



CUSTOMS CREDIT CO-OPERATIVE SOCIETY (S) LTD.
35 Selegie Road #04-01, Parklane Shopping Mall, Singapore 188307
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THE BOARD OF DIRECTORS' ANNUAL REPORT 2019

FINANCIAL PERFORMANCE

Income: \$610,908/-

Surplus (before contributions to Central Co-operative Fund): \$37,039/-

The Co-operative Society achieved a surplus of \$37,039 in FY 2019 compared with a surplus of \$229,340 in FY 2018. The surplus in FY2019 was due mainly to the sale of the property at 35 Selegie Road #04-02 Parklane Shopping Mall, Singapore 188307. However, society had to write off \$387,046 the total of incurred heavy losses.

Impairment Loss on investment securities	\$178,473
Loss on Fair value adjustment	\$208,573
Total	\$387,046

Net Assets (Assets less Liabilities) = negative \$164,693.

Capital Adequacy Ratio (CAR) : - 2.6%

The required minimum CAR set by Registry of Co-operative Societies is 8% (and this will be raised to 10% in July 2021). CAR indicates the amount of buffer that a credit co-operative has to absorb unanticipated losses which may arise from its operations or investments. Plans to improve the CAR includes continuous effort to increase revenue by extending more loans to members, minimize expenditure and increase the General Reserve Fund.

Minimum Liquid Assets (MLA): 62.2 %

The Co-operative Society's MLA met the Registry of Co-operative Societies requirement of 15%

Restricted Investments : 10.8%

The applicable Restricted Investment (RI) limit is 10% as the Society has negative net assets. In December 2019 the RI stood at 10.8%. The Co-operative Society will continue to monitor the stock price and will dispose of the stock at the best opportunity to achieve the target 10% RI requirement.

Your Board of Directors has great pleasure in presenting to you the annual report and the audited financial statements for the year ended 31 December 2019.

In the year 2019, we continue to face challenges in relation to membership recruitment and limited restriction in investments. Overall core activity (outstanding loans) decreased by \$198,554. (14.2%) from \$1,390,284 in 2018 to \$1,191,740 in FYE 2019.

Your society will continue to explore new opportunities and expand its revenue base and the financial gains will be ploughed back to members.

BOARD OF DIRECTORS 2019/2020

Chairman	Mr S.Krishnan
Vice Chairman	(Vacant) Mr Soong Wei Sin - Resigned wef 01 June 2019
Secretary	Mr P.Namasivayam
Treasurer	Mr Farihullah S/O Abdul Wahab Safiullah
Alternate Treasurer	Mr Abdul Hamid Bin Ahmad (retiring at AGM 2020)
Board Member	Mr Mohan Singh
Board Member	Mr Lim Whatt Chye (retiring at AGM 2020)
Board Member	Mr Ganesh Peramaiyan
Board Member	Mr Tan Eng Lam
Board Member	Mr Darrel Toh – Ex-officio appointed 30 Oct 2019
Board Member	Mr Winston Tay – Ex-officio appointed on 30 Oct 2019
Manager	Mr Tan Ting Meng
Admin Staff	Mdm Zaiton Bte Abdullah

BOARD MEETING

The Board of Directors held 12 meetings during the period under review to transact the business of the society.

AUDIT SUB-COMMITTEE

Chairman	Mr Tan Eng Lam
Secretary	Mr Mohan Singh
Member	Mr P.Namasivayam
Member	Mr Ganesh Peramaiyan

OTHER SUB-COMMITTEES

Investment Committee	S.Krishnan Farihullah AWS P.Namasivayam	Chairman Secretary Member
Honorarium Committee	S.Krishnan Farihullah AWS P.Namasivayam	Chairman Secretary Member
Credit Committee	Farihullah AWS P.Namasivayam A Hamid Ahmad	Chairman Secretary Member
Admin/IT	Farihullah AWS Tan Eng Lam P.Namasivayam A Hamid Ahmad	Chairman Secretary Member Member

Sub-Committee's Quarterly Meeting, where possible, was held on the last Tuesday of the Month and back to back with the BOD Meeting. The respective sub-committee meetings for the Year 2020/2021 were scheduled by the Manager and were duly carried out by the various Sub-committees.

INTERNAL AUDITOR - Mr P.Loganathan of SASCO was appointed as our Internal Auditor after AGM 2019. He will be performing internal audit once in six months and will be paid \$200/- for two visits. He has done the first visit in June 2020 for the first six months and the second visit will be in Oct/Nov 2020.

MEMBERSHIP

As at 31 December 2019 the membership strength was. 652

Membership on 31 December 2018 was 750 and continued to slide in 2019 to 652 This was due mainly to older members terminating their membership upon retirement from their service.

Recruitment exercises were conducted during talks given by Treasurer Mr Farihullah to new recruits of Customs Officers.

