



**The Singapore Teachers'
Co-operative Society Limited**

88th AGM

Annual Report & Statement of Accounts 2023

**The 88th AGM will be held on Saturday,
29 June 2024 at 1000 hours
At Parkroyal on Beach Road
7500 Beach Road, Singapore 199591**

MCI (P): 029/03/2024

Our Vision

**A leading co-operative
committed to serving its
members and caring for
the community.**

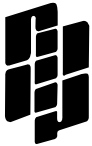
**To establish a strong local
and international network;
to provide our members
with excellent financial
products at competitive
rates and good investment
returns; and to be engaged
in social services.**

Our Mission

Always There for You...

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THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

150 CHANGI ROAD #02-06
GUTHRIE BUILDING, SINGAPORE 419973
Tel: 6440 4393 | Fax: 6440 3382

Website: www.teachersco-op.org.sg

Email: cs@teachersco-op.org.sg

Notice of the 88th Annual General Meeting of The Singapore Teachers' Co-operative Society Ltd

Dear Members,

Notice is hereby given that the 88th AGM of the Co-op will be held at ParkRoyal on Beach Road, Grand Ballroom, 7500 Beach Road, Singapore 199591, on Saturday, 29 June 2024 at 10:00am (Singapore time) to transact the following business:

Meeting Agenda

1. The Chairman's Address.
2. To confirm the minutes of the 87th Annual General Meeting held on 24 June 2023. Resolution 1
3. To receive, and if approved, to accept the Report of the Committee of Management and the Audit Committee Report for the year ended 31 December 2023. Resolution 2
4. To receive and if approved, to accept the audited Financial Statements for the financial year ended 31 December 2023. Resolution 3
5. To consider and approve the proposed 'Distribution of 2023 Surplus'. (Annex 4) Resolution 4
6. To consider and approve the Adjustments for FY 2024 and Estimated expenditure for FY 2025 for the Society. (Annex 5) Resolution 5
7. To consider and approve the maximum liability of \$80 million for the year 2024, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12. (Annex 6) Resolution 6
8. To approve the payment of \$7,350 per month to members of the Committee of Management. Resolution 7
9. To approve the payment of \$12,600 per year for the AC Committee and the Internal Auditor. Resolution 8
10. To consider and appoint Messrs Reanda Adept PAC (Mr Ng Kok Keong) as External Auditor for the financial year 2024. Resolution 9
11. Elections: To elect four members to serve on the Committee of Management for a term of three years. Resolution 10
12. To transact any other business of which at least **seven clear days'** notice shall have been given in writing to the Chief Executive Officer.

Submit Questions in Advance

ORDINARY members may submit any substantial and relevant questions they wish to raise by post or electronic mail in advance by Wednesday, 19 June 2024 at 5pm.

- a) By post, questions may be sent and addressed to:

Chief Executive Officer (CEO),
The Singapore Teachers' Co-operative Society Ltd
150 Changi Road. #02-06 Guthrie Building
Singapore 419973

b) By e-mail, attention to Chief Executive Officer (CEO) at cs@teacherscoop.org.sg

Questions Submitted in Advance:

All substantial and relevant matters raised before the deadline will be addressed by the Committee of Management (COM) at the AGM. The COM will endeavour to address all substantial and relevant matters raised by members during the AGM. However, as there may not be sufficient time to address all such matters raised, responses to those questions which could not be addressed during the AGM process will be addressed separately.

The question-and-answer session will be held at the end of the AGM.

BY ORDER OF THE COMMITTEE OF MANAGEMENT

For and on behalf of the COM

The Singapore Teachers' Co-operative Society Ltd



Teo Chor Kai
Chief Executive Officer

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD
150 CHANGI ROAD
#02-06 GUTHRIE BUILDING
SINGAPORE 419973

TEL : 6440 4393

FAX :6440 3382

Minutes of the 87th Annual General Meeting (AGM) held on Saturday, 24 June 2023, at 1030h at the Society's premises via electronic means.

Number of proxy forms received – 87
Number of valid proxy forms – 84
Number of proxy forms voided – 3

As the number of valid proxy forms required was 30, the meeting had the necessary quorum to proceed.

The Society's President, Mr Lim Boon Wee (Deputy Secretary Education) was present to chair the meeting. Present with him were the Society's Chairman, Mr Richard Zaccheus, Hon Treasurer, Mr Fok Kim Fook and the CEO, Mr Teo Chor Kai.

THE CHAIRMAN'S ADDRESS

Good morning, Mr Zaccheus, chairman of the Society, members of the Committee of Management and members. I have also with me the Hon Treasurer, Mr Fok and the CEO, Mr Teo.

Welcome to the 87th Annual General Meeting of The Singapore Teachers' Co-operative Society Ltd. We are conducting this meeting virtually again but with the resumption of normalcy for COVID-19, the next AGM should be conducted physically.

For this AGM you would have done your proxy form voting on line. You were also allowed to make enquiries on substantial matter on the Society via online.

The results of the votes received electronically and those in hard copies via post/hand had been consolidated. I will announce the results at a later stage.

Those members who have logged in can listen to the proceedings and may submit your queries on my address via the chat box. A fifteen-minute Q and A session had been planned.

As at the closing date and time, the number of proxy forms received was **87**, 3 forms had to be voided. Two forms were submitted by the same person while another was submitted by a Family member. Total valid proxy forms were **84** which was more than the required 30 stipulated to form a quorum for the conduct of the meeting. I will now proceed with the meeting proper.

In 2022 we witnessed many major events happening around the world. The declaration of the COVID-19 from a pandemic state to treating the disease as endemic has helped restore the business sector and for society to gradually adjust to a state of near-normalcy. Economic activities picked up and those restrictive measures, such as quarantine, mask wearing and COVID-19 testing were gradually lifted.

Amidst these positive developments for COVID-19, unfortunately, the war in Ukraine which started in March 2022 continues until today. Economic recovery for the world has thus been interrupted and impeded.

The Singapore economy expanded by 3.6% in 2022 and the projected growth for 2023 is forecast at 0.5% to 2.5%.

Golden Mile Complex

I believe many of you would know by now that the Golden Mile Complex en-bloc sale was transacted successfully and completed on 11 November 2022. Sale proceed of \$2,162,645 inclusive of GST had been received. This allowed the Society to record a profit of \$2,009,886 over the book value of its investment in the office unit. This had boosted the net profit of the Society.

NTUC Choice Home (NCH)

The Society had invested 500,000 shares in NTUC Choice Home (NCH) at \$1.00 per share since its incorporation in 1995. NCH has been dormant in recent years and recently completed liquidation of all its subsidiaries and joint ventures. The last residential development was completed in 2014 and NCH had since not participated in any land tender exercise.

Mercatus Co-operative Limited (Mercatus), the parent company of NCH, has no plan for NCH to enter into new real estate project and thus proposed to liquidate NCH.

Mercatus had offered to acquire all the NCH shares at \$6.09 per share. The Society which has 500,000 shares accepted the offer and received the sale proceed of \$3,045,000.00 on 31 May 2023. As this was a share sale, the resulting gain of \$2,545,000 was credited into the Society's retained surplus. This does not increase the current year surplus of the Society but will boost its Capital Adequacy Ratio (CAR).

Investments

For year 2022 investment income was \$1,067,123, compared to year 2021's income of \$1,468,595. There was a decrease of \$401,472. The decrease was attributed mainly to the following:

Restricted Investments:

In FY2022, the Society's restricted investments totalled \$16,041,472, representing a decrease from \$19,813,631 in FY2021. The income generated from restricted investments in FY2022 was \$491,727, compared to \$890,486 in FY2021. The ROI on restricted investments decreased from 4.49% in FY2021 to 3.07% in FY2022. This is partly due to the write-off of Ezion bond (\$255,644) and Credit Suisse bond (\$185,452).

Non-Restricted investments:

For FY2022, the Society's non-restricted investments amounted to \$59,929,359, compared to \$55,280,310 in FY2021. The income generated from non-restricted investments in FY2022 was \$787,922, while it was \$681,904 in FY2021. The returns on non-restricted investments slightly increased from 1.23% in FY2021 to 1.31% in FY2022. Nevertheless, the Society incurred a loss from the disposal of the Central Investment Fund, amounting to \$91,908. This decrease was offset by an increase in Fixed Deposit Income, amounting to \$112,921.

The COM will continue to review and adjust its investment strategies to adapt to changing market conditions, while recognising that there would inherently be some market risks associated with investments.

Term Deposit Interest Rate

From the beginning of March 2022, fixed deposit rates from the bank were on an uptrend. Over the year some banks had offered promotional rates as high as 4.5% p.a. The Society did not immediately respond to rate changes but kept its Term Deposit rate at 0.8% p.a. while monitoring the situation. The Society subsequently took steps to gradually increase its Term Deposit rates, making adjustments from August to December to reduce the outflow of deposits.

The current Term Deposit rate of 3.2% p.a. which was in effect since December 2022 is planned to be further raised in July 2023. Do visit the Society's website for the latest news on rate changes.

General Savings Interest Rate

The General Savings interest rate had been kept at 0.3% p.a. I am pleased to announce that the Society would be raising this rate to 1.0% p.a. for the period 1 July 2023 to 31 December 2023.

Surplus for the year

The net surplus for 2022 was \$1,842,727.09 which included gains from the sale of the unit at Golden Mile Complex before payment to CCF contribution, dividend, loan rebate and distribution. No honorarium had been proposed. In its place, with effect from July 2023, members of the COM will be paid a monthly allowance. A resolution to this effect had been proposed and presented for your perusal and vote. Thank you for giving your approval. Members of the COM received only token meeting allowance for their services and commitment for the past twelve months.

Election to be a Member of the Committee of Management

The COM had functioned with a ten-member committee for the period 6 July 2022 to 24 June 2023, arising from the resignation of Mr Chern Meng Hock. Five members of the COM who had served their three-year term will be retiring. All five had presented themselves for re-election. I am glad to note that a total of nine candidates had presented themselves for the election. I will announce the result towards the end of my address. With regard to the extra vacancy created by the resignation of Mr Chern Meng Hock, the sixth person with the highest number of votes will only serve a one-year term, that is from 24 June 2023 to 24 June 2024 or the date of the next AGM, to restore the COM to 11 members with effect from 24 June 2023. The other five candidates elected will serve the usual three-year term.

Society's Staff

Mr Jimmy Lee, the Society's IT manager resigned with effect from May 2023 due to poor health. We wish him all the best in his retirement. His duties are currently being covered by Mr Willy Siang, the IT/Admin Assistant Manager.

Society's Staff – Chief Finance Officer

In compliance with the Registrar of Co-operatives rules on employment of Key Officers, the management employed Ms Mavis Ren as its Chief Finance Officer with effect from 3 January 2023. Ms Ren is a Chartered Accountant and is a member of the Institute of Singapore Chartered Accountants (ISCA). She has worked with a good number of organizations in the finance area. It is hoped that with her vast experience she would lead the Finance team of the Society to a higher level.

PDPA

To strengthen its Data Protection Governance Framework, the Society formed a PDPA Committee and engaged the services of a professional Company to provide consultancy services and to formulate the PDPA policies, procedures and manuals.

Dividend and Loan Interest Rebate

With the extra ordinary gain from the disposal of the office unit in the en-bloc sale, members of the COM recommended a dividend of 10% and a loan interest rebate of 5% for year 2022. The decision on the resolution would be announced later.

Membership

Number of members as at 31 December 2022 was **4075**. There was drop of **125** members. The exodus was due to many retirees resigning while fewer teachers in service joined. I would urge the in-coming committee to address this area of concern which is vital for the continued existence of the Society.

Thank you.

I will now proceed to give you the results of the resolutions.

The following resolutions from 1 to 10 were adopted by members by a simple majority.

Resolution 1

To consider and confirm the minutes of the 86th AGM held on 25 June 2022.

Votes For:	62
Against:	2
Abstain:	10

I declare and confirm the minutes of the 86th AGM.

Resolution 2

To consider and confirm the minutes of the Extraordinary General Meeting (EGM) held on 30 July 2022.

Votes For:	63
Against:	2
Abstain:	9

I declare and confirm the minutes of the EGM.

Resolution 3

To consider the reports of the Committee of Management (COM) and the Audit Committee's Report (AC) for the year 2022.

Votes For:	63
Against:	1
Abstain:	10

I declare and approve the reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2022.

Resolution 4

To approve the audited financial statements for financial year ended on 31 December 2022.

Votes For:	61
Against:	1
Abstain:	12

I declare and approve the audited Financial Statements for financial year ended on 31 December 2022.

