

FINANCIAL STATEMENTS

31 December 2023

CUSTOMS CREDIT CO-OPERATIVE SOCIETY (S) LTD

Unique Entity Number: S32CS0009L

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DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their report to the members together with the audited financial statements of Customs Credit Co-operative Society (S) Ltd (the "Co-operative") for the year ended 31 December 2023.

Opinion of the directors

(a) In the opinion of the directors, financial statements of the Co-operative 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 Co-operative as at 31 December 2023, and of the financial performance, changes in equity and cash flows of the Co-operative for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts when they fall due.

(b) the receipts, expenditure, investment of monies, acquisition and disposal of assets made by the Co-operative during the year ended 31 December 2023 have been made in accordance with the By-Laws of the Cooperative and the provisions of the Act and the Rules (made under section 95 of the Act).

The Board of Directors approved and authorised these financial statements for issue.

Directors

The directors of the Co-operative in office at the date of this report are as follows:

Subramaniam S/O Krishnan
P. Namasivayam
Farihullah S/O Abdul Wahab Safiullah
Mohan Singh S/O Jawand Singh
Ganesh S/O S Peramaiyan
Winston Tay Wee Hua
Choo Teik Choon
Gurmit Singh Bajaj
Francine Chua

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 to which the Co-operative is a party, being arrangements whose objects are, or one of whose objects is, to enable the directors of the Co-operative to acquire benefits by means of the acquisition of shares in, or debentures of, the Co-operative or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Co-operative, none of the directors of the Co-operative holding office at the end of the financial year had held more than 20% interest in shares or debentures of the Co-operative.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

Share options

During the financial year, there were:

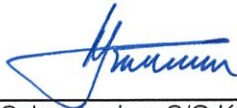
- no options granted by the Co-operative to any person to take up unissued shares in the Co-operative; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Co-operative.

At the end of the financial year, there were no unissued shares of the Co-operative under option.

Independent auditor

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

On Behalf of the Board of Directors,



Subramaniam S/O Krishnan
Chairman



P. Namasivayam
Secretary



Farihullah S/O Abdul Wahab Safiullah
Treasurer

19 March 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Customs Credit Co-operative Society (S) Ltd (the "Co-operative"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Co-operative Societies Act 1979 (the "Act") and Singapore Financial Reporting Standards ("SFRS") so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2023 and of the financial performance, changes in equity and changes in cash flows of the Co-operative for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement.

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRSs, and for devising and maintaining a system of internal controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Co-operative 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 Co-operative during the financial year ended 31 December 2023 have not been made in accordance with the by-laws of the Co-operative and the provisions of the Act (made under section 95 of the Act).



P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

19 March 2024

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 SGD	2022 SGD
Income			
Administrative fee		6,027	6,415
Dividend income		50,995	70,616
Entrance fee		20	-
Impairment loss on loan to members written back		54,888	-
Interest income:			
- current accounts		-	2
- fixed deposits		97,043	27,174
- loan to members		60,100	66,164
Other income	5	4,265	6,127
		<u>273,338</u>	<u>176,498</u>
Less:			
Expenditure			
Affiliation fee		250	250
Accountancy fee		8,540	8,200
Auditor's remuneration		5,335	5,339
Bank charges		1,254	854
Committee meeting expenses		4,180	4,500
Commission		1,057	1,144
Common good fund		10,310	6,270
Computerisation expenses		5,772	5,714
Co-operative expenses		9,800	300
Delegate training fund		(51)	131
Depreciation of plant and equipment	9	646	2,286
Depreciation of right-of-use asset	10	25,358	25,358
Employee benefits expense	6	65,724	55,915
General expense		286	886
General meeting expenses		2,460	2,160
Impairment loss on loans to members		22,019	64,904
Legal and professional fees		358	-
Loan related expenses		1,233	514
Medical expenses		298	80
Office maintenance & supplies		783	-
Postage		628	608
Printing and stationery		1,737	984
Rental of copier		674	668
Repairs and maintenance		-	30
Scholarship fund		2,800	1,800
Telephone charges		2,501	2,439
Transportation expense		528	422
Utilities		489	498
		<u>174,969</u>	<u>192,254</u>