SCHOLARSHIP AWARDS

Annual scholarship awards are presented to member's children for their academic studies ranging from primary to university level. During the year our Society gave away \$2,300/- worth of awards to 13 deserving members' children.

DIVIDEND/INTEREST

The Society is in progress of meeting the stipulated prudential requirements. The Society has met the prudential requirement for MLA, close to achieving the required RI and yet to meet the requirement on CAR. The Society is not able to declare any dividend as its CAR is below the Registry's minimum requirement for credit co-operatives. The interest rate on specific deposits was 1% in 2019. However, it may be adjusted to a lower rate in future.

INSTITUTIONAL CAPITAL

Institutional Capital (total of General Reserve Fund and Accumulated Fund) stood at negative \$164,916/- as at 31 December 2019.

COMMON GOOD FUND

A total sum of \$21,950/- was granted under the Common Good Fund for medical, death and retirement benefits.

APPROPRIATION OF PROFITS - 2019

The proposed Appropriation of Profits is shown in Annex of Statement of Accounts FY Ending 31 Dec 2019. (uploaded in CCCS Website)

ACCOUNTS OF THE SOCIETY

The Society engaged M/S Belinda Chua & Co. to maintain its computerized accounting system for the year 2019.

STATEMENT OF ACCOUNTS

Members of the Society were furnished with their respective statement of accounts after the close of the financial year ending 31 Dec 2019.

AFFILIATION/INVESTMENT

SINGAPORE NATIONAL CO-OPERATIVE FEDERATION (SNCF)

Our co-operative is affiliated to SNCF which is an apex body of all Co-operative Societies in Singapore. SNCF co-ordinates and facilitates the activities of the co-operatives in Singapore. It does so by organizing and supervising courses, study missions and seminars on important topics such as co-operative management, financial analysis, investment management and decision making for its members.

As an affiliate of SNCF, our co-operative was supporter of most of the events organized in 2019/2020.

SINGAPORE ASSOCIATION OF AMALGAMATED CO-OP SOCIETIES LTD. (SASCO)

SASCO continues to play an important role in caring for the less fortunate members of the society through various Community Projects such as managing a Home for Senior Citizens and a day care centre for the senior citizens. It also operates two Child Care Centers that cater mainly to lower and middle-income families.

Our Co-operative Society is an affiliate of SASCO and our Chairman Mr. S Krishnan is our representative. He is the current Secretary of SASCO EXCO and our Co-operative Society's Treasurer, Mr. Faruhullah AW Safiullah is the Chairman of SASCO Home.

Our Co-operative Society's Secretary, Mr P. Namasivayam was elected as one of the two Internal Auditors for SASCO Ltd at the SASCO Ltd's AGM held on 23 Feb 2019 at the Ceylon Sports Club.

NTUC FAIRPRICE

The society is an institutional member of NTUC Fairprice with \$.68,500.00 shares.

NTUC INCOME

Our investment with NTUC Income Insurance Co-operative amounted to \$427,080 shares.

PREMIER SECURITY CO-OPERATIVE SOCIETY

The society is an institutional member of Premier Security Co-operative with \$50,000/- shares. Our Chairman, Mr. S Krishnan is our representative to Premier Security Co-operative.

CCCS INTERNATIONAL LEARNING INSTITUTE

The Society holds 100,000 shares of CCCS International Learning Institute (Pte) Ltd.

The main stake-holder, Premier Security Co-operative has informed that CCCS International Learning Institute (Pte) Ltd. has started to make moderate profit for 2019

GENERAL

EXTERNAL CONFERENCES AND STUDY MISSIONS

Our co-operative society actively supported and participated in various overseas conferences and study missions arranged by SNCF. However, such participation in international conferences and study missions has been curtailed since 2018 due to the need to be prudent in spending.

CREDIT CO-OP MANAGEMENT ACCOUNTING SYSTEM

Our Society's accounts have been migrated to the current Window Based System and is supported by M/S Belinda Chua & Company. Our Accounts Clerk, Ms. Angeline Tan S.Y co-ordinates with M/S Belinda Chua in maintaining and updating the accounts system.

ACTIVE PARTICIPATION IN CO-OPERATIVE ACTIVITIES

Our co-operative society had given continued support to activities organized by the various co-operative societies in Singapore and we are proud to be part of a well-respected co-operative.

CHANGES TO CUSTOMS CREDIT OPERATING PROCEDURES

YEARLY TRAVEL INCENTIVE FOR MEMBERS

Since 2002, our co-operative society had selected about 650 members (about 40 to 50 members yearly) for the travel award to various places, such as Penang, Malaysia (by cruise), Kuching-Sarawak, Bangkok-Thailand, Bali-Indonesia, Phuket-Thailand, Bandung-Indonesia, Bali-Indonesia, Ho Chi Minh-Vietnam etc. The Board of Directors has given priority for retiring officers in the selection of participants for the yearly travel incentive tours. The society's members who participated in the tour were happy and contented with the tour arrangements.