Resolution 5

To consider and approve the proposed 'Distribution of 2022 Surplus'. (Annex 4)

Votes For:	61
Against:	2
Abstain:	11

I declare and approve the proposed "Distribution of 2022 Surplus"

Resolution 6

To consider and approve the Adjustments for 2023 and Estimated Expenditure for 2024 for the Society. (Annex 5)

Votes For: 58
Against: 1
Abstain: 15

I declare and approve the Adjustments for 2023 and Estimated Expenditure for 2024.

Resolution 7

To consider and approve the Maximum Liability of \$80 million for the year 2023, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12 (Annex 6)

Votes For: 57
Against: 4
Abstain: 13

I declare and approve the Maximum Liability of \$80 million for the year 2023.

Resolution 8

To approve the payment of \$7,250 per month to members of the Committee of Management.

Votes For: 49
Against: 7
Abstain: 18

I declare and approve the payment of \$7,250 per month to members of the Committee of Management.

Resolution 9

To approve the payment of \$12,600 per year for the AC Committee and the Internal Auditor.

Votes For: 54
Against: 4
Abstain: 16

I declare and approve the payment of \$12,600 per year for the AC Committee and the Internal Auditor.

Resolution 10

To consider and appoint Messrs Reanda Adept PAC (Mr Ng Kok Keong) as External Auditor for the financial year 2023.

Votes For: 56
Against: 3
Abstain: 14

I declare and approve the appointment of Messrs Reanda Adept PAC as the External Auditor for the financial year 2023.

For resolution 11 to 19: To elect / re-elect six members to serve on the Committee of Management (COM).

Resolution 11

To re-elect Mr Fok Kim Fook as a member of the COM

Votes For: 46
Against: 6
Abstain: 10

Resolution 12

To re-elect Mr Ho Boon Huat as a member of the COM

Votes For: 45

Against: 5

Abstain: 13

Resolution 13

To re-elect Mr Tok Wei Cheng Allan as a member of the COM

Votes For: 45

Against: 5

Abstain: 11

Resolution 14

To re-elect Mr Koh Kian Neng as a member of the COM

Votes For: 44

Against: 5

Abstain: 12

Resolution 15

To elect Mr Chan Kwan Meng Alex as a member of the COM

Votes For: 20

Against: 8

Abstain: 21

Resolution 16

To elect Mr Louis Isack Kumar as a member of the COM

Votes For: 23

Against: 6

Abstain: 23

Resolution 17

To elect Mr Santokh Singh as a member of the COM

Votes For: 24

Against: 7

Abstain: 20

Resolution 18

To re-elect Mdm Seah Ee Leng Elaine as a member of the COM

Votes For: 45

Against: 4

Abstain: 12

Resolution 19

To elect Mr Ong Chee Kiong Ray as a member of the COM

Votes For: 32

Against: 6

Abstain: 18

Results of the election:

Mr Fok Kim Fook with 46 votes,
Mr Ho Boon Huat with 45 votes,
Mr Allan Tok with 45 votes,
Mdm Elaine Seah with 45 votes and
Mr Koh Kian Neng with 44 votes.

I declare and approve the re-election of the above five members to the COM for the period June 2023 to May 2026.

The sixth member with the highest number of votes from the remaining candidates is Mr Ray Ong. He will serve from 24 June 2023 to the AGM date in 2024. Mr Ray Ong has 32 votes.

My congratulations to the six elect members. I look forward to their contributions.

A.O.B

To transact any other business of which at least seven clear days' notice shall have been given in writing to the Chief Executive Officer (CEO) via post or email.

The Society received 2 questions. One was received on 5 June 2023, however, the other was received on 16 June 2023. Since the cut-off date is 15 June 2023 at 5pm, the second question will not be answered.

I will now show you the first question.

From Ms Lim Khar Geok on 5 June at 9:13 PM

Question: "Why is this AGM not an in-person event now that restrictions have been lifted? I missed meeting my old friends and was looking forward to meeting them at this year's AGM."

The answers were flashed on Power Point: "The members of the COM had decided to hold the 87th AGM during its meeting held in January 2023. The covid situation at that point of time was still uncertain".

The Chairman provided a 15 minutes time period for live Q&A. Members could ask any questions relating to his address, via the chat-box. After a waiting period of 15 minutes, no questions were received from the members.

The meeting ended at 1100 hours.

**REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR 2023**

Patron - **Ms Indraneel Thurai Rajah**
Minister, Prime Minister's Office
Second Minister for Finance and
Second Minister for National Development

President - **Mr Lim Boon Wee**
Deputy Secretary (Services)
Ministry of Education (**up to 28 August 2023**)

1. COMMITTEE OF MANAGEMENT

Chairman - Mr Richard Zaccheus

Deputy Chairman - Mr Allan Tok Wei Cheng

Hon. Treasurer - Mr Fok Kim Fook

Hon. Asst. Treasurer - Mdm Elaine Seah Ee Leng

Hon. Asst. Secretary - Mr Ho Boon Huat (w.e.f. 24 June 2023)

Hon. Asst. Secretary - Mdm Elene Lim Lan Hiang (up till 24 June 2023)

Committee Members

Mr Peter Tan Swee Chong

Mdm Elene Lim Lan Hiang (w.e.f 24 June 2023)

Mr Wilson Koh Kian Neng

Mdm Kiren Kaur Gill

Mr Ong Cheng Kiong (w.e.f. 24 June 2023)

Mdm Ng Moi Sng Patsy (Demise) (up to 8 September 2023)

2. STAFF

- 2.1 The total number of staff employed was 11. Two staff worked on a part time basis.
- 2.2 The IT manager, Mr Jimmy Lee resigned and left the Society w.e.f. 30 April 2023 due to health reasons. We wish him to be in a state of good health going forward.

3. 87th ANNUAL GENERAL MEETING (AGM) – 25 JUNE 2023

- 3.1 The Society's President, DS Lim Boon Wee chaired the 87th AGM at the Society's office. The meeting was held via electronic means.

- 3.2 A total number of **84** valid votes were received for the meeting.

- 3.3 The following were the results of the resolutions as declared by the Chairman at the meeting.

Resolution 1: To consider and confirm the minutes of the 86th Annual General Meeting held on 25 June 2022.

Votes for : 62

The minutes of the 86th AGM held on 25 June 2022 was confirmed.

Resolution 2: To consider and confirm the minutes of the Extraordinary General Meeting held on 30 July 2022.

Votes for : 63

The minutes of the Extraordinary General Meeting held on 30 July 2022 was confirmed.

Resolution 3: To consider and approve the Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2022.

Votes for : 63

The Reports of the Committee of Management (COM) and the Audit Committee Report (AC) for the year 2022 were confirmed.

Resolution 4: To approve the audited Financial Statements for financial year ended on 31 December 2022.

Votes for : 61

The audited Financial Statements for financial year ended on 31 December 2022 were approved.

Resolution 5: To consider and approve the "Distribution of 2022 Surplus".

Votes for : 61

The Distribution of 2022 Surplus was approved.

Resolution 6: To consider and approve Adjustments for 2023 and Estimated Expenditure for 2024 for the Society.

Votes for : 58

The Adjustments for 2023 and Estimated Expenditure for 2024 for the Society was approved.

Resolution 7: To consider and approve the Maximum Liability of \$80 million for the year 2023, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12.

Votes for : 57

The Maximum Liability of \$80 million for the year 2023, which the Society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12 was approved.

Resolution 8: To approve the payment of \$7,250 per month to members of the Committee of Management.

Votes for : 49

The payment of \$7,250 per month to members of the Committee of Management was approved.

Resolution 9: To approve the payment of \$12,600 per year for the AC Committee and the Internal auditor.

Votes for : 54

The payment of \$12,600 per year for the AC Committee and the Internal auditor was approved.

Resolution 10: To consider and appoint Messrs Reanda Adept PAC (Mr Ng Kok Keong) as External Auditor for financial year 2023.

Votes for : 56

The appointment of Messrs Reanda Adept PAC (Mr Ng Kok Keong) as External Auditor for financial year 2023 was approved.

Resolution 11:

1. To re-elect Mr Fok Kim Fook as a member of the COM.

Votes : 46
Against : 6
Abstain : 10

Resolution 12:

2. To re-elect Mr Ho Boon Huat as a member of the COM.

Votes : 45
Against : 5
Abstain : 13

Resolution 13:

3. To re-elect Mr Tok Wei Cheng Allan as a member of the COM.

Votes : 45
Against : 5
Abstain : 11

Resolution 14:

4. To re-elect Mr Koh Kian Neng as a member of the COM.

Votes : 44
Against : 5
Abstain : 12

Resolution 15:

5. To elect Mr Chan Kwan Meng Alex as a member of the COM.

Votes : 20
Against : 8
Abstain : 21

Resolution 16:

6. To elect Mr Louis Isack Kumar as a member of the COM.

Votes : 23
Against : 6
Abstain : 23

Resolution 17:

7. To elect Mr Santokh Singh as a member of the COM.

Votes : 24
Against : 7
Abstain : 20

Resolution 18:

8. To re-elect Mdm Seah Ee Leng Elaine as a member of the COM.

Votes : 45
Against : 4
Abstain : 12

Resolution 19:

9. To elect Mr Ong Chee Kiong Ray as a member of the COM.

Votes : 32
Against : 6
Abstain : 18

Election to be members of the Committee of Management

The following five members were elected/re-elected to serve on the Committee of Management for a term of three years.
They are:

Mr Fok Kim Fook
Mr Ho Boon Huat
Mr Tok Wei Cheng Allan
Mdm Seah Ee Leng Elaine
Mr Koh Kian Neng

The sixth candidate with the highest number of votes from the remaining candidates was elected to serve from 24 June 2023 to the AGM date in 2024.

The candidate was:

Mr Ong Chee Kiong Ray

4. MEMBERSHIP OF THE SOCIETY

4.1	Number of members joined	-	26
	Number of members deceased	-	20
	Number of members terminated	-	37
	Number of members retired	-	98
	Number of members resigned	-	107

Number of members as at 31 December 2023 – 3,868

5. MEMBERSHIP PROMOTION

- 5.1 With effect from October 2023, all proposers for new applicant received a \$50.00. This money was credited to their General Savings account once the new membership was approved and the deductions effected.
- 5.2 With effect from January 2024, all new members accepted would receive a \$50.00 cash incentive. This cash would be credited into the member's Share Capital account once their membership had been approved and deductions effected.

6. CONDOLENCES

- 6.1 Members of the Committee of Management (COM) would like to extend their condolences to the bereaved families of the following members:

Mr Wong Toon Kwang	Mr Peter R Martens
Mdm Chan Rosalind	Mrs Letchimi w/o Panneer Selvam
Mr Low Khee Yang	Mr Leow Chin Fong
Mr Cheong Yip Chong	Mdm Kalavathy d/o Balasubramanian
Mr Lee Tick Mang	Mr Sithambaram Ramathas
Mr Lau Yong Gnee	Ms Soh Cheng Peng
Mr Wang ah Kau	Mr Leong Khin See
Mr Sachin Rai s/o Jitendar Rai	Mdm Ng Moi Sng Patsy
Mr Phua Tin Kai	Mr Thamboo Peter Selvaraj
Mr Yong Kwei	Mr Mohamed Salleh Bin Hussain

7. MEETINGS

- 7.1 A total of 13 COM meetings were held for the year

8.1 The Society remained opened for business from 0900 hours to 1800 hours from Monday to Friday. It was opened for business transaction on the last two Saturdays of each month from 0900 hours to 1300 hours.

9. NUMBER OF SUB-COMMITTEES

9.1 There was a total of eight sub-committees for the year. Please refer to Annex 2 for details.

10. INTERNAL AUDITORS

10.1 Mr Phua Chin Hong was nominated to continue serving as an internal auditor of the Society. He performed the tasks of checking payments and receipts as well as other internal audit function diligently to ensure regulatory compliance.

10.2 M/s Yang Lee & Associates was engaged as the professional internal auditors of the society.

Their audit for the year covered the following:

- Revenue
- Loan Management and
- Investment Management

They identified five areas which required management's attention. Three areas were classified as moderate risks, while two were of low risks.

The Society had put into practice immediately those doable and would complete the rest of their recommendations in their findings by 1 April 2024.