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 SGD	2022 SGD
Surplus (deficit) before finance cost and income tax		98,369	(15,756)
Finance cost	7	(2,892)	(4,194)
Surplus (deficit) before contributions		95,477	(19,950)
Contribution to central co-operative fund		-	-
Surplus (deficit) after contributions		95,477	(19,950)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
- Net fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		1,313,025	39,126
- Gain on Disposal on Investment Securities		-	5,909
Total other comprehensive income		1,313,025	45,035
Total comprehensive income for the year		1,408,502	25,085

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 SGD	2022 SGD
Assets			
Non-current assets			
Plant and equipment	9	3,615	320
Right-of-use asset	10	12,679	38,037
Investments	11	2,198,930	885,905
Total non-current assets		<u>2,215,224</u>	<u>924,262</u>
Current assets			
Loan to members	12	677,765	722,338
Trade and other receivables	13	93,594	45,010
Other assets	14	6,593	6,486
Cash and cash equivalents	15	3,054,442	3,318,116
Total current assets		<u>3,832,394</u>	<u>4,091,950</u>
Total assets		<u>6,047,618</u>	<u>5,016,212</u>
Accumulated funds and liabilities			
Funds			
Fair value reserve	19	695,664	(617,361)
Accumulated fund		642,552	547,075
Total funds		<u>1,338,216</u>	<u>(70,286)</u>
Current liabilities			
Other payables	20	83,433	100,556
Central co-operative fund	21	-	-
Lease liabilities	10	13,482	25,976
Share capital	16	47,800	51,300
Thrift savings	17	3,068,301	3,359,483
General savings	18	1,496,386	1,535,700
Total current liabilities		<u>4,709,402</u>	<u>5,073,015</u>
Non-current liabilities			
Lease liabilities	10	-	13,483
Total non-current liabilities		<u>-</u>	<u>13,483</u>
Total liabilities		<u>4,709,402</u>	<u>5,086,498</u>
Total accumulated funds and liabilities		<u>6,047,618</u>	<u>5,016,212</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Total Funds	Scholarship fund	Fair Value Reserve	Accumulated Fund
	SGD	SGD	SGD	SGD
Opening balance at 1 January 2023	(70,286)	-	(617,361)	547,075
Total comprehensive income for the year	1,408,502	-	1,313,025	95,477
Closing balance at 31 December 2023	<u>1,338,216</u>	<u>-</u>	<u>695,664</u>	<u>642,552</u>
Opening balance at 1 January 2022	(95,371)	223	(662,396)	566,802
Total comprehensive income for the year	25,085		45,035	(19,950)
Transfer of funds	-	(223)	-	223
Closing balance at 31 December 2022	<u>(70,286)</u>	<u>-</u>	<u>(617,361)</u>	<u>547,075</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 SGD	2022 SGD
Cash flows from operating activities			
Surplus (deficit) before contributions		95,477	(19,950)
<i>Adjustments for:</i>			
Depreciation of plant and equipment		646	2,286
Depreciation of right-of-use asset		25,358	25,358
Dividend income		(50,995)	(70,616)
Interest expense		2,892	4,194
Interest income		(157,143)	(93,340)
Impairment loss on loans to members		22,019	64,904
Impairment loss on loan to members written back		(54,888)	-
Operating cash flows before changes in working capital		(116,634)	(87,164)
<i>Changes in working capital:</i>			
Loan to members		22,554	44,367
Trade and other receivables		6,304	(19,877)
Other assets		(107)	141
Other payables		(17,123)	(108,575)
Cash flows from operations		(105,006)	(171,108)
Net cash flows from (used in) operating activities		(105,006)	(171,108)
Cash flows from investing activities			
Purchase of plant and equipment		(3,941)	-
Proceed from disposal of unquoted investment securities		-	5,909
Proceed from disposal of quoted investment securities		-	261,126
Interest received		157,143	93,340
Dividend received		50,995	70,616
Net cash flows from (used in) investing activities		204,197	430,991
Cash flows from financing activities			
Interest paid		(2,892)	(4,194)
Deposits (withdrawals) of share capital		(3,500)	(4,200)
Deposits (withdrawals) of thrift savings		(291,182)	(347,210)
Deposits (withdrawals) of general savings		(39,314)	(76,333)
Repayment of Principal Portion of Lease Liabilities		(25,977)	(24,713)
Net cash flows from (used in) financing activities		(362,865)	(456,650)
Net increase (decrease) in cash and cash equivalents		(263,674)	(196,767)
Cash and cash equivalents, at beginning of year		3,318,116	3,514,883
Cash and cash equivalents, at end of year	15	<u>3,054,442</u>	<u>3,318,116</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1 General Information

