



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 2018

FINANCIAL PERFORMANCE

Income : \$650,449

Net Surplus : \$231,358

The Co-operative Society achieved a surplus of \$231,358 in FY 2018 compared with a deficit of \$696,082 in the previous FY 2017. The surplus was due mainly to the sale of the property at 35 Selegie Road, #04-02 Parklane Shopping Mall, Singapore 188307.

Capital Adequacy Ratio (CAR) : 0.1%

The target CAR set by Registrar of Co-operative Societies is 8%. Plans to improve the CAR includes continuous effort to increase revenue by extending more loans to members and increase the General Reserve Fund.

Other plans:

- The committee would be reducing the deposit by returning back the deposit of the retiring members
- Possible would do another round of reducing the deposit of members
- The above measure would reduce the base in the CAR calculation, which can lead to increase in CAR
- Furthermore, the committee will also continue look into more avenues to cut cost and increase revenue.
- May reduce members' subscription to \$10.00

Minimum Liquid Assets (MLA) : 47.4 %

The Co-operative Society's MLA meets the Registrar of Co-operative Societies requirement of 15%

Restricted Investments: 17.5%

The Restricted Investment (RI) was reduced by the Registrar of Co-operative Societies from 20% to 10%. In March 2019 the RI stood at 12.69 %. 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 statement of accounts for the year ended 31 December 2018. **(Annex C of the Annual Report & Accounts)**

In the year 2018, we continue to face challenges in relation to membership recruitment and limited restriction in investments. Overall core activity (loan) decreased by \$128,819 (8.5%) from \$1,519,103 in 2017 to \$1,390,284 in 2018. Continued prudent management control and good governance were the key factors to our good financial performance.

Your society will continue to explore new investment opportunities and expand its revenue base and the financial gains will be ploughed back to members by paying good dividends and other related benefits.

Although we had net surplus of **\$231,358 for FY2018, our net assets is at -\$198,367 (negative). This is due to providing impairment loss of \$236,768 for the followings:**

- Fair value investment \$65,456;
- CCCSILI shares \$100,000 and
- impairment on loan \$71,312.

Proposed plan to increase the Net value of the assets:

- Putting the expected net return of \$350,000/- from the sale of the Unit at 35 Selegie Road, #04-01, Parklane Shopping Mall, Singapore 188307 into the reserve fund
- Continue to be cost effective and
- Cautiously increase the loan disbursement

BOARD OF DIRECTORS 2018/2019

Chairman	Mr S.Krishnan
Vice Chairman	Mr Soong Wei Sin
Secretary	Mr P.Namasivayam
Treasurer	Mr Farihullah S/O Abdul Wahab Safiullah
Alternate Treasurer	Mr Abdul Hamid Bin Ahmad
Board Member	Mr Mohan Singh
Board Member	Mr Lim Whatt Chye
Board Member	Mr Ganesh Peramaiyan
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 Soong Wei Sin
Secretary	Mr Mohan Singh
Member	Mr Lim Whatt Chye
Member	Mr Ganesh Peramaiyan

OTHER SUB-COMMITTEES

Investment Committee	S.Krishnan Soong Wei Sin Farihullah AWS Tan Ting Meng	Chairman Member Secretary Staff
Honorarium Committee	S.Krishnan Soong Wei sin Farihullah AWS Tan Ting Meng	Chairman Member Secretary Staff
Credit Committee	Farihullah AWS P.Namasivayam A Hamid Ahmad Tan Ting Meng	Chairman Secretary Member Staff
Admin/IT	Soong Wei Sin P.Namasivayam Farihullah AWS	Chairman Secretary Member

	A Hamid Ahmad Ganesh S/O P	Member Member
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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 2018/2019 were scheduled by the Manager and were duly carried out by the various Sub-committees.

INTERNAL AUDITORS - To be appointed after AGM 2019 on/after 15 June 2019.

MEMBERSHIP

As at 31 December 2018 the membership strength was. 690

Membership in 2017 was 747 and continued to slide in 2018 to 690. This was due mainly to older members terminating their membership upon retirement from their service.

With the support of Singapore Customs, recruitment exercises were conducted during talks given by Treasurer Mr Farihullah to new recruits of Customs Officers. In 2018 12 new members were recruited.

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 \$2,100 worth of awards to 12 deserving members' children.

DIVIDEND/INTEREST

There will be no dividends given to members for the Year 2018.

The interest rate on Specific Deposit for the year 2018 will be 1 % (percent).

GENERAL RESERVE FUND

The fund now stands at \$457,269/-

COMMON GOOD FUND

A total sum of \$6,730 was granted under the Common Good Fund for medical, death and retirement benefits.