11. SURPLUS FOR YEAR 2023

11.1 The net surplus for the year was **\$843,994**.

Performance comparison: Year 2023 vs Year 2022

1. The surplus for the year 2023 is \$843,994, which is \$998,733 (54.2%) lower than in 2022. The total income for 2023 decreased by \$667,815 (15.4%) compared to 2022, primarily due to high other income in 2022 from a windfall from the sale of a unit at Golden Mile Complex. Despite this decrease, we observed better operating performance in investments and improved loan disbursements.
2. In 2023, investment income surged by \$1.390 million (130.2%), driven by a higher interest rate environment. This boost was evident in a substantial \$888,061 increase in fixed deposit income.
3. Loan interest income decreased by \$94,199 (9.4%) compared to 2022 due to offering lower interest rates to members.
4. Other income decreased by \$1.963 million compared to 2022, which had one-off gains of \$2,009,886 from the sale of units at Golden Mile Complex.
5. Finance costs increased by \$556,565 (78.1%) due to higher interest rate payments for members' term deposits.
6. In 2023, we reversed the impairment loss of our subsidiary, STIH, by \$177,025 as STIH's net tangible assets increased after gains from the disposal of investment in the joint venture, Singapore Edusmart Learning Hub Pte Ltd's shares.
7. Other expenses decreased by \$103,045, mainly due to the reduction of provisions for bad debts on loans to members.
8. Overall, the organization's financial health remains robust, with strong performance in key areas indicating a solid foundation for sustainability.

12. PRUDENTIAL REQUIREMENT RATIO

12.1 The Co-operative had complied with all of the Prudential Requirements for the year ended 31 December 2023.

Ratio Analysis	Effective Date As At:	Requirement	As at 31-Dec-23
1. Capital Adequacy Ratio (CAR) % = (Institutional Capital / Total Assets) x 100	01/01/2023 (dd 23/06/21, RCS SF70.1.6)	Min 12%	16.0%
2. Minimum Liquid Ratio (MLA) % = (Liquid Assets/Mbr deposits) x 100	01/01/2023 (dd 23/06/21, RCS SF70.1.6)	Min 15%	61.2%
3. Restricted Investments < 30% of Total Assets = (Restricted Investments / Total Assets) x 100	11/06/22 to 30/06/25	Max 30%	22.1%

13. LOANS

13.1 Total number of loans granted was **402** which amounted to **\$13,022,185**. This was **\$382,110** greater than that granted in 2022.

13.2 Loan interest rates were reduced with effect from 1 March 2023 as follows:

		Loan Amount	Interest Rate w.e.f.			Repayment period
			Aug 2017 to Feb 2023	Mar-May 2023	June 2023-Current	
Amount	<=	\$10,000	3.50%	3.50%	3.00%	42
Amount	>	\$10,000 - \$20,000	4.75%	4.00%	3.00%	48
Amount	>	\$20,000 - \$30,000	4.75%	4.50%	4.50%	54
Amount	>	\$30,000 - \$40,000	5.25%	4.75%	4.75%	54
Amount	>	\$40,000 - \$50,000	5.25%	5.00%	5.00%	60

14. INVESTMENT

14.1 Investment Performance FY 2023

14.2 The return on investment (ROI) of Restricted investments (RI) for the year 2023 was \$982,885 (4.80%). This met the target set by the Co-op of between 3.5% to 4.5% for RI investment.

For the non-RI, the return was \$4,299,640 (7.47%) in 2023, the ROI increased significantly due to a capital gain from the disposal of NTUC Choice Home shares amounting to \$2.545 million and higher returns from fixed deposits due to the higher interest rate environment in the financial market.

The Co-op's return on investment remained comparatively stable and good despite the uncertainties in the financial markets in the past three years. With this better return, it was able to maintain a good payout in its term deposit rate for members and also maintain the favourable Bonus Savings interest rate for members.

15. IT SYSTEM

15.1 Mr Willy Siang, Executive of Admin/IT was promoted to Assistant Manager Admin/IT with effect from April 2023. He took over the duties of the IT manager and ensured that the Society's IT system functioned smoothly. Upgrade were done to ensure that services provided to the members were smooth and uninterrupted.

16. ANNUAL REPORT

16.1 In alignment with the government stress on “going green”, the Annual Report was uploaded on the Society’s website. Only sufficient hard copies were printed and dispatched to members who had requested for it. We hope to keep the number of hard copies low.

17. E-NEWSLETTER AND FESTIVE GREETINGS

17.1 Society’s news and season greetings were disseminated to members electronically. Hard copies were posted for those who had requested for them. We hope to do away with hard copies in the future.

18. INTEREST ON SAVINGS

18.1 Due to the volatile money market, changes were made to the interest rates for savings to make them more competitive:

18.2 General Savings (GS)

18.2.1	<u>Period</u>	<u>Rate</u>
	01.01.2023 – 30.06.2023	0.3%p.a.
	01.07.2023 – 31.12.2023	1% p.a.

18.3 Term Deposits (TD)

18.3.1	<u>Period</u>	<u>Rate</u>
	01.01.2023 – 30.06.2023	2%p.a.
	01.07.2023 – 31.12.2023	2.5% p.a.

18.4 Bonus Savings (BS)

18.4.1	<u>Period</u>	<u>Rate</u>
	01.01.2023 – 30.06.2023	3.3%p.a.
	01.07.2023 – 31.12.2023	3.5% p.a.

19. STATEMENT OF ACCOUNTS (SOA)

19.1 Members were able to view and check their SOA via the Society’s website. Half-year hard copies of the SOA were also sent to members for their perusal

20. DIVIDEND / LOAN REBATE

20.1 The Committee of the Management proposed distribution 67% of its FY2023 surplus of \$843,994 to the members for their support in FY2023.

1) Proposed 8% dividend for 2023 (amounting to \$523,479 or 62% of the FY2023 surplus)

2) Proposed 5% loan rebate for 2023 (amounting to \$45,558 or 5% of the FY2023 surplus)

These proposals represent a distribution of approximately \$569,037 or 67% of the FY2023 surplus to our members. This careful allocation ensures that we not only reward our members but also maintain sufficient reserves for future growth and investment opportunities.

21. SINGAPORE TEACHERS' INTERNATIONAL HOLDINGS (STIH)

21.1 Joint Venture with Edu Achiever

21.1.1 STIH sold its shares holding in the joint venture to Edu Achiever for a total consideration of \$153,464 with effect from 1 January 2023. There was a profit of \$43,464. from the sale. The overall profit for the year was \$144,721.

22 Conference & Training

22.1

Event:

Attended By:

JANUARY 2023

**MIC MODULE 2 – GOVERNANCE GUIDES
ON INTERNAL CONTROLS
@ SEACARE BUILDING
18 January 2023**

Mr Fok Kim Fook
Ms Mavis Ren

MARCH 2023

**SNCF – SERVICE SECTOR FORUM
10 March 2023**

Mr Fok Kim Fook
Mdm Patsy Ng
Mr Teo Chor Kai
Ms Mavis Ren
Ms Sim Mui Liang

**MIC MODULE 1 – CO-OPERATIVE
LEGISLATION AND CODE OF GOVERNANCE
@ SEACARE BUILDING
21 March 2023**

Ms Mavis Ren

**KEY REGULATORY REQUIREMENTS
FOR CREDIT CO-OPS (ZOOM)
29 March 2023**

Mr Fok Kim Fook
Mdm Ng Moi Sng Patsy
Mr Wilson Koh
Mr Phua Chin Hong
Mr Teo Chor Kai
Ms Mavis Ren

SEPTEMBER 2023

**SNCF& SUSS – ESG FOR CO-OPERATIVES
Friday, 8 September 2023**

Mr Fok Kim Fook
Mr Teo Chor Kai

**SNCF – ASIAN CREDIT CO-OPERATIVE
UNION (ACCU)
NEPAL, KATMANDU, 13 to 17 September 2023**

Mr Fok Kim Fook
Mr Teo Chor Kai

OCTOBER 2023

**SNCF & APRW – PR MASTER CLASS
TRAINING COURSE
27 October 2023**

Mr Teo Chor Kai
Ms Mavis Ren

**SNCF – ACLC, Taipei, Taiwan
15 to 18 October 2023**

Mr Fok Kim Fook
Mdm Elaine Seah
Mr Peter Tan
Mr Phua Chin Hong
Mr Teo Chor Kai
Ms Mavis Ren
Mr Willy Siang
Mdm Hariyani
Mdm Arifah Begum
Mdm Angela Siow
Ms Sim Mui Liang

23. PDPA

23.1 The Society formed a committee instead of just appointing a data protection officer to look after the PDPA issues.

23.2 The consultant had completed his contract with the Society on 7 January 2024. The Society is now in compliant with the Data Protection Governance framework in the following areas:

- * **Governance and Transparency**
- * **Management of Personal Data**
- * **Care of Personal Data**
- * **Individual's Rights**

24. Appreciation

24.1 The Committee of Management wishes to thank:

the Patron
the President and the Vice-Presidents
the Registrar of Co-operative Societies and his officers
the Central Pay Office
the Ministry of Education
the Ministry of Culture, Community and Youth
the National Institute of Education
the Institute of Technical Education
the Members
the staff and
all others who have rendered services in one way or another



TEO CHOR KAI
CHIEF EXECUTIVE OFFICER

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

150 CHANGI ROAD

#02-06 GUTHRIE BUILDING

Singapore 419973

TEL: 64404393

AUDIT COMMITTEE REPORT FOR FINANCIAL YEAR 2023

1. The Audit Committee "AC" comprises of two members:

Chairman - Mr. Chua Kia Khian
Secretary - Mdm. Elaine Seah

Mr. Pan Hanli Terence stepped down as Member of the AC as of 30 April 2024.

2. The AC conducted five meetings for the term 2023/2024.

3. For the term 2023/2024, AC's activities included the following:

- (i) Reviewed with the external auditor, the audit plan;
- (ii) Reviewed with the external auditor, the audit report;
- (iii) Reviewed the assistance given by the officers of the Co-operative to the external auditor;
- (iv) Reviewed the scope and results of the audit procedures;
- (v) Reviewed the balance-sheet, income and expenditure statement of the Co-operative and the consolidated financial statements.

AC performed an independent review of the Group's audited consolidated financial statements for the year ended 31 December 2023 before submission to the Committee of Management 'COM'. AC discussed with the external auditors the audit findings and recommendations, and noted no material irregularities in the financial reporting processes. AC noted that the officers of the Co-operative had provided their full support and assistance to the external auditor. Based on the results of the review, the AC was of the view that the consolidated financial statements of the Group were fairly presented.

The external auditor had issued an unqualified opinion on the consolidated financial statements of the Group and that the accompanying statements were properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979 and Financial Reporting Standards in Singapore.

4. External Auditors also reported that the Co-operative complied with the MCCY Prudential Requirement for the financial year ended 31 December 2023.

5. AC recommended the re-appointment of Reanda Adept PAC as the External Auditor for the Co-operative for the financial year 2024.

6. AC reviewed the internal audit report presented by Messrs. Yang Lee & Associates (“Yang Lee”) for the year covering the following scope:

- (i) Revenue;
- (ii) Investment Management; and
- (iii) Loan Management.

There were 3 moderate and 2 low audit findings. AC reviewed the audit findings with the auditors without the management’s presence, focusing on the moderate priority audit findings.

7. AC also monitored the implementation of the recommendations identified in the internal audit report, as follows:

- (i) AC reviewed the audit findings with the management, and noted that most audit findings have been sufficiently implemented by the management.
- (ii) On Investment Management, AC suggests the COM to consider setting and documenting into the Co-operative’s investment policy the respective sector concentration as well as Mark-to-Market loss levels for which the Restricted Investments would be more closely monitored for further deliberation by the COM.
- (iii) On Loan Management, AC noted that the interest computation of the Co-operative was using the simple interest method due to the existing system limits and there were no current plans to revise the computation method to the reducing balance method.
- (iv) AC noted from the Internal Auditors’ feedback that the officers of the Co-operative have provided ample support during the internal audit.

8. In 2024/2025, Yang Lee’s scope will be

- (i) Deposit Management;
- (ii) Cash Management; and
- (iii) Membership Management.



Mr Chua Kia Khian
Chairman
Audit Committee

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

**THE SINGAPORE TEACHERS' CO-OPERATIVE
SOCIETY LIMITED AND ITS SUBSIDIARY**

(Incorporated in Singapore)

Unique Entity Number: S32CS0013G

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

COMMITTEE OF MANAGEMENT

Zaccheus Richard Bains (Chairman)
 Tok Wei Cheng Allan (Deputy Chairman)
 Fok Kim Fook (Honorary Treasurer)
 Seah Ee Leng Elaine (Honorary Assistant Treasurer)
 Ho Boon Huat (Honorary Assistant Secretary)
 Elene Lim Lan Hiang
 Peter Tan Swee Chong
 Wilson Koh Kian Neng
 Kiren Kaur Gill
 Ong Chee Kiong (appointed on 24 June 2023)
 Ng Moi Sng Patsy (deceased on 09 September 2023)

REGISTERED OFFICE

150 Changi Road
 #02-06 Guthrie building
 Singapore 419973

AUDITOR

Reanda Adept PAC
 138 Cecil Street
 #06-01 Cecil Court
 Singapore 069538

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SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENT BY THE COMMITTEE OF MANAGEMENT

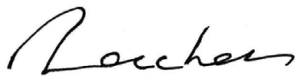
The Committee of Management present their statement to the members of the Singapore Teachers' Co-operative Society Limited (the "Co-operative") and its subsidiary (the "Group") together with the audited consolidated financial statements for the financial year ended 31 December 2023.