Customs Credit Co-operative Society (S) Ltd is incorporated in Singapore. The Co-operative's registered office is located at 35 Selegie Road #04-01 Parklane Shopping Mall Singapore 188307. The Co-operative is situated in Singapore.

The Board of Directors approved and authorised these financial statements for issue.

The principal activities of the Co-operative, which are governed by the Co-operative Societies Act 1979 are to promote, in accordance with the co-operative principles, the economic interests of; to encourage thrift, co-operation, self-help and mutual assistance among; to provide financial service to; to establish and operate such co-operative schemes, ventures and projects for its members.

2 Material Accounting Policy Information

Basis of Preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRS").

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 SFRS 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.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3, Note 11 or respective notes, where disclosed.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Co-operative has adopted all the new and revised standards and interpretations of SFRS that are effective for annual periods beginning on or after 1 January 2023. The adoption of these standards does not have any material effect on the financial performance or position of the Co-operative.

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 Co-operative's functional and presentation currency.

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

Revenue Recognition

Revenue is measured based on the consideration to which the Co-operative expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised at a point in time when the Co-operative satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Interest on loans

Interest on loan granted to members of the Co-operative are calculated at the rate of 5% per annum if the loan granted does not exceed member's share capital and thrift savings and at 6% if it exceeds member's share capital and thrift savings. The interest is recognised evenly throughout the duration of the loan period.

(b) Entrance fee

Entrance fee of \$10 for each new member is taken in as income for the year in which it is received.

(c) Interest income

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

(d) Dividend income

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

(e) Rental income

Rental income is recognised on accrual basis over the terms of the lease agreement.

(f) Rendering of services

Revenue from the rendering of services is recognised when the services are rendered.

Finance Cost

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 Benefits Cost

Contributions to defined 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.

Leases

When the Co-operative is the lessee

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

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

Right-of-Use Asset

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

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

Lease Liabilities

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

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

Short-term leases and leases of low-value assets

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

Plant and Equipment

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:

Computers	-	3 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Renovation	-	5 years

The residual value, estimated useful lives and depreciation method are reviewed at each reporting period and adjusted prospectively, if appropriate.

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

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

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. A government grant that becomes receivable as compensation for expenses or loss incurred is recognised as income in profit or loss of the period in which it becomes receivable.

Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Co-operative becomes a party to the contractual provisions of the instruments.

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

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Co-operative's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL.

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

Investments in equity instruments

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

Derecognition

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

Impairment of Financial Assets

The Co-operative recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Co-operative are measured on either of the following basis:

12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Co-operative applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Co-operative applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Co-operative assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal of lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Co-operative considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis, based on the Co-operative's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Co-operative considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Co-operative is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Co-operative in accordance with the contract and cash flows that the Co-operative expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial asset

At each reporting date, the Co-operative assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Co-operative on terms that the Co-operative would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Co-operative determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Co-operative's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Co-operative assesses as 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 Co-operative 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. When 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 that 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.

Cash and Cash Equivalents

This includes cash on hand and deposits with financial institutions.

Share Capital

Members' shares

Member's shares are classified as equity. Incremental costs directly attributable to the issue of members' shares are recognised as a deduction from equity.

Financial Liabilities

Initial recognition and measurement

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

All 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.

Subsequent measurement

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

Derecognition

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

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of 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.

3 Significant Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management is of the opinion that there are no critical judgements made in applying the company's accounting policies.

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.