The Travel Incentive for members has been suspended since 2015 and the remaining members of the society will be given an opportunity to participate once our Co-op's financial status improves in the near future.

LOAN SCHEMES

- Normal Loan (Secured)
- Normal Loan (Unsecured)
- Education Loan
- Medical Loan
- Exceptional Loan
- Secured Loans to Associate Members

RETIREMENT, DEATH AND HOSPITALISATION GRANTS

The Board will be reviewing the payout amounts because under by-law 12.5, the contribution to the Common Good Fund cannot exceed 25% of net surplus (and is subject to members' approval).

MINIMUM COMPETANCY & TRAINING – BOARD OF DIRECTORS (COM)

Our Co-operative Society has been strictly following the implemented requirements on the Minimum Competencies and the possible areas for training for Board of Directors/Committee of Management.

Our Co-operative Society has submitted to Registrar of Co-operative Societies on 5 March 2019 our Return on Competency for Key Officers (Audit Committee Chairman and members, Chief Executive Officer, and Chief Financial Officer).

To Date, Mr S. Krishnan, Mr P. Namasivayam, Mr Farihullah, Mr Mohan Singh & Mr Ganesh Peramaiyan have attended the Mandatory Induction Course (MIC) Module 1 (on Co-operative Legislation and Code of Governance) and Mr Tan Eng Lam has attended the MIC Module 2 (on Governance Guides for Credit Co-operatives). The two MIC Courses must be attended by the elected BOD or else they cannot be nominated for office in the future.

OTHER MATTERS

1 RETIREMENT & RESIGNATION

The Society wishes 41 members who retired from government service (ICA & Singapore Customs) in 2019/2020, many years of happy retirement.

31 members resigned from their Co-op membership, either due to retirement from service or for other reasons.

2 OBITUARY

The Society announces with deep regret that 4 members of our Co-op Society have passed away in 2019/2020.

3. DIVIDENDS, GENERAL SAVINGS INTEREST, SAVINGS UNCLAIMED AS AT 31.12.19

S/No.	Reg No	Name
1	2343	GOH LAN HUAY
2	2440	SEAH KOK CHEOW
3	2467	TANAHGOBAL S/O RAMAHLINGAM
4	2576	CHEW TEE MUI
5	2818	LIM TIONG KHOON
6	2820	JAAFAR B BABA
7	2833	OSMAN B RAMLAN
8	2947	KOH LIAN HUAT
9	2999	KALEKHAN B BORHAN
10	3078	GOH LIAN GUAT
11	3123	WAHID B ABAS
12	3169	ABDUL RAZAK IBRAHIM
13	3364	HONG GEOK LIN
14	3394	TAN AI TIN
15	3399	MASRURA BTE MD NOOR
16	3477	TEO SING GUAN
17	3546	TEO KHEE WUANG
18	3780	AFANDI BIN TALIB
19	3839	TONG MEI YING
20	3932	VANI D/O NATARAJAN
21	4019	HENG WENG FEI
22	4024	CHEONG CHEE KEONG DAVID
23	4063	PANG YEOW BIAH
24	4112	SITI NUR AISHA BINTE ABDUL MAJID
25	4135	PNG QIAO YUN SHAWN
26	4138	SITI NURFATIN BINTE MOHAMAD ZIN
27	4159	RAGHUNATHA N S/O SIVADAS
28	4168	PUVANENDRAN P PANIR SELVAM
29	4178	LOW LIHUI
30	4197	SERI RAHAYU BINTE ZAINAL
31	4214	AHMAD FAUZI BIN OTHMAN
32	4223	SITI NADZIRAH BINTE HASSAN
33	4246	VASUKEE D/O VELOO
34	4262	LEE WEI LI

4 PREMISES

The Society continued its operation from the rented property at #04-01, Parklane Shopping Mall, Selegie Road, Singapore 188307, Tel: 63384890 and Fax No: 63384870. The office is opened for business from Mondays to Fridays daily from 10.00 am to 6.00 pm except Saturdays, Sundays and Public Holidays.

5 STAFF

Madam Zaiton continued to work for the Society as its full time clerk and Mr Tan Ting Meng is our Manager

6 APPRECIATION

The Committee of Management wish to record its sincere appreciation to:

- a. The Registrar of Co-operative Societies and his staff for their valuable advice and assistance.
- b. Singapore National Co-operatives Federation.
- c. M/S P.G. Wee Partnership LLP for their advice and audit.
- d. Members for their co-operation and support in upholding the prestige of the Society.

**For and on behalf of the
COMMITTEE OF MANAGEMENT**

A handwritten signature in blue ink, appearing to be 'P. Namasisivayam', written over a faint grid background.

**P.NAMASIVAYAM
SECRETARY**