In the opinion of the Committee of Management,

- (a) the financial statements of the Group and of the Co-operative are drawn up so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 December 2023, and the financial performance and changes in funds and reserves of the Group and of the Co-operative and the cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.
- (c) the receipts, expenditures, investment of monies and acquisition and disposal of assets by the Co-operative during the financial year ended 31 December 2023 have been made in accordance with the provision of the Co-operative Societies Act 1979 (the "Act") and the By-Laws of the Co-operative; and
- (d) proper accounting and other records have been kept by the Co-operative.

These financial statements were authorised for issue on the date of this statement.

On behalf of the Committee of Management,



ZACCHEUS RICHARD BAINS
Chairman



FOK KIM FOOK
Honorary Treasurer

Singapore,

15 MAY 2024

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 December 2023

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Singapore Teachers' Co-Operative Society Limited (the "Co-operative") and its subsidiary (collectively, "the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Co-operative as at 31 December 2023, consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in funds of the Co-operative for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act, 1979 (the Act) and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the state of affairs of the Group and the Co-operative as at 31 December 2023 and of the results, changes in equity of the Group and the Co-operative and consolidated cash flows of the Group 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 Group 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

Committee of Management is responsible for the other information. The other information comprises the Statement by the Committee of Management and appendices included in the Annual Report 2023 but does not include the financial statements and our auditors' report thereon. The Co-operative's Annual Report is expected to be made available to us after the date of this auditor's report.

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

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 December 2023

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

Other Information (cont'd)

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.

Responsibilities of Committee of Management for the Financial Statements

Committee of 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 FRSS, 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.

In preparing the financial statements, Committee of Management is responsible for assessing the Group'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 Committee of Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Committee of Managements' responsibilities include overseeing the Group'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 auditors' 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 Group's internal control.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 December 2023

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Committee of Management.
- Conclude on the appropriateness of Committee 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion:

- a) the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the Co-operative during the year are, in all material respects, in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act); and
- b) proper accounting and other records have been kept by the Co-operative.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's responsibility for the compliance audit section of our report. We are independent of the Group in accordance with the 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 on Committee of Management's compliance.



THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITOR'S REPORT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 December 2023

TO THE MEMBERS OF THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED (CONT'D)

Report on Other Legal and Regulatory Requirements (cont'd)

Committee of Management's responsibility for compliance with legal and regulatory requirements

Committee of Management is responsible for ensuring that the receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act). This responsibility includes monitoring related compliance requirements relevant to the Co-operative, and implementing internal controls as Committee of Management determines are necessary to enable compliance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act).

Auditor's responsibility for the compliance audit

Our responsibility is to express an opinion on Committee of Management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under Section 95 of the Act).

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipt, expenditure, investment of monies and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

A handwritten signature in black ink that reads 'Reanda Adept PAC'.

REANDA ADEPT PAC

Public Accountants and
Chartered Accountants
Singapore,

15.05.2024

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Co-operative	
		2023 \$	2022 \$	2023 \$	2022 \$
ASSETS					
Non-current assets					
Investment property	4	1,152,692	1,197,027	1,152,692	1,197,027
Property, plant and equipment	5	1,469,361	1,536,111	1,469,361	1,536,111
Investment in subsidiary	6	-	-	617,840	440,815
Investment in joint venture	7	-	153,464	-	-
Financial assets	8	33,513,548	35,232,273	33,513,548	35,232,273
Loans to members	9	7,963,549	8,216,460	7,963,549	8,216,460
		<u>44,099,150</u>	<u>46,335,335</u>	<u>44,716,990</u>	<u>46,622,686</u>
Current assets					
Loans to members	9	4,223,736	4,355,991	4,223,736	4,355,991
Other receivables	10	1,048,811	1,891,476	1,046,367	1,888,567
Prepayments		3,581	43,651	3,581	43,651
Fixed deposits	11	41,788,971	37,244,577	41,405,206	36,869,243
Cash and bank balances	12	1,567,868	2,334,630	1,322,326	2,231,473
		<u>48,632,967</u>	<u>45,870,325</u>	<u>48,001,216</u>	<u>45,388,925</u>
Total assets		<u>92,732,117</u>	<u>92,205,660</u>	<u>92,718,206</u>	<u>92,011,611</u>
FUNDS, RESERVES AND LIABILITIES					
Funds and reserves					
Retained surplus	13	8,390,075	5,846,098	8,457,510	5,727,764
General reserve fund		6,402,287	6,402,287	6,402,287	6,402,287
Fair value reserve	14	(346,569)	4,636,846	(346,569)	4,636,846
Common good fund	15	364,892	316,458	364,892	316,458
Co-operative education and training fund	16	193,978	222,792	126,547	155,361
Staff welfare fund	17	144,054	127,229	144,054	127,229
Total funds and reserves		<u>15,148,717</u>	<u>17,551,710</u>	<u>15,148,721</u>	<u>17,365,945</u>
LIABILITIES					
Current liabilities					
Subscription share capital	18	6,543,488	6,858,718	6,543,488	6,858,718
General savings	19	25,097,440	27,719,371	25,097,440	27,719,371
Bonus savings	20	11,519,452	13,637,603	11,519,452	13,637,603
Term deposits from members	21	33,521,629	25,587,203	33,521,629	25,587,203
Members' and ex-members' accounts	22	27,098	30,930	27,098	30,930
Other payables	23	780,494	523,258	766,579	514,974
Cental co-operative fund	24	93,799	296,867	93,799	296,867
		<u>77,583,400</u>	<u>74,653,950</u>	<u>77,569,485</u>	<u>74,645,666</u>
Total liabilities		<u>77,583,400</u>	<u>74,653,950</u>	<u>77,569,485</u>	<u>74,645,666</u>
Total funds, reserves and liabilities		<u>92,732,117</u>	<u>92,205,660</u>	<u>92,718,206</u>	<u>92,011,611</u>

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2023

	Note	Group		Co-operative	
		2023	2022	2023	2022
		\$	\$	\$	\$
Income					
Finance income	25	911,156	1,005,355	911,156	1,005,355
Investment income	26	2,463,498	1,067,598	2,456,731	1,067,123
Other income	27	293,169	2,268,189	289,674	2,252,898
		<u>3,667,823</u>	<u>4,341,142</u>	<u>3,657,561</u>	<u>4,325,376</u>
Cost and expenses					
Depreciation of investment properties	4	(44,335)	(47,500)	(44,335)	(47,500)
Depreciation of property, plant and equipment	5	(94,919)	(153,717)	(94,919)	(153,717)
Finance costs	28	(1,269,284)	(712,719)	(1,269,284)	(712,719)
Reversal of impairment loss on investment in subsidiary	6	-	-	177,025	-
Staff costs	29	(1,013,196)	(890,792)	(927,623)	(811,237)
Others		(587,864)	(689,468)	(654,431)	(757,476)
Share of results of joint venture		-	78,363	-	-
		<u>658,225</u>	<u>1,925,309</u>	<u>843,994</u>	<u>1,842,727</u>
Surplus for the year					
Finance costs	28	(677,253)	(552,809)	(677,253)	(552,809)
(Deficit)/Surplus from operations		<u>(19,028)</u>	<u>1,372,500</u>	<u>166,741</u>	<u>1,289,918</u>
Income tax expense	30	-	-	-	-
(Deficit)/Surplus after taxation		<u>(19,028)</u>	<u>1,372,500</u>	<u>166,741</u>	<u>1,289,918</u>
Less: Statutory appropriation					
- Central Co-operative Fund	24	(90,477)	(293,545)	(90,477)	(293,545)
Less: Honourarium paid to officers		-	(12,000)	-	(12,000)
Net (deficit)/surplus for the financial year (c/f)		<u>(109,505)</u>	<u>1,066,955</u>	<u>76,264</u>	<u>984,373</u>

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Co-operative	
		2023 \$	2022 \$	2023 \$	2022 \$
Net (deficit)/surplus for the financial year (b/f)		(109,505)	1,066,955	76,264	984,373
Other comprehensive income:					
<u>Items that will not be reclassified to profit or loss:</u>					
Net fair value (losses)/gains on equity instruments at FVOCI		(2,850,284)	7,451,439	(2,850,284)	7,451,439
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Net fair value gain/(losses) on debt instruments at FVOCI		547,014	(2,314,635)	547,014	(2,314,635)
Net fair value gains on debt instruments at FVOCI reclassified to profit or loss upon disposal		145,649	255,644	145,649	255,644
Other comprehensive (loss)/income for the year, net of tax		(2,157,621)	5,392,448	(2,157,621)	5,392,448
Total comprehensive (loss)/income		(2,267,126)	6,459,403	(2,081,357)	6,376,821

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Retained surplus (Note 13)	General reserve fund	Fair value reserve (Note 14)	Common good fund (Note 15)	Co-operative education & training fund (Note 16)	Staff welfare fund (Note 17)	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	4,623,043	6,402,287	(543,074)	359,416	231,596	129,134	11,202,402
Other appropriations	(2,260)	-	-	2,260	-	-	-
Rebate on loan interest	(54,168)	-	-	-	-	-	(54,168)
Movement in funds	-	-	-	(45,218)	(8,804)	(1,905)	(55,927)
Net surplus for the financial year	1,066,955	-	-	-	-	-	1,066,955
<u>Other comprehensive income</u>							
Net fair value gain on equity instruments at FVOCI	-	-	7,451,439	-	-	-	7,451,439
Net fair value losses on debt instruments at FVOCI	-	-	(2,314,635)	-	-	-	(2,314,635)
Net fair value gain on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	255,644	-	-	-	255,644
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	212,528	-	(212,528)	-	-	-	-
Balance at 31 December 2022	5,846,098	6,402,287	4,636,846	316,458	222,792	127,229	17,551,710
Other appropriations	(122,978)	-	-	102,978	-	20,000	-
Rebate on loan interest	(49,334)	-	-	-	-	-	(49,334)
Movement in funds	-	-	-	(54,544)	(28,814)	(3,175)	(86,533)
Net deficit for the financial year	(109,505)	-	-	-	-	-	(109,505)
<u>Other comprehensive income</u>							
Net fair value losses on equity instruments at FVOCI	-	-	(2,850,284)	-	-	-	(2,850,284)
Net fair value gain on debt instruments at FVOCI	-	-	547,014	-	-	-	547,014
Net fair value gain on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	145,649	-	-	-	145,649
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	137,441	-	(137,441)	-	-	-	-
Transfer of fair value reserves of unquoted equity instruments at FVOCI upon disposal	2,688,353	-	(2,688,353)	-	-	-	-
Balance at 31 December 2023	8,390,075	6,402,287	(346,569)	364,892	193,978	144,054	15,148,717

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Retained surplus (Note 13)	General reserve fund	Fair value reserve (Note 14)	Common good fund (Note 15)	Co-operative education & training fund (Note 16)	Staff welfare fund (Note 17)	Total
Co-operative	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	4,587,291	6,402,287	(543,074)	359,416	164,165	129,134	11,099,219
Other appropriations	(2,260)	-	-	2,260	-	-	-
Rebate on loan interest	(54,168)	-	-	-	-	-	(54,168)
Movement in funds	-	-	-	(45,218)	(8,804)	(1,905)	(55,927)
Net surplus for the financial year	984,373	-	-	-	-	-	984,373
<u>Other comprehensive income</u>							
Net fair value gain on equity instruments at FVOCI	-	-	7,451,439	-	-	-	7,451,439
Net fair value losses on debt instruments at FVOCI	-	-	(2,314,635)	-	-	-	(2,314,635)
Net fair value gain on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	255,644	-	-	-	255,644
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	212,528	-	(212,528)	-	-	-	-
Balance at 31 December 2022	5,727,764	6,402,287	4,636,846	316,458	155,361	127,229	17,365,945
Other appropriations	(122,978)	-	-	102,978	-	20,000	-
Rebate on loan interest	(49,334)	-	-	-	-	-	(49,334)
Movement in funds	-	-	-	(54,544)	(28,814)	(3,175)	(86,533)
Net surplus for the financial year	76,264	-	-	-	-	-	76,264
<u>Other comprehensive income</u>							
Net fair value losses on equity instruments at FVOCI	-	-	(2,850,284)	-	-	-	(2,850,284)
Net fair value gain on debt instruments at FVOCI	-	-	547,014	-	-	-	547,014
Net fair value gain on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	-	145,649	-	-	-	145,649
<u>Others</u>							
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	137,441	-	(137,441)	-	-	-	-
Transfer of fair value reserves of unquoted equity instruments at FVOCI upon disposal	2,688,353	-	(2,688,353)	-	-	-	-
Balance at 31 December 2023	8,457,510	6,402,287	(346,569)	364,892	126,547	144,054	15,148,721