Provision for expected credit losses of loan to members

The Co-operative uses a probability of default approach to calculate ECLs for loan to members. The provision rates are based on historical default rates for each category of loan and adjusts for forward-looking on the probability of insolvency or significant financial difficulties of the debtor or significant delays in payments.

The probability of default approach is initially based on the Co-operative's historical observed default rates. The Co-operative will compute expected credit loss for this group of financial assets using the probability of default approach and recognise amount based on computed figures minus accumulated bad debts recognised as at to date. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Co-operative's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Significant judgement and estimates are required in determining the loss rates to be applied to each ageing band of the trade receivables. The information about the ECLs on the Co-operative's loan to members is disclosed in Note 22.

The expected credit loss for loan to members is assessed based on the expected credit loss rates. Significant judgement and estimates are required in determining the loss rates to be applied to each ageing band of the loan to members. Details of key assumptions and inputs used are disclosed in Note 22.

	2023	2022
	SGD	SGD
Accumulated impairment of loan to members	<u>69,310</u>	<u>132,342</u>

If the provisioning rates were to differ by 5% from management's estimates, the loss allowance for loan to members would be SGD 3,466 (2022 SGD 6,617) higher or lower.

4 Related Party Transactions

4.1 Key management personnel

The key management personnel are the directors and those persons who have the authority and responsibility for planning, directing and controlling the activities of the Co-operative. The directors constitute the Co-operative's key management personnel and their remuneration is as disclosed below.

	2023	2022
	SGD	SGD
<i>Key management remuneration</i>		
Salaries and allowances	9,600	9,350
<i>Staff remuneration</i>		
Salaries and allowances	51,800	43,052
Contributions to central provident fund	4,324	3,513
	<u>65,724</u>	<u>55,915</u>

5 Other Income

	2023	2022
	SGD	SGD
Cash withdraw charges	1,257	235
Government grants	3,008	5,892
	<u>4,265</u>	<u>6,127</u>

6 Employee Benefits Expense

	2023	2022
	SGD	SGD
Contributions to central provident fund	4,324	3,513
Salaries and allowances	61,400	52,402
	<u>65,724</u>	<u>55,915</u>

7 Finance Cost

	2023	2022
	SGD	SGD
Interest on lease liability	1,383	2,647
Interest on members' general savings	1,509	1,547
	<u>2,892</u>	<u>4,194</u>

8 Income Tax Benefit (Expense)

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

9 Plant and Equipment

	Computers	Furniture and fittings	Office equipment	Renovation	Total
	SGD	SGD	SGD	SGD	SGD
Cost					
At 1.1.2022	35,796	29,472	2,345	11,480	79,093
Addition	-	-	-	-	-
At 31.12.2022 and 1.1.2023	35,796	29,472	2,345	11,480	79,093
Addition	3,802	-	139	-	3,941
Written off	-	-	(590)	-	(590)
At 31.12.2023	39,598	29,472	1,894	11,480	82,444
Accumulated depreciation					
At 1.1.2022	33,384	29,472	2,151	11,480	76,487
Depreciation for the year	2,239	-	47	-	2,286
At 31.12.2022 and 1.1.2023	35,623	29,472	2,198	11,480	78,773
Depreciation for the year	596	-	50	-	646
Written off	-	-	(590)	-	(590)
At 31.12.2023	36,219	29,472	1,658	11,480	78,829
Net Carrying Amount					
At 31.12.2023	3,379	-	236	-	3,615
At 31.12.2022	173	-	147	-	320

10 Right-Of-Use Asset

Co-operative as a lessee

The Co-operative has a lease contract for office rental. The Co-operative's obligations under the lease are secured by the lessor's title to the leased asset. The Co-operative is restricted from assigning and subleasing the leased assets.

