	16,000
Professional Fee	50,000	-	50,000
Printing & Stationery	43,500	-	43,500
PUB Charges	20,000	-	20,000
Service Charges	59,000	-	59,000
Staff Service Benefit	15,000	-	15,000
Staff Salaries & Bonuses	988,000	30,000	1,048,540
Staff Training	20,000	-	20,000
Study Tour/Retreat	20,000	-	20,000
Telephone/SMS	14,000	-	14,000
Training (Directors)	20,000	-	20,000
Transport/Despatch	15,000	-	15,000
	5,542,602	529,172	6,583,125

EXPENDITURE FOR 2016 – 2017

REVENUE EXPENDITURE (OFFICE) FOR 2016 – 2017

Office: (Backup)	2016	2016 (Adjustments)	2017
	\$	\$	\$
Depreciation	-	1,195	-
General Expenses	1,000	-	1,000
Goods & Services Tax	294	-	294
Rental	4,200	-	4,200
Transport	300	-	300
	5,794	1,195	5,794

Capital Expenditure for Office (250 Sims Ave #04-01)	2016	2016 (Adjustments)	2017
	\$	\$	\$
Computer Software Program	80,000	759,000	87,000
Computer Hardware	3,000	23,600	3,000
Furniture & Fittings	10,000	5,000	20,000
Office Equipment	15,000	5,000	15,000
Renovation	10,000	-	10,000
	118,000	792,600	135,000

EXPENDITURE FOR 2016 – 2017

EXPENDITURE FOR 2016 – 2017

- 259 Holland Avenue
- 261 Holland Avenue
- #01-01 Guthrie Building
- #02-01/01A Guthrie Building
- #02-01 SPCS Building
- #03-01 SPCS Building

Revenue Expenditure	2016	2016 (Adjustments)	2017
	\$	\$	\$
Depreciation	270,000	-	270,000
Interest on Financing	148,000	-	168,000
Maintenance/Repairs	45,000	-	45,000
Maintenance Fund/Sinking Fund	87,950	2,550	94,000
Other Expenses	20,000	-	20,000
Property Tax	106,600	(7,400)	111,500
	677,550	(4,850)	708,500

PROCEDURES FOR THE ELECTION OF 8 DIRECTORS

1. The right to vote for the directors applies only to Ordinary Members.
2. There should be one proposer and one seconder for every candidate. The member must use the microphone provided to announce his/her name and then the name of the candidate that he/she is proposing/seconding.
3. Each member can propose as well as second up to a maximum of eight candidates.
4. Each member has the choice to elect up to eight members for the post of directors of the Police Co-operative by using the voting card that is given to every Ordinary Member at the time of registration. Attention must be given to the rules and regulations as spelt out on the top portion of the voting card.
5. A member whose name has been proposed and seconded will have to proceed to the front of the stage. The member must bring along his/her voting card with him/her. A number tag will be assigned to the member.
6. To expedite the counting of votes, members are required only to fill in the number that is allocated to the candidates standing for election in the voting card. Members are not supposed to write down the names of candidates as it would nullify the vote. A voter who decides to change a number in the voting card must strike it out and replace it by a new one, with the voter's signature next to it.
7. Members must hand over the voting card to the staff once they have finished voting. The voting card must not be torn by the voter himself/herself. It would nullify the vote.
8. Members are cordially reminded to remain seated for the duration of the voting process unless otherwise directed. The staff will collect the voting card from you.

NOTES



POLICE CO-OP

THE CHOICE CO-OPERATIVE

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POLICE CO-OP

THE CHOICE CO-OPERATIVE

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POLICE CO-OP

THE CHOICE CO-OPERATIVE

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