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 \$	2022 \$
Cash flows from operating activities			
(Deficit)/Surplus from operations		(19,028)	1,372,500
<u>Adjustments for:</u>			
Depreciation of investment properties		44,335	47,500
Depreciation of property, plant and equipment		94,919	153,717
Gain on disposal of investment property		-	(2,009,886)
Reversal of impairment loss on investment in subsidiary		(177,025)	-
Interest income		(2,294,747)	(1,378,673)
Finance costs		1,946,537	1,265,528
Net impairment losses on loan to members		52,875	209,493
Net loss on disposal of debt instruments, at FVOCI		145,650	489,648
Net loss on financial assets at FVTPL		-	91,908
Share of results of joint venture		-	(78,363)
Dividend income		(288,379)	(227,557)
Operating cash flows before working capital changes		(494,863)	(64,185)
<u>Changes in working capital:</u>			
Loans to members		332,291	814,373
Other receivables, prepayments		882,735	(1,555,547)
Members and ex-members' accounts		(3,832)	9,831
Other payables and accruals		257,236	180,156
Cash generated/(used in) from operating activities		973,567	(615,372)
Honorarium paid		-	(12,000)
Interest received		2,294,747	1,378,673
Payment to CCF		(293,545)	(22,736)
Net cash generated from operating activities		2,974,769	728,565
Cash flows from investing activities			
Purchase of financial assets, at FVOCI		(9,952,660)	(3,734,382)
Proceeds from disposal of investments		9,525,138	8,954,486
Proceeds from dividend income		288,379	227,557
Purchase of property, plant and equipment		(28,169)	(8,447)
Proceed from disposal of joint venture		153,464	-
Proceeds from sale of investment property		-	2,021,163
Net cash generated (used in)/from investing activities		(13,848)	7,460,377
Cash flows from financing activities			
Payment of common good fund		(54,544)	(45,218)
Payment of co-operative education and training fund		(28,814)	(8,804)
Receipt/(Payment) of staff welfare fund		16,825	(1,905)
Rebate on loan interest		(49,334)	(54,168)
Subscription share capital		(315,230)	(151,159)
General savings		(2,621,931)	(1,756,329)
Bonus savings		(2,118,151)	(95,886)
Term deposits		7,934,427	(3,472,486)
Interest paid		(1,269,284)	(712,719)
Dividends paid		(677,253)	(552,809)
Net cash generated from/(used in) financing activities		816,711	(6,851,483)
Net increase in cash and cash equivalents		3,777,632	1,337,459
Cash and cash equivalents at the beginning of financial year		39,579,207	38,241,748
Cash and cash equivalents at the end of financial year	12	43,356,839	39,579,207

The accompanying notes form an integral part of these financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

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

The Singapore Teachers' Co-operative Society Limited (the "Co-operative") is domiciled in Singapore and constituted under the Co-operative Societies Act, 1979.

The Co-operative's registered office and principal place of business is at 150 Changi Road, #02-06, Guthrie Building Singapore 419973.

The principal activities of the Co-operative are to promote in accordance with the Co-operative's principles, the economic interest of and self-help and thrift among its members who are professional teachers engaged by the Ministry of Education and other educational institutions.

The principal activities of its subsidiary and joint venture are disclosed in Note 6 and Note 7 to the financial statements.

The Committee of Management has authorised and approved these financial statements for issue on the date of the Statement by the Committee of Management.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The financial statements of the Group have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS") and the applicable requirements of the Singapore Co-operative Societies Act, 1979. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group have been prepared on the basis that it will continue to operate as a going concern.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The following standards and interpretations are effective for the annual period beginning on or after 1 January 2023:

- Amendments to FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*
- Amendments to FRS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- FRS 117 *Insurance Contracts*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 BASIS OF CONSOLIDATION

(a) Business combinations

Business combinations are accounted for under the acquisition method. The cost of acquisition is measured at the fair value of the assets acquired, equity instruments issued and liabilities incurred at the acquisition date. Acquisition related costs are recognised as an expense in the periods in which the costs are incurred and the services are rendered.

Any excess or deficiency of the purchase consideration over and above the fair value of the underlying net assets of the entity acquired is accounted for as goodwill / bargain purchase gain.

(b) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Co-operative's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

(c) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 BASIS OF CONSOLIDATION (CONT'D)

(c) Joint arrangements (cont'd)

The Group recognises in relation to its interest in a joint operation,

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

Joint ventures

The results of joint ventures are incorporated in these financial statements using the equity method of accounting from the date on which it becomes a joint venture.

On acquisition, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss.

Under the equity method, the investment in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 BASIS OF CONSOLIDATION (CONT'D)

(c) Joint arrangements (cont'd)

When the Group's share of losses in the joint venture equals or exceeds the carrying amount of the investment, together with any long-term interests that form part thereof, the Group discontinues recognising its share of further losses.

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Co-operative. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control over the joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would have been required if that joint venture had directly disposed of the related assets or liabilities.

(d) Accounting for subsidiary by the Co-operative

Investments in subsidiary are stated in the Co-operative's statement of financial position at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amount of the investments are recognised in the statement of comprehensive income.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 FOREIGN CURRENCIES

(a) Functional and presentation currencies

Items included in the financial statements of each entity in the Group 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 dollars ("S\$"), which is also the functional currency of the Co-operative.

(b) Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Co-operative and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
<u>Property, plant and equipment</u>	
Freehold properties (strata-title units)	50
Furniture and fittings	5
Renovation	10
Computers	5

The carrying amounts of property and plant and equipment at the end of the reporting period are disclosed in Note 5 to the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The residual value, useful lives and depreciation method are reviewed at least at the end of each financial period, and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 INVESTMENT PROPERTY

Investment property is a property that are either owned by the Co-operative or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprise completed investment property that are being constructed or developed for future use as investment property.

Investment property is measured at cost, including transaction costs.

Investment property is derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition as gains or losses arising from the retirement or disposal of investment property.

Depreciation provided on freehold property is 50 years. Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over their estimated useful lives. The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimate accounted for on a prospective basis.

2.7 FINANCIAL INSTRUMENTS

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (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 Group 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.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

Subsequent measurement – Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group 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 Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Subsequent measurement - Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group'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:

i) Amortised cost

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 amortisation process.

ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from funds and reserves to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets (cont'd)

iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

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 equity instruments is transferred within funds and reserves.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL). In calculating ECLs for loans to members, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of 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 method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised 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.

2.8 LEASES

The Group 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.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment property is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 EMPLOYEE BENEFITS

(a) Define contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.10 INCOME RECOGNITION

Revenue is measured based on the consideration to which the Group 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 when the Group 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. The following specific recognition criteria must also be met before income is recognised:

Rental income

Rental income is recognised on a straight-line basis over the term of the relevant operating leases.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. Finance income comprises interest income from loans granted to members and is recognised using the effective interest method.

Dividend income

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

2.11 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the grant relates to an asset, the carrying amount of the asset is deducted against the amount of grant received.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 FINANCE COSTS

Interest expenses and similar charges are recognised as it accrues, using the effective interest method.

2.13 TAXES

(a) Current income tax

Current income 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 authority. 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 period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax (GST)

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

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST included.

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

2.14 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are not subject to significant change in value.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 SUBSCRIPTION SHARE CAPITAL

Subscription shares held by members are repayable on cessation of membership in accordance with By-laws 4.13. Subscription shares shall normally be withdrawn after the effective date of cessation of membership.

Dividends on subscription shares are recognised as finance costs in the statement of comprehensive income in the year in which they are declared and approved for payment.

2.16 FUNDS

General Reserve Fund

The Co-operative shall pay into the General Reserve Fund such portion of its net surplus as the Committee of Management may decide from time to time. The fund shall be indivisible and no member shall be entitled to claim a specific share of it. The General Reserve Fund shall be used:-

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

Common Good Fund

This fund shall be used only for the benefit of the members of the Co-operative and may be devoted to any educational, medical, social or charitable purposes.

The Common Good Fund shall be derived from:-

- (i) a subscription of \$1.00 per month by each member; and
- (ii) annual contribution not exceeding ten per cent of the net surplus of the Co-operative subject to the approval of the general meeting.

Co-operative Education and Training Fund

This fund is used for education and training activities of the Co-operative.

Staff Welfare Fund

This fund is established for the benefit and welfare of the staff of the Co-operative and the appropriation is normally from retained surplus.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires Committee of Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.1 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, that have a significant risk in causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Provision for expected credit losses ("ECLs") of loans to members

The Group uses a provision matrix to calculate ECLs for loans to members. The provision rates are based on days past due for groupings of loans that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. 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 Group's historical credit loss experience and forecast of economic conditions may also not be representative of members' actual default in the future. The information about the ECLs on the Group's loans to members and the carrying amount of loans to members is disclosed in Note 9 to the financial statements.

(b) Investment in subsidiary – assessment of impairment (Note 6)

At the date of the statement of financial position, the carrying amount of the Co-operative's investment in subsidiary was \$617,840 (2022: \$440,815) after taking into account accumulated impairment losses of \$172,160 (2022: \$349,185), as it was determined by the Committee of Management that the cost of the investment is impaired (see Note 6).

Committee of Management has made a judgement that the decline in the carrying value of this investment is significant and prolonged and has considered the long-term duration of the decline and the significant magnitude by which the recoverable amount is below cost. Other factors taken into consideration in determining the impairment loss include the future profitability of the subsidiary, financial health of and near-term business outlook of the subsidiary.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

3.2 JUDGEMENT MADE IN APPLYING ACCOUNTING POLICIES

Committee of Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. INVESTMENT PROPERTY

	Group and Co-operative	
	2023	2022
	\$	\$
<u>Cost</u>		
As at 1 January	1,996,598	2,159,819
Disposal	-	(163,221)
At 31 December	1,996,598	1,996,598
<u>Accumulated depreciation</u>		
As at 1 January	799,571	904,015
Depreciation charge for the financial year	44,335	47,500
Disposal	-	(151,944)
As at 31 December	843,906	799,571
Carrying amount as at 31 December	1,152,692	1,197,027
<u>Fair value</u>		
Freehold property	1,700,000	1,700,000

The investment property is comprised of a freehold (strata-title) commercial unit, held for capital appreciation and rental income purposes.

The fair values of the Group's and Co-operative investment property are determined by independent external valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment property being valued.

The valuation were made on February 2023 on the basis of direct comparison with recent transactions of comparable properties within the vicinity and open market value. The valuation technique involves certain estimates. The key assumption used to determine the fair value of investment property include price per square meter. During the financial year, the Committee of Management had assessed via recent transaction of comparable properties and there is insignificant changes in the fair value.

The fair values of the investment property are categorised as Level 3 fair value.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. INVESTMENT PROPERTY (CONT'D)

The following amounts are recognised in the statement of comprehensive income:

	Group		Co-operative	
	2023 \$	2022 \$	2023 \$	2022 \$
Rental income from investment properties	<u>26,022</u>	<u>45,924</u>	<u>27,222</u>	<u>45,924</u>
Direct operating expenses arising from rental generating investment properties	<u>(11,705)</u>	<u>(26,709)</u>	<u>(11,705)</u>	<u>(26,709)</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold building \$	Furniture and fittings \$	Renovation \$	Computers \$	Total \$
Group and Co-operative					
Cost					
At 1 January 2022	2,467,226	82,948	27,847	463,276	3,041,297
Additions	-	6,044	-	2,403	8,447
Written off	-	(4,366)	-	-	(4,366)
At 1 January 2023	<u>2,467,226</u>	<u>84,626</u>	<u>27,847</u>	<u>465,679</u>	<u>3,045,378</u>
Additions	-	3,202	7,735	17,232	28,169
Written off	-	(14,482)	(4,326)	-	(18,808)
At 31 December 2023	<u>2,467,226</u>	<u>73,346</u>	<u>31,256</u>	<u>482,911</u>	<u>3,054,739</u>
Accumulated Depreciation					
At 1 January 2022	933,258	61,867	27,847	336,944	1,359,916
Depreciation charge	54,785	11,209	-	87,723	153,717
Write off	-	(4,366)	-	-	(4,366)
At 1 January 2023	<u>988,043</u>	<u>68,710</u>	<u>27,847</u>	<u>424,667</u>	<u>1,509,267</u>
Depreciation charge	54,785	7,034	774	32,326	94,919
Written off	-	(14,482)	(4,326)	-	(18,808)
At 31 December 2023	<u>1,042,828</u>	<u>61,262</u>	<u>24,295</u>	<u>456,993</u>	<u>1,585,378</u>
Carrying amounts					
At 31 December 2022	<u>1,479,183</u>	<u>15,916</u>	<u>-</u>	<u>41,012</u>	<u>1,536,111</u>
At 31 December 2023	<u>1,424,398</u>	<u>12,084</u>	<u>6,961</u>	<u>25,918</u>	<u>1,469,361</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. INVESTMENT IN SUBSIDIARY

	Co-operative	
	2023	2022
	\$	\$
Unquoted equity shares, at cost	790,000	790,000
<u>Less: Accumulated impairment losses</u>		
Balance at the beginning of the year	(349,185)	(349,185)
Reversal during the year	177,025	-
Balance at the end of the year	(172,160)	(349,185)
	<u>617,840</u>	<u>440,815</u>

(a) Details of the subsidiary is as follows:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Principal Activities</u>	<u>Percentage of equity held</u>	
			2023	2022
			%	%
Singapore Teachers' International Holdings Pte. Ltd. ("STIH") ¹	Singapore	To carry on the business of investment holding and to act as general or special agents or managers or managing agents and to enter into partnership or any agreement for sharing profits	100	100

¹Audited by Reanda Adept PAC

(b) Impairment assessment of the Co-operative's investment in subsidiary:

The Co-operative assessed the carrying amount of its investment in subsidiary for indicators of impairment. The Co-operative assessed the recoverable amount of the investment using the fair value less costs to sell (FVLCTS) approach which was based on the financial position of STIH, which took into consideration the fair value of the Company's underlying assets and liabilities. The fair value measurement was categorised as a Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used. Based on the assessment, the Co-operative recognised a reversal of impairment loss of \$177,025 on its investments, following a better outlook in their financial position.