Information about the lease for which the Co-operative is a lessee is presented below

(a) Statement of financial position

Right-of-use asset

	SGD
Cost	
At 1.1.2022	76,074
At 31.12.2022 and 1 January 2023	76,074
At 31.12.2023	76,074
Accumulated depreciation	
At 1.1.2022	12,679
Depreciation for the year	25,358
At 31.12.2022 and 1 January 2023	38,037
Depreciation for the year	25,358
At 31.12.2023	63,395
Net carrying amount	
At 31.12.2023	12,679
At 31.12.2022	38,037

Lease liabilities

	2023 SGD	2022 SGD
Non-current liabilities	-	13,483
Current liabilities	13,482	25,976
	13,482	39,459

Maturity analysis – contractual undiscounted cash flows

	2023 SGD	2022 SGD
1 year or less	13,679	27,359
2 to 5 years	-	13,681
	13,679	41,040

	1 Jan 2023	Cash flows	<u>Non-cash changes</u>		31 Dec 2023
			Accretion of other interests	Others	
	SGD	SGD	SGD	SGD	SGD
Liabilities					
Lease liabilities					
- current	25,976	(27,360)	1,383	13,483	13,482
- non-current	13,483	-	-	(13,483)	-
	<u>39,459</u>	<u>(27,360)</u>	<u>1,383</u>	<u>-</u>	<u>13,482</u>

	1 Jan 2023	Cash flows	<u>Non-cash changes</u>		31 Dec 2023
			Accretion of other interests	Others	
	SGD	SGD	SGD		SGD
Liabilities					
Lease liabilities					
- current	24,713	(27,360)	2,647	25,976	25,976
- non-current	39,459	-	-	(25,976)	13,483
	<u>64,172</u>	<u>(27,360)</u>	<u>2,647</u>	<u>-</u>	<u>39,459</u>

(b) Amount recognised in statement of comprehensive income

	2023	2022
	SGD	SGD
Depreciation of right-of-use assets	25,358	25,358
Interest expense on lease liability	1,383	2,647
	<u>26,741</u>	<u>28,005</u>

(c) Amount recognised in statement of cash flows

	2023	2022
	SGD	SGD
Repayment of lease liabilities	<u>27,360</u>	<u>27,360</u>

(d) Extension option

The Co-operative leased an office space for its operations for a period of 36 months. The lease does not include an option to renew the lease at the end of the contract term.

11 Investments

	2023 SGD	2022 SGD
<i>At fair value through other comprehensive income</i>		
Unquoted equity securities	1,735,915	-
Quoted equity securities	285,424	281,234
<i>Unquoted equity securities</i>		
NTUC Fairprice Co-operative Limited	127,591	127,591
NTUC Income Insurance Co-operative Limited	-	427,080
Premier Security Co-operative Ltd	50,000	50,000
	<u>177,591</u>	<u>604,671</u>
Total Investments	<u>2,198,930</u>	<u>885,905</u>

Unquoted equity securities amounting to SGD 177,591 (2022: SGD 604,671) were stated at cost as these are shares held in co-operative societies and the share value of co-operatives are fixed at its par value and there is no market to determine the fair value.

During the financial year end, NTUC Income Insurance Co-operative Limited was converted to Income Insurance Limited.

The Co-operative's exposure to credit and market risks, and fair value measurement are disclosed in Note 22 and 23.

12 Loan to Members

	2023 SGD	2022 SGD
<i>Special and normal loan</i>		
At beginning of the year	5,100	5,959
Loans granted during the year	173,367	99,770
Transfers	(171,462)	(100,629)
At end of the year	<u>7,005</u>	<u>5,100</u>
<i>Secured loan</i>		
At beginning of the year	314,753	355,086
Loans granted during the year	135,898	139,814
Repayments during the year	(151,340)	(172,767)
Transfers from thrift savings (Note 17)	(30,467)	(6,954)
Transfers from general savings (Note 18)	(322)	(426)
Loans written off	(28,234)	-
Provision for impairment (Note 22)	-	(35,078)
At end of the year	<u>240,288</u>	<u>279,675</u>
<i>Unsecured loan</i>		
At beginning of the year	466,763	442,231
Loans granted during the year	174,999	209,825
Repayments during the year	(189,104)	(174,943)
Transfers from thrift savings (Note 17)	(5,076)	(9,436)
Transfers from general savings (Note 18)	(674)	(914)
Transfers from share capital (Note 16)	(200)	-
Provision for impairment (Note 22)	(50,137)	(95,334)
At end of the year	<u>396,571</u>	<u>371,429</u>