APPROPRIATION OF PROFITS - 2017

The proposed Appropriation of Profits is shown in **Annex B1**.

ACCOUNTS OF THE SOCIETY

The Society engaged M/S Belinda Chua & Co. to maintain its computerized accounting system for the year 2018.

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 2018.

AFFILIATION/INVESTMENT

SINGAPORE NATIONAL CO-OPERATIVE FEDERATION (SNCF)

Our co-operative is affiliated to SNCF which is as 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 one of the major supporters of most of the events organized in 2018.

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 center 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.

Our Co-operative Society's Hon. Treasurer, Mr. Faruhullah S/O A W Safiullah is the Vice-Chairman for SASCO's Home for Senior Citizens.

Our Co-operative Society's Hon. Secretary, Mr. P.Namasivayam was elected as one of the two Internal auditors for SASCO Ltd. At the AGM held on 23/02/2019(Sat) at Ceylon Sports Club, 101 Balestier Road, Singapore 329678.

NTUC FAIRPRICE

The society is an institutional member of NTUC Fairprice with \$68,500/- 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.

CCCS INTERNATIONAL LEARNING INSTITUTE

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

GENERAL

EXTERNAL CONFERENCES AND STUDY MISSIONS

Our co-operative society actively supported and participated in various overseas conferences and study missions arranged by SNCF. These activities not only helped to bring fellow co-operators together for interaction and networking but also provide them with invaluable learning opportunities in developing seamless co-operation from both regional and international movements. Participation in these activities has significantly enhanced the profile and image of our co-operative society

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 Travel Incentive for members will be on-going until all the remaining 130+ members of the society have been given an opportunity to participate. The Board of Directors has been giving 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.

No travel events were organized in 2017 due to financial deficit. There was also no travel incentive given out in 2018 as funds were required to be channeled to meet operating and other needful expenditures.

LOAN SCHEMES

- Normal Loan (Secured)
- Normal Loan (Unsecured)
- Education Loan
- Medical Loan
- Exceptional Loan

RETIREMENT GRANT

Since August 2012, the society had reviewed and agreed to pay retirement grant of \$300 to members with membership of 10 years and above with the society. The grant is given to members with valid retirement letters from government service, regardless of their continuity of status as associate members.

DEATH GRANT

Member or employee	- \$500.00
Spouse of member or employee	- \$300.00
A parent of a member or employee	- \$200.00
A child of a member or employee	- \$150.00

HOSPITALISATION GRANT

The Board has revised the Hospitalization Grant to \$20.00 per day subject to a maximum of 30 days in a calendar year (one claim in a year) if the member is admitted to a recognized hospital in Singapore. The claim shall be made within 90 days of 1st day of admission to hospital.

MEMBERSHIP RECRUITMENT DRIVE

The Board deliberated on the dwindling membership of our Co-operative Society and decided to encourage the recruitment of members' family (spouse and children above 16) as Associate Members. The Board has targeted to achieve 1000 members in the immediate future.

OTHER MATTERS**1 RETIREMENT**

The Society wishes the following members, who retired from government service, many years of happy retirement:

- Phua Ah Seng
- Mohd Mustasar B Hj Yunos
- Loy Teck Phat
- Goh Sew Koon

- Syed Alwi B Syed Mohamed Madihi
- Ilangovan S/O P Ramasamy
- Latifah Bte Johari
- Lai Boon Teck
- Jamaludin B Abdul Hamid
- Mohd Kamel B Ujang
- Basri Bin Maon
- Sari Bin Bolot
- Tan Eng Hock Patrick
- Jasmani Bin Yusoff

2 OBITUARY

The Society announces with deep regret the demise of the following members:

- Wong Fut Kin
- Sasitaran S/O Manikam

3 PREMISES

Our current unit at 35 Selegie Road, #04-01 Parklane Shopping Mall, Singapore 188307 is in the process of selling. The buyer has given option to purchase at \$560,000/-. The transaction is expected to be completed by July 2019. We will be getting about \$350k net profit from the sale.

As we have mentioned in the previous AGM, we will be purchasing a property in a non-CBD Area at a maximum price of 1.5 million. Our Co-operative Society has leased back the Unit #04-01, Parklane Shopping Mall, Selegie Road, Singapore 188307 for continuing our operation until we purchase the new property.

Our Co-operative Society's office is opened for business from Mondays to Fridays daily from 10.00 am to 6.00 pm except Saturdays, Sundays and Public Holidays. The Co-operative Society's Tel. No. is 63384890 and the Fax. No: is 63384870.

4 STAFF

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

5 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 AG AUDIT & ASSURANCE 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

P.NAMASIVAYAM
HON SECRETARY