Committee of Management is of the view that there is a basis for making a reliable estimate of the price, that is, fair value at which an orderly transactions to sell the asset and could be reliable estimated.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT IN JOINT VENTURE

The details of the joint venture (held by subsidiary) are as follows:

<u>Name of joint venture</u>	<u>Principal place of business</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Group</u>	
			2023 %	2022 %
Singapore Edusmart Learning Hub Pte. Ltd.	Singapore	Provision of after school student care services (strategic to the Co-operative's Activities)	-	42

The summarised financial information of the joint venture and reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised Statement of Financial Position

	Group	
	2023 \$	2022 \$
<u>Current assets</u>		
Cash and cash equivalents	-	561,190
Trade receivables	-	334,163
Other current assets	-	204,700
<u>Non-current assets</u>	-	98,395
Total assets	-	1,198,448
<u>Current liabilities</u>	-	793,565
<u>Non-current liabilities</u>	-	42,149
Total liabilities	-	835,714
Net assets	-	362,734
Proportion of the Group's ownership	0%	42%
Group's share of net assets	-	153,464
Carrying amount of the investment	-	153,464

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT IN JOINT VENTURE (CONT'D)

Summarised Statement of Comprehensive Income

	Group	
	2023	2022
	\$	\$
Revenue	-	1,912,982
Other income	-	537,193
Operating expenses	-	(2,255,758)
Depreciation/amortisation expense	-	(9,193)
Profit from continuing operations	-	185,224
Income tax	-	-
Income after tax	-	185,224
Other comprehensive income	-	-
Total comprehensive income	-	185,224

The Group jointly controls the joint venture entity with another party (joint venturer) and the joint venture requires unanimous consent from its shareholders for all major decisions.

In the prior year, the Group identified non-compliance with Goods and Services Tax Act, 1993 ("GST") related to its joint venture, Singapore Edusmart Learning Hub Pte Ltd, not being registered for GST when it was required to do so. The joint venture exceeded the threshold for mandatory registration under GST laws in the financial year 31 December 2023, but failed to register for GST within the prescribed timeline. The joint venture has taken immediate corrective action and has now in process of registration for GST. However, the non-compliance may resulted in a penalty of 10% of GST and fined up to S\$10,000. The Group believe that the impact of this non-compliance is not material to the overall financial statements of the Group.

The presented summarise financial information in financial year ended 31 December 2022 of the joint venture entity are based on unaudited financial statements.

Disposal of joint venture

On 12 September 2023, the Group disposed of its interest in Singapore Edusmart Learning Hub Pte. Ltd., the joint venture entity, resulting in the Group ceased to have joint control of the joint venture.

The financial effects of the disposal on the Group's financial position as at 31 December 2023 are summarised below:

	2023
	\$
Consideration received	153,464

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. FINANCIAL ASSETS

	Group and Co-operative	
	2023	2022
	\$	\$
<u>Financial assets at FVOCI</u>		
Quoted equity securities	5,024,531	2,572,005
Quoted bonds (debt instruments)	20,159,286	18,273,216
Quoted managed funds	5,080,896	5,142,294
Unquoted equity investments	3,248,835	9,244,758
	<u>33,513,548</u>	<u>35,232,273</u>

The Group has elected to measure its investments in quoted equity securities and unquoted shares in other co-operative societies at fair value through other comprehensive income due to the Group's intention to hold them for long-term appreciation.

During the year, the Group disposed of investments in equity securities with fair value amounting to \$1,191,047 (2022: \$1,662,040) at the date of derecognition to better manage their market price risk exposure. The cumulative gain arising from the disposals amounted \$137,441 (2022: \$212,528) and was transferred from the fair value reserve to retained surplus.

The Group's quoted bonds and quoted managed funds are classified as financial assets, at FVOCI as the Group holds them to collect contractual cash flows and sell these assets.

The Group recognised dividends amounting to \$257,355 (2022: \$95,181) from quoted equity securities still held as at the reporting date and \$24,000 (2022: \$22,104) from quoted equity securities disposed during the year prior to their disposal.

The quoted equity securities and bonds are based on their closing bid price quotations on the last market day of the financial year and are classified under Level 1 of the fair value hierarchy.

The unquoted equity investments in co-operative societies and corporatised co-operative amounting to \$3,248,835 (2022: \$9,244,758) are valued based on their realisable values as set out in the By-laws of the respective co-operative societies. The fair value measurement was categorised as a Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used as disclosed in the Note 34.6 to the financial statements.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. LOAN TO MEMBERS

	Group and Co-operative 2023 \$	2022 \$
Balance at beginning of financial year	12,874,677	13,689,050
<u>Add:</u>		
Loans granted during the financial year	13,022,185	12,640,075
	<u>25,896,862</u>	<u>26,329,125</u>
<u>Less:</u>		
Repayments during the financial year	(4,513,442)	(4,772,404)
Offset existing loan	(8,178,287)	(7,612,716)
Transfer from subscription share capital	(14,540)	(16,817)
Transfer from bonus savings (Note 20)	-	(150)
Transfer from general savings (Note 19)	(643,860)	(982,785)
Others	(4,347)	-
Bad debts written off	(118,054)	(69,576)
	<u>(13,472,530)</u>	<u>(13,454,448)</u>
	12,424,332	12,874,677
<u>Less:</u>		
Allowance for expected credit losses/ impairment	(237,047)	(302,226)
Balance at end of financial year	<u>12,187,285</u>	<u>12,572,451</u>
Repayable within one year	4,223,736	4,355,991
Repayable after one year but within five years	7,963,549	8,216,460
	<u>12,187,285</u>	<u>12,572,451</u>

Repayments during the financial year consist of monthly instalments and full repayments and full settlements of existing loans to obtain new loans.

Loans to members bear flat interest rates ranging from 3% to 5.25% (2022: 3% to 5.25%) per annum. Loans to members are repayable within periods of up to 60 months.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. LOAN TO MEMBERS (CONT'D)

Expected credit losses

The movement in allowance for expected credit losses of loans to members computed based on 12-month and lifetime ECL are as follows:

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	302,226	92,733
Charge to profit or loss	52,875	209,493
Write off during the year	(118,054)	-
Balance at end of year	<u>237,047</u>	<u>302,226</u>

10. OTHER RECEIVABLES

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Sundry receivables	-	1,405,334	-	1,405,336
Interest receivable from:				
- fixed deposits	830,921	323,799	828,477	320,888
- bonds	214,435	160,188	214,435	160,188
Deposits	3,455	2,155	3,455	2,155
	<u>1,048,811</u>	<u>1,891,476</u>	<u>1,046,367</u>	<u>1,888,567</u>

11. FIXED DEPOSITS

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Banks	41,405,206	36,869,243	41,405,206	36,869,243
Finance companies	383,765	375,334	-	-
	<u>41,788,971</u>	<u>37,244,577</u>	<u>41,405,206</u>	<u>36,869,243</u>

The effective interest rates of fixed deposits maturing within 12 months from the financial year end vary from 0.95% to 4.82% (2022: 0.08% to 4.48%) per annum.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. CASH AND BANK BALANCES

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash on hand	939	526	440	280
Cash at bank	1,563,178	1,475,822	1,318,135	1,372,911
Money market fund	3,751	858,282	3,751	858,282
	<u>1,567,868</u>	<u>2,334,630</u>	<u>1,322,326</u>	<u>2,231,473</u>

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are comprised of the following: -

	Group	
	2023	2022
	\$	\$
Cash and bank balances	1,567,868	2,334,630
Fixed deposits (Note 11)	41,788,971	37,244,577
	<u>43,356,839</u>	<u>39,579,207</u>

13. RETAINED SURPLUS

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Balance at beginning of year	5,846,098	4,623,043	5,727,764	4,587,291
	<u>5,846,098</u>	<u>4,623,043</u>	<u>5,727,764</u>	<u>4,587,291</u>
Less: Other appropriations				
- Common Good Fund (Note 15)	(102,978)	(2,260)	(102,978)	(2,260)
- Staff Welfare Fund (Note 17)	(20,000)	-	(20,000)	-
	<u>(122,978)</u>	<u>(2,260)</u>	<u>(122,978)</u>	<u>(2,260)</u>
- Rebate on loan interest of 5% (2022: 5%)	(49,334)	(54,168)	(49,334)	(54,168)
- Transfer of fair value reserves of equity instruments at FVOCI upon disposal	137,441	212,528	137,441	212,528
- Transfer of fair value reserves of unquoted equity instruments at FVOCI upon disposal	2,688,353	-	2,688,353	-
	<u>8,499,580</u>	<u>4,779,143</u>	<u>8,381,246</u>	<u>4,743,391</u>
Net surplus for the year after statutory appropriations	(109,505)	1,066,955	76,264	984,373
Balance at end of year	<u>8,390,075</u>	<u>5,846,098</u>	<u>8,457,510</u>	<u>5,727,764</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes of financial assets at fair value through other comprehensive income until they are disposed of or impaired.

15. COMMON GOOD FUND

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	316,458	359,416
<u>Add:</u>		
Contributions received from members	30,295	33,410
Transfer from general savings (Note 19)	2,408	1,562
Transfer from subscription share capital	4	10
Transfer from members' and ex-members' accounts (Note 22)	2,409	-
Appropriation for the year (Note 13)	102,978	2,260
	138,094	37,242
	454,552	396,658
<u>Less:</u>		
Amounts disbursed during the year	(33,644)	(32,600)
Transfer to general savings (Note 19)	(56,016)	(47,600)
	(89,660)	(80,200)
Balance at end of year	364,892	316,458

16. CO-OPERATIVE EDUCATION AND TRAINING FUND

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Balance at beginning of year	222,792	231,596	155,361	164,165
<u>Add:</u>				
Refund received	-	345	-	345
	222,792	231,941	155,361	164,510
<u>Less:</u>				
Amounts disbursed during the year	(28,814)	(9,149)	(28,814)	(9,149)
Balance at end of year	193,978	222,792	126,547	155,361

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. STAFF WELFARE FUND

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	127,229	129,134
<u>Add:</u>		
Appropriation for the year (Note 13)	20,000	-
<u>Less:</u>		
Amounts disbursed during the year	(3,175)	(1,905)
Balance at end of year	144,054	127,229

18. SUBSCRIPTION SHARE CAPITAL

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	6,858,718	7,009,877
Issue of subscription shares	97,071	164,360
Redemption of subscription shares	(412,301)	(315,519)
Balance at end of year	6,543,488	6,858,718

This relates to subscription shares held by members where the Co-operative does not have the right of refusal to members' request for withdrawals upon cessation of membership.

Every member shall be allowed to subscribe a minimum monthly sum to this Subscription Account in accordance with the Administrative Rules on Subscription (By-Law 8.4). Subscription capital may not be withdrawn except for such purposes and under such conditions as laid down in the By-Laws or except on a termination of membership.