	2023 SGD	2022 SGD
<i>Basic needs loan</i>		
At beginning of the year	5,607	11,596
Loans granted during the year	20,400	4,872
Repayments during the year	(16,949)	(10,861)
Loans written off	(1,930)	-
Provision for impairment (Note 22)	-	(1,930)
At end of the year	7,128	3,677
<i>Renovation loan</i>		
At beginning of the year	62,457	84,175
Loans granted during the year	7,599	-
Repayments during the year	(24,110)	(21,718)
Provision for impairment (Note 22)	(19,173)	-
At end of the year	26,773	62,457
Total loan to members	677,765	722,338

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of loans to members computed based on lifetime ECL was as follows:

	2023 SGD	2022 SGD
As at 1 January	132,342	67,438
Additional during the year	22,019	64,904
Written back against provision	(85,051)	-
As at 31 December	69,310	132,342

Special loans to members are unsecured loan issued in advance, bear interest at the rate 6% per annum. Normal loans to members are secured loan issued in advance, bear interest at the rate of 5% per annum subsequently.

Secured loans to members are secured against members' savings, bear interest at the rate of 5% (2022: 5%) per annum and repayable on demand.

Unsecured loans, basic needs loans and renovation loans bear interest at the rate of 6% (2022: 6%) per annum and repayable on demand.

13 Trade and Other Receivables

	2023 SGD	2022 SGD
Interest receivable	63,703	21,318
Tax recoverable	23,836	22,991
Other receivables	6,055	701
	93,594	45,010

14 Other Assets

	2023 SGD	2022 SGD
Deposits	4,650	4,650
Prepayments	1,943	1,836
	<u>6,593</u>	<u>6,486</u>

15 Cash and Cash Equivalents

	2023 SGD	2022 SGD
Cash at banks	253,893	317,960
Cash on hand	549	156
Fixed deposits	2,800,000	3,000,000
	<u>3,054,442</u>	<u>3,318,116</u>

Fixed deposits bear interest rates ranging from 3.25% to 3.70% (2022: 0.70% to 3.00%) per annum and for a tenure of approximately 181 to 365 days (2022: 181 to 365 days).

16 Share Capital

	2023		2022	
	No. of Shares	SGD	No. of Shares	SGD
Issued and Fully Paid				
At beginning of year	51,300	51,300	55,500	55,500
Deposits (withdrawals) / transfers	(3,500)	(3,500)	(4,200)	(4,200)
At end of year	<u>47,800</u>	<u>47,800</u>	<u>51,300</u>	<u>51,300</u>

In accordance with By-law 8.1(b) a new member must make a minimum payment of \$100.00 for the purchase of 100 shares in the Society or may apply for this initial monthly contribution otherwise credited to his Thrift Savings account to be credited to his share account up to the minimum required.

17 Thrift Savings

	2023 SGD	2022 SGD
At beginning of the year	3,359,483	3,706,693
Receipts during the year	27,350	29,610
Withdrawals and transfers	(318,532)	(376,820)
At end of the year	<u>3,068,301</u>	<u>3,359,483</u>

The Administrative Rule 3.1 "Subscription (hereinafter referred to as Thrift savings)" of By-Law 13.1 states that all members shall be required to subscribe a minimum of \$30 per month to the Thrift savings. From April 2021, a minimum of \$5 per month to the Thrift Savings.

Thrift savings shall not be withdrawable unless the member resigns from the Co-operative in accordance with By-Law 9.2, 9.3, and 9.4 or if the conditions set out in the Administrative Rules on the Thrift savings are met.

18 General Savings

	2023 SGD	2022 SGD
At beginning of the year	1,535,700	1,612,033
Receipts during the year	247,759	267,560
Interest credited	1,509	1,546
Withdrawals and transfers	(288,582)	(345,439)
At end of the year	<u>1,496,386</u>	<u>1,535,700</u>

This is a non-compulsory savings and every member may make a minimum monthly deposit of not less than \$10 per month for specific purposes as set out in By-Law 10.1. From April 2021, maximum of \$50 per month. Interest is payable on 30 June and 31 December at a rate of 0.10% (2022: 0.10%) per annum and shall be calculated on the amount on the minimum monthly balance, provided that such balance does not fall below \$50 in each case.

19 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of quoted equity shares designated at FVOCI.

20 Other Payables

	2023 SGD	2022 SGD
Other payables	76,833	92,685
Accruals	6,600	7,871
	<u>83,433</u>	<u>100,556</u>

Accruals are non-interest bearing and are normally settled on 30 days' term.

21 Central Co-operative Fund

Pursuant to Section 71 of the Co-operative Societies Act 1979, 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.

	2023 SGD	2022 SGD
Contribution for the year	<u>-</u>	<u>-</u>

22 Financial Risk Management Objectives and Policies

The main risks from the Co-operative's financial instruments are interest rate risk, currency risk, liquidity risk, credit risk and price risk. The policies for managing each of these risks are summarised below.

Interest rate risk

The Co-operative's exposure to interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed by the Co-operative on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by and adverse movement in interest rates.

The Co-operative is not exposed to significant interest rate risk as it does not hold any floating interest bearing financial assets or financial liabilities.

Liquidity risk

Liquidity risk is the risk that the Co-operative may encounter difficulties to settle or meet its financial obligations due to shortage of available funds. The Co-operative's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Co-operative reviews its capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

Analysis of financial instruments by remaining contractual maturities

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

	2023			2022		
	1 year or less	2 to 5 years	Total contractual cash flows	1 year or less	2 to 5 years	Total contractual cash flows
	SGD	SGD	SGD	SGD	SGD	SGD
<i>Financial assets</i>						
Investment securities	-	2,198,930	2,198,930	-	885,905	885,905
Loans to members	677,765	-	677,765	722,338	-	722,338
Trade and other receivables	93,594	-	93,594	45,010	-	45,010
Other assets	4,650	-	4,650	4,650	-	4,650
Cash and cash equivalents	3,054,442	-	3,054,442	3,318,116	-	3,318,116
	<u>3,830,451</u>	<u>2,198,930</u>	<u>6,029,381</u>	<u>4,090,114</u>	<u>885,905</u>	<u>4,976,019</u>
<i>Financial liabilities</i>						
Other payables	83,433	-	83,433	100,556	-	100,556
Thrift savings	3,068,301	-	3,068,301	3,359,483	-	3,359,483
General savings	1,496,386	-	1,496,386	1,535,700	-	1,535,700
Lease liabilities	13,679	-	13,679	27,359	13,681	41,040
	<u>4,661,799</u>	<u>-</u>	<u>4,661,799</u>	<u>5,023,098</u>	<u>13,681</u>	<u>5,036,779</u>
Total net undiscounted financial assets	<u>(831,348)</u>	<u>2,198,930</u>	<u>1,367,582</u>	<u>(932,984)</u>	<u>872,224</u>	<u>(60,760)</u>

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society.

Exposure to credit risk

Credit risk arises from the Co-operative'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 reviews. Loans are mainly granted to a co-operative in which the Co-operative has an equity interest and is represented on the Board of Directors.

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

The Co-operative has adopted a policy of only dealing with credit worthy counterparties. The Co-operative performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Co-operative considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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

	Note	Category	Gross carrying amount SGD	Loss allowance SGD	Net carrying amount SGD
31 December 2023					
Loan to members	12	Note 1	747,075	(69,310)	677,765
31 December 2022					
Loan to members	12	Note 1	854,680	(132,342)	722,338

Loan to members (Note 1)

For loan to members, the Co-operative has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Co-operative determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Loan to members				Total SGD
	Days past due				
	No past due SGD	31-60 days SGD	61-90 days SGD	> 90 days SGD	
31 December 2023					
ECL rate	2%	100%	0%	100%	
Estimated total gross carrying amount	679,567	7,605	12,425	47,478	747,075
ECL (Note 12)	(14,227)	(7,605)	-	(47,478)	(69,310)
					677,765

	Loan to members				
	Days past due				
	No past due SGD	31-60 days SGD	61-90 days SGD	> 90 days SGD	Total SGD
31 December 2022					
ECL rate	1%	0%	0%	74%	
Estimated total gross carrying amount	673,939	5,663.00	6,285	168,793	854,680
ECL (Note 12)	(7,198)	-	-	(125,144)	(132,342)
					722,338

Price risk

Equity price risk arises from equity investments at FVOCI held for the long term for strategic purposes. The primary goal of the Co-operative's investment strategy is to maximise investment returns, in general.