At the end of the reporting year, subscription capital of \$97,071 (2022: \$164,360) were received from the Co-operative's members.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. GENERAL SAVINGS

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	27,719,371	29,475,700
<u>Add:</u>		
Amounts received from members	3,993,616	4,284,115
Transfer from subscription share capital	42,362	25,330
Transfer from Common Good Fund (Note 15)	56,016	47,600
Transfer from bonus savings with interest (Note 20)	4,901,440	1,688,747
Transfer from term deposits with interest (Note 21)	444,004	185,119
Other additions		
- Interest on general savings	164,064	85,852
- Dividends on subscription share capital*	677,253	552,809
- Loan interest rebates	49,334	54,168
- Membership Incentive	720	1,740
- Others	12,577	53
	10,341,386	6,925,533
	38,060,757	36,401,233
Amounts withdrawn by members	(7,421,686)	(6,673,770)
Transfer to subscription share capital	(132)	(182)
Transfer to term deposits (Note 21)	(4,888,014)	(992,582)
Transfer to Common Good Fund (Note 15)	(2,408)	(1,562)
Adjustment to reduce loans		
- principal (Note 9)	(643,860)	(982,785)
- interest	(6,720)	(16,576)
Others	(497)	(14,405)
	(12,963,317)	(8,681,862)
Balance at end of year	25,097,440	27,719,371

*Under the Co-operative's By-laws 9.4, dividends declared by the Co-operative will be credited to the members' general savings accounts except when a claim is made by a member.

Interest is payable at the rates of 0.3% to 1.0% (2022: 0.3%) per annum and will be credited into members' accounts on 30th June and 31st December annually.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. BONUS SAVINGS

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	13,637,603	13,733,489
<u>Add:</u>		
Amounts received from members	11,407,594	12,986,791
Interest on maturity of bonus savings	361,802	388,930
	11,769,396	13,375,721
	25,406,999	27,109,210
<u>Less:</u>		
Premature withdrawals by members	(468,431)	(402,160)
Matured withdrawals by members	(5,528,469)	(10,403,360)
Transfer to general savings with interest (Note 19)	(4,901,440)	(1,688,747)
Transfer to term deposit (Note 21)	(2,989,207)	(977,190)
Transfer to loan principal (Note 9)	-	(150)
	(13,887,547)	(13,471,607)
Balance at end of year	11,519,452	13,637,603

Bonus savings are for a period of 24 months and bear effective interest rate of 2.0% to 2.5% (2022: 2.0% to 2.5%) per annum. Bonus savings may be withdrawn prematurely in which case neither interest nor bonuses shall be paid.

21. TERM DEPOSITS FROM MEMBERS

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	25,587,203	29,059,689
<u>Add:</u>		
Amounts received from members	3,004,067	353,400
Transfer from general savings (Note 19)	4,888,014	992,582
Interest on maturity of term deposits	743,417	237,937
Transfer from Share Capital	4,000	-
Transfer from bonus savings (Note 20)	2,989,207	977,190
	11,628,705	2,561,109
	37,215,908	31,620,798
<u>Less:</u>		
Amounts withdrawn by members	(3,250,275)	(5,848,476)
Transfer to general savings (Note 19)	(444,004)	(185,119)
	(3,694,279)	(6,033,595)
Balance at end of year	33,521,629	25,587,203

Term deposits from members are unsecured and bear interest rate of 3.20% to 3.50% (2022: 0.8% to 3.20%) per annum with maturity period of one year.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. MEMBERS' AND EX-MEMBERS' ACCOUNTS

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	30,930	21,099
<u>Add:</u>		
Over deductions and adjustments	256,364	338,914
	<u>287,294</u>	<u>360,013</u>
<u>Less:</u>		
Refunds during the year	(257,787)	(329,083)
Transfer to Common Good Fund (Note 15)	(2,409)	-
	<u>(260,196)</u>	<u>(329,083)</u>
Balance at end of year	<u>27,098</u>	<u>30,930</u>

23. OTHER PAYABLES

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Accruals	233,366	204,437	219,451	196,153
Sundry payables	10,341	10,341	10,341	10,341
Interest payable	527,067	150,869	527,067	150,869
Deposits	5,000	11,001	5,000	11,001
GST payable	4,720	146,610	4,720	146,610
	<u>780,494</u>	<u>523,258</u>	<u>766,579</u>	<u>514,974</u>

24. CENTRAL CO-OPERATIVE FUND

Section 71(2)(a) of the Co-operative Societies Act, 1979 requires every society to contribute to the Central Co-operative Fund ("CCF") at 5% of the first \$500,000 and 20% thereafter of the surplus resulting from operations of the Co-operative.

	Group and Co-operative	
	2023	2022
	\$	\$
Balance at beginning of year	296,867	26,058
Payment to CCF	(293,545)	(22,736)
Appropriation for the year	90,477	293,545
Balance at end of year	<u>93,799</u>	<u>296,867</u>

25. FINANCE INCOME

This represents interest income from loans granted to members.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. INVESTMENT INCOME

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Interest income from:				
- bonds	962,498	934,153	962,498	934,153
- fixed deposits	1,320,997	428,445	1,313,031	424,970
- savings accounts	11,252	16,075	11,252	16,075
Dividend income from:				
- quoted equity investments	281,355	117,285	281,355	117,285
- unquoted equity investments	7,024	110,272	7,024	110,272
Net loss on disposal of debts instruments at FVOCI	(145,650)	(489,648)	(145,650)	(489,648)
Net loss on financial assets at FVTPL	-	(91,908)	-	(91,908)
Rental income	26,022	42,924	27,221	45,924
	<u>2,463,498</u>	<u>1,067,598</u>	<u>2,456,731</u>	<u>1,067,123</u>

27. OTHER INCOME

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Government grants	65,598	6,104	65,598	6,104
Members' admin fee	197,738	199,592	197,738	199,592
Members' entrance fee	167	439	167	439
Gain on disposal of investment property	-	2,009,886	-	2,009,886
Sundry income	29,666	52,168	26,171	36,877
	<u>293,169</u>	<u>2,268,189</u>	<u>289,674</u>	<u>2,252,898</u>

28. FINANCE COSTS

	Group and Co-operative	
	2023	2022
	\$	\$
Interest expenses		
General savings	164,065	85,852
Bonus savings	361,802	388,930
Term deposits from members	743,417	237,937
	<u>1,269,284</u>	<u>712,719</u>
Dividends paid	677,253	552,809
	<u>1,946,537</u>	<u>1,265,528</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. STAFF COSTS

	Group		Co-operative	
	2023	2022	2023	2022
	\$	\$	\$	\$
Employee benefits expense (including directors):				
Salaries and bonuses	904,329	798,474	824,905	724,635
CPF contributions	102,164	87,267	96,197	81,720
Other short-term benefits	6,703	5,051	6,521	4,882
	<u>1,013,196</u>	<u>890,792</u>	<u>927,623</u>	<u>811,237</u>

30. INCOME TAX EXPENSE

(a) Major components of income tax expense

	Group	
	2023	2022
	\$	\$
Statement of comprehensive income:		
Current year tax expense	-	-

(b) Reconciliation between income tax expense and the accounting surplus

	Group	
	2023	2022
	\$	\$
(Deficit)/Profit from operations	<u>(19,028)</u>	<u>1,372,500</u>
Tax benefit on (deficit)/profit before tax at 17% (2022: 17%)	(3,235)	233,325
Non-deductible expenses	-	510
Income not subject to taxation	(1,354)	(232,608)
Benefits arising from unrecognised tax losses, tax benefits or temporary differences	<u>4,589</u>	<u>(1,227)</u>
Total tax expense	<u>-</u>	<u>-</u>

The Co-operative is exempted from income tax under Section 13(1)(e) of the Income Tax Act 1947.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. COMMITMENTS

Operating lease commitment – as lessor

The Co-operative has entered into a lease agreement on its freehold investment property unit (see Note 4) with an external party to generate rental income.

The future minimum rental receivable under non-cancellable operating leases are as follows:

	Group and Co-operative	
	2023	2022
	\$	\$
Due within one year	2,315	29,553

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related parties took place at terms agreed between the parties are as follows:

	Group	
	2023	2022
	\$	\$
Consultancy fee received from joint venture	-	(9,000)

Compensation of key management personnel

The reimbursement and expenses of the officers of the Group for the financial year are as follows:

	Group	
	2023	2022
	\$	\$
<u>Paid/Payable by the Co-operative</u>		
Allowances	71,780	21,600
Honorarium	-	12,000
Meeting expenses	17,780	24,992
Transport reimbursement	12,179	13,873
Salaries and bonuses	268,242	147,400
Employer's contribution to Central Provident Fund	24,787	8,182
Other benefits	3,295	280
	<u>398,063</u>	<u>228,327</u>
<u>Paid/Payable by subsidiary</u>		
Director's remuneration	39,900	37,050
CPF contribution	2,996	2,782
Board meeting expenses	1,250	700
	<u>44,146</u>	<u>40,532</u>

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 January 2023	Proceeds from funds	Funds withdrawal and transfer	Non-cash changes		31 December 2023
				Interest expense	Dividend paid	
	\$	\$	\$	\$	\$	\$
General savings	27,719,371	9,500,068	(12,963,317)	164,065	677,253	25,097,440
Bonus savings	13,637,603	11,407,594	(13,887,547)	361,802	-	11,519,452
Term deposits from members	25,587,203	10,885,288	(3,694,279)	743,417	-	33,521,629

Group	1 January 2022	Proceeds from funds	Funds withdrawal and transfer	Non-cash changes		31 December 2022
				Interest expense	Dividend paid	
	\$	\$	\$	\$	\$	\$
General savings	29,475,700	6,286,872	(8,681,862)	85,852	552,809	27,719,371
Bonus savings	13,733,489	12,986,791	(13,471,607)	388,930	-	13,637,603
Term deposits from members	29,059,689	2,323,173	(6,033,596)	237,937	-	25,587,203

34. FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, liquidity risk, market risk and fund management risk which arise in the normal course of its operations. The Group reviews and agrees policies for managing each of these risks and they are summarised below. The Group does not hold or issue derivative financial instruments.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.1 SUMMARY OF FINANCIAL INSTRUMENT

Group	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Financial assets, at FVOCI	Total
	\$	\$	\$	\$	\$
As at 31 December 2023					
Non-current assets					
Investment properties	-	-	1,152,692	-	1,152,692
Property, plant and equipment	-	-	1,469,361	-	1,469,361
Financial assets	-	-	-	33,513,548	33,513,548
Loans to members	7,963,549	-	-	-	7,963,549
Current assets					
Loans to members	4,223,736	-	-	-	4,223,736
Other receivables	1,048,811	-	-	-	1,048,811
Prepayment	-	-	3,581	-	3,581
Fixed deposits	41,788,971	-	-	-	41,788,971
Cash and bank balances	1,567,868	-	-	-	1,567,868
Total assets	56,592,935	-	2,625,634	33,513,548	92,732,117
Current liabilities					
Subscription share capital	-	6,543,488	-	-	6,543,488
General savings	-	25,097,440	-	-	25,097,440
Bonus savings	-	11,519,452	-	-	11,519,452
Term deposits from members	-	33,521,629	-	-	33,521,629
Members' and ex-members' accounts	-	27,098	-	-	27,098
Other payables	-	775,774	4,720	-	780,494
Central Co-operative Fund	-	93,799	-	-	93,799
Total Liabilities	-	77,578,680	4,720	-	77,583,400

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)**34.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)**

Group	Financial assets at amortised cost	Financial assets, equity accounted	Financial liabilities at amortised cost	Non-financial instruments	Financial assets, at FVOCI	Total
	\$	\$	\$	\$	\$	\$
As at 31 December 2022						
Non-current assets						
Investment properties	-	-	-	1,197,027	-	1,197,027
Property, plant and equipment	-	-	-	1,536,111	-	1,536,111
Investment in joint venture	-	153,464	-	-	-	153,464
Financial assets	-	-	-	-	35,232,273	35,232,273
Loans to members	8,216,460	-	-	-	-	8,216,460
Current assets						
Loans to members	4,355,991	-	-	-	-	4,355,991
Other receivables	1,891,476	-	-	-	-	1,891,476
Prepayment	-	-	-	43,651	-	43,651
Fixed deposits	37,244,577	-	-	-	-	37,244,577
Cash and bank balances	2,334,630	-	-	-	-	2,334,630
Total assets	54,043,134	153,464	-	2,776,789	35,232,273	92,205,660
Current liabilities						
Subscription share capital	-	-	6,858,718	-	-	6,858,718
General savings	-	-	27,719,371	-	-	27,719,371
Bonus savings	-	-	13,637,603	-	-	13,637,603
Term deposits from members	-	-	25,587,203	-	-	25,587,203
Members' and ex-members' accounts	-	-	30,930	-	-	30,930
Other payables	-	-	376,648	146,610	-	523,258
Central Co-operative Fund	-	-	296,867	-	-	296,867
Total Liabilities	-	-	74,507,340	146,610	-	74,653,950

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)