Sensitivity analysis

At the end of the reporting period, if the price of the shares held had been 5% (2022: 5%) higher/lower with all other variables held constant, the Co-operative's profit before taxation would have been SGD 109,947 (2022: SGD 44,295) higher/lower.

23 Fair Value of Assets and Liabilities

(a) Fair value hierarchy

The Co-operative categorises 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 Co-operative can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

	Note	Carrying Amount		Fair Value			
		Equity investments at FVOCI	Total carrying amount	Level 1	Level 2	Level 3	Total
		SGD	SGD				
31 December 2023							
Financial assets measured at fair value							
Equity investments – at FVOCI	11	2,198,930	2,198,930	285,424	-	1,913,506	2,198,930

	Note	Carrying Amount		Fair Value			Total SGD
		Equity investments at FVOCI SGD	Total carrying amount SGD	Level 1 SGD	Level 2 SGD	Level 3 SGD	
31 December 2022							
Financial assets measured at fair value							
Equity investments – at FVOCI	11	885,905	885,905	281,234	-	604,671	885,905

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount 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.

Level 3 fair values

The following table shows the valuation techniques used in measuring Level 3 fair value:

Type	Fair Value SGD	Valuation Technique
2023		
Equity investments at FVOCI	1,913,506	Lower of NAV or par value
2022		
Equity investments at FVOCI	604,671	Lower of NAV or par value

24 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.

	2023	2022
	SGD	SGD
Financial assets measured at fair value through other comprehensive income	2,198,930	885,905
Financial assets at amortised cost	3,830,451	4,090,114
Financial liabilities at amortised cost	4,661,602	5,035,198

25 New Accounting Standards and FRSs Interpretations

At the date of authorisation of these financial statements, none of the following SFRSs and amendments to SFRS that were issued but not yet effective are relevant to the Co-operative.

DETAILED INCOME STATEMENT

For the year ended 31 December 2023

	2023 SGD	2022 SGD
Income		
Administrative fee	6,027	6,415
Dividend income	50,995	70,616
Entrance fee	20	-
Gain on loan from ex-members	-	-
Impairment loss on loan to members written back	54,888	-
Income from ex members	-	-
Interest income:		
- current accounts	-	2
- fixed deposits	97,043	27,174
- loan to members	60,100	66,164
Others	4,265	6,127
	<u>273,338</u>	<u>176,498</u>
Less:		
Expenditure		
Affiliation fee	250	250
Accountancy fee	8,540	8,200
Auditor's remuneration	5,335	5,339
Bank charges	1,254	854
Bad debt written off	-	-
Committee meeting expenses	4,180	4,500
Commission	1,057	1,144
Common good fund	10,310	6,270
Computerisation expenses	5,772	5,714
Co-operative expenses	9,800	300
Delegate training fund	(51)	131
Depreciation of plant and equipment	646	2,286
Employee benefits expense	65,724	55,915
General expense	286	886
General meeting expenses	2,460	2,160
Impairment loss on loans to members	22,019	64,904
Legal and professional fees	358	-
Loan related expenses	1,233	514
Medical expenses	298	80
Office maintenance & supplies	783	-
Postage	628	608
Printing and stationery	1,737	984
Rental of copier	674	668
Depreciation of right-of-use asset	25,358	25,358
Repairs and maintenance	-	30
Scholarship fund	2,800	1,800
Telephone charges	2,501	2,439
Transportation expense	528	422
Utilities	489	498
	<u>174,969</u>	<u>192,254</u>

	2023 SGD	2022 SGD
Surplus for the year	98,369	(15,756)
Interest on lease liability	(1,383)	(2,647)
Interest on members' general savings	(1,509)	(1,547)
Surplus before contributions	95,477	(19,950)
Income tax benefit (expense)	-	-
Contribution to central co-operative fund	-	-
Surplus after contributions	95,477	(19,950)

This attachment is for management purposes only.