Co-operative	Financial assets at amortised cost	Financial assets carried at cost	Financial liabilities at amortised cost	Non-financial instruments	Financial assets, at FVOCI	Total
As at 31 December 2023	\$	\$	\$	\$	\$	\$
Non-current assets						
Investment properties	-	-	-	1,152,692	-	1,152,692
Property, plant and equipment	-	-	-	1,469,361	-	1,469,361
Investment in subsidiary	-	617,840	-	-	-	617,840
Financial assets	-	-	-	-	33,513,548	33,513,548
Loans to members	7,963,549	-	-	-	-	7,963,549
Current assets						
Loans to members	4,223,736	-	-	-	-	4,223,736
Other receivables	1,046,367	-	-	-	-	1,046,367
Prepayment	-	-	-	3,581	-	3,581
Fixed deposits	41,405,206	-	-	-	-	41,405,206
Cash and bank balances	1,322,326	-	-	-	-	1,322,326
Total assets	55,961,184	617,840	-	2,625,634	33,513,548	92,718,206
Current liabilities						
Subscription share capital	-	-	6,543,488	-	-	6,543,488
General savings	-	-	25,097,440	-	-	25,097,440
Bonus savings	-	-	11,519,452	-	-	11,519,452
Term deposits from members	-	-	33,521,629	-	-	33,521,629
Members' and ex-members' accounts	-	-	27,098	-	-	27,098
Other payables	-	-	761,859	4,720	-	766,579
Central Co-operative Fund	-	-	93,799	-	-	93,799
Total liabilities	-	-	77,564,765	4,720	-	77,569,485

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)**34.1 SUMMARY OF FINANCIAL INSTRUMENT (CONT'D)**

Co-operative	Financial assets at amortised cost	Financial assets carried at cost	Financial liabilities at amortised cost	Non-financial instruments	Financial assets, at FVOCI	Total
	\$	\$	\$	\$	\$	\$
As at 31 December 2022						
Non-current assets						
Investment properties	-	-	-	1,197,027	-	1,197,027
Property, plant and equipment	-	-	-	1,536,111	-	1,536,111
Investment in subsidiary	-	440,815	-	-	-	440,815
Financial assets	-	-	-	-	35,232,273	35,232,273
Loans to members	8,216,460	-	-	-	-	8,216,460
Current assets						
Loans to members	4,355,991	-	-	-	-	4,355,991
Other receivables	1,888,567	-	-	-	-	1,888,567
Prepayment	-	-	-	43,651	-	43,651
Fixed deposits	36,869,243	-	-	-	-	36,869,243
Cash and bank balances	2,231,473	-	-	-	-	2,231,473
Total assets	53,561,734	440,815	-	2,776,789	35,232,273	92,011,611
Current liabilities						
Subscription share capital	-	-	6,858,718	-	-	6,858,718
General savings	-	-	27,719,371	-	-	27,719,371
Bonus savings	-	-	13,637,603	-	-	13,637,603
Term deposits from members	-	-	25,587,203	-	-	25,587,203
Members' and ex-members' accounts	-	-	30,930	-	-	30,930
Other payables	-	-	368,364	146,610	-	514,974
Central Co-operative Fund	-	-	296,867	-	-	296,867
Total Liabilities	-	-	74,499,056	146,610	-	74,645,666

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.2 CREDIT RISK

Credit risk refers to the risk that the counterparty will default on its contractual obligations, resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from loans to members. For other financial assets (including financial assets, at FVOCI, fixed deposits and cash and cash balances), the Group minimises credit risk by dealing with high credit rating counterparties.

In the management of credit risk on loans to members, the Group considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group generally does not require a collateral on loans.

The Group has determined the default event on loans to members to be when internal and/or external information indicates that the loan is unlikely to be received, which could include default of loan instalments due for more than 30 days or there is significant difficulty of the member in repaying the loan.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is based on the Group's own records to rate its loans to members. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating,
- Actual or expected significant adverse changes in Singapore's financial or economic conditions that are expected to cause a significant change to the members' ability to meet their obligations,
- Actual or expected significant changes in the employment status and creditworthiness of the individual members,
- Significant changes in the expected performance and behaviour of the member, including changes in the payment status of members in the group and changes in the creditworthiness of the member.

Regardless of the analysis above, a significant increase in credit risk is presumed if a member has defaulted (past due) in making a loan instalment payment.

The Group determined that its financial assets are credit-impaired when:

- There is a significant difficulty of the member,
- A breach of the loan agreement, such as a default or past due event,
- It is becoming probable that the member will enter bankruptcy or another financial difficulty.

The Group categorises a loan for potential write-off when a member has defaulted in making loan instalment payment for at least 180 days. Loans are written off when there is evidence indicating that the member is in severe financial difficulty and there is no realistic prospect of recovery of the loan.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.2 CREDIT RISK (CONT'D)

The Group's current credit risk grading framework comprises the following categories:

Category	Definition	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is past due, there has been a significant increase in credit risk since initial recognition or there is evidence indicating the loan is credit-impaired (in default).	Lifetime ECL - credit-impaired
III	There is evidence indicating that the member is in severe financial difficulty and the loan has no realistic prospect of recovery.	Amount is written off

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Individual impairment \$	Net carrying amount \$
31 December 2023							
Loans to members	9	I	12-month ECL	12,100,158	-	-	12,100,158
Loans to members	9	II	Lifetime ECL	324,174	(78,031)	(159,016)	87,127
				<u>12,424,332</u>	<u>(78,031)</u>	<u>(159,016)</u>	<u>12,187,285</u>
31 December 2022							
Loans to members	9	I	12-month ECL	12,190,665	-	-	12,190,665
Loans to members	9	II	Lifetime ECL	684,012	(86,114)	(216,112)	381,786
				<u>12,874,677</u>	<u>(86,114)</u>	<u>(216,112)</u>	<u>12,572,451</u>

The Group has assessed the latest repayments and creditworthiness of the members, adjusted for the future outlook of the economic environment. In the current year, loans amounting to \$118,054 (2022: \$69,576) were deemed credit-impaired were deemed credit-recovered owing to change in the members' financial situation and default of loan instalments. Accordingly, the Group measured the impairment loss using the lifetime ECL and determined that the entire amount owed was to be written off.

Information regarding the loss allowance movement of loans to members is disclosed in Note 9.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.2 CREDIT RISK (CONT'D)

Set out below is the information about the credit risk exposure on the Group's loans to members using a provision matrix:

	Loans to members					Total
	Days past due					
	Not past due	30-90 days	91-182 days	183-365 days	>365 days	
	\$	\$	\$	\$	\$	\$
31 December 2023						
Total gross carrying amount	12,100,158	103,122	95,295	14,923	110,834	12,424,332
ECL rate	0%	2%	8%	31%	56%	
31 December 2022						
Total gross carrying amount	12,190,666	361,994	161,554	121,040	39,423	12,874,677
ECL rate	0%	1%	31%	21%	11%	

34.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group and the Co-operative will not be able to meet its financial obligations as and when they fall due. The Group's and the Co-operative's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and Co-operative's reputation.

The Group and the Co-operative monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Committee of Management to finance the Group's and Co-operative's operations and to mitigate the effects of fluctuations in cash flows.

The following table analyses the Group's and Co-operative's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.3 LIQUIDITY RISK (CONT'D)

	Group			Co-operative		
	Less than one year \$	One year to five years \$	Total \$	Less than one year \$	One year to five years \$	Total \$
At 31 December 2023						
Subscription share capital	6,543,488	-	6,543,488	6,543,488	-	6,543,488
General savings	25,097,440	-	25,097,440	25,097,440	-	25,097,440
Bonus savings	8,666,562	2,852,890	11,519,452	8,666,562	2,852,890	11,519,452
Term deposits from members	33,521,629	-	33,521,629	33,521,629	-	33,521,629
Members' and ex-members accounts	27,098	-	27,098	27,098	-	27,098
Other payables	775,774	-	775,774	761,859	-	761,859
Central Co-operative Fund	93,799	-	93,799	93,799	-	93,799
	74,725,790	2,852,890	77,578,680	74,711,875	2,852,890	77,564,765
At 31 December 2022						
Subscription share capital	6,858,718	-	6,858,718	6,858,718	-	6,858,718
General savings	27,719,371	-	27,719,371	27,719,371	-	27,719,371
Bonus savings	10,308,778	3,328,825	13,637,603	10,308,778	3,328,825	13,637,603
Term deposits from members	25,587,203	-	25,587,203	25,587,203	-	25,587,203
Members' and ex-members accounts	30,930	-	30,930	30,930	-	30,930
Other payables	376,648	-	376,648	368,364	-	368,364
Central Co-operative Fund	296,867	-	296,867	296,867	-	296,867
	71,178,515	3,328,825	74,507,340	71,170,231	3,328,825	74,499,056

34.4 FUND MANAGEMENT

The Group's objective when managing fund is to safeguard the Group's ability to continue as a going concern and to maintain an optimal fund structure so as to maximise members value.

The Co-operative is also required to comply with the prudential requirements issued in 2010 by the Registrar of the Co-operative Societies. The relevant ratios are:

	Prudential Requirements		Co-operative	
	2023	2022	2023	2022
Capital Adequacy Ratio (CAR)	≥ 10%	≥ 10%	16.0%	13.1%
Minimum Liquid Assets (MLA)	≥ 15%	≥ 15%	61.2%	57.3%
Restricted Investments	≤ 30%	≤ 30%	22.1%	17.4%

The Co-operative had complied with all of the prudential requirements for the financial years ended 31 December 2023 and 31 December 2022.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.5 MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Price risk on quoted bonds and equity

Group

If prices for quoted bonds and equity increase or decrease by 10% (2022: 10%) with all other variables held constant, the Group's fair value reserves would increase or decrease respectively by \$3,026,471 (2022: \$2,598,751).

Foreign currency risk

The Group is not exposed to foreign currency risk since it does not operate in currencies other than the functional currency of each entity.

Interest rate risk

If the interest rates increase or decrease by 50 (2022: 50) basis points with all other variables being held constant, the comprehensive (loss)/income of tax will be lower or higher by \$70,512 (2022: \$44,302) respectively as a result of higher or lower interest income or expense on floating rate bank investments, loan to members, general savings, bonus savings and term deposits.

34.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including loans to members, other receivables, fixed deposits, cash and bank balances, subscription share capital, general savings, bonus savings, term deposits from members, members' and ex-members' accounts, other payables and Central Co-operative Fund) are assumed to approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of the financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of other financial assets and liabilities are determined as follows:

- a) the fair value of financial assets and financial liabilities traded on liquid markets are determined with reference to quoted market prices; and
- b) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on observable current market transactions and dealer quotes for similar instruments.

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Fair value measurements at the reporting date using			Total
	Quoted prices in active markets for identical (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	\$
Group and Co-operative 2023				
<u>Financial assets measured at fair value</u>				
Quoted equity securities	5,024,531	-	-	5,024,531
Quoted bonds	20,159,286	-	-	20,159,286
Quoted managed funds	5,080,896	-	-	5,080,896
Unquoted equity investments	-	-	3,248,835	3,248,835
	30,264,713	-	3,248,835	33,513,548
2022				
<u>Financial assets measured at fair value</u>				
Quoted equity securities	2,572,005	-	-	2,572,005
Quoted bonds	18,273,216	-	-	18,273,216
Quoted managed funds	5,142,294	-	-	5,142,294
Unquoted equity investments	-	-	9,244,758	9,244,758
	25,987,515	-	9,244,758	35,232,273

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about the fair value measurements using significant unobservable inputs (Level 3):

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted equity investments at FVOCI	The fair value is calculated using the net asset value (NAV) of the investee entity adjusted for the fair value of the underlying assets and liabilities of the Group and Co-operative where applicable.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).
	The fair value is calculated using an equal weightage of Price to New Business Embedded Value (NBEV) ratio, Price-to-book ratio and Price-to-EV ratio. A discount is applied to take into consideration the non-marketable nature investment, where applicable.	Price-to-NBEV: 2023: 13 times 2022: Nil Price-to-Book: 2023: 0.96 times 2022: Nil Price-to-EV: 2023: 0.52 times 2022: Nil Discount rate: 2023: 0% to 10% 2022: Nil	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

(ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all asset measured at fair value based on significant unobservable inputs (Level 3):

	Fair value measurements using significant unobservable inputs (Level 3)	
	Unquoted Equity Securities	
	2023	2022
Group and Co-operative	\$	\$
At 1 January	9,244,758	2,107,806
Net fair value (losses)/gain recognised in other comprehensive income	(2,759,377)	7,136,952
Disposal during the year	(3,236,546)	-
At 31 December	3,248,835	9,244,758

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Effective date (annual periods beginning on or after)	<u>New or revised accounting standards and interpretations</u>
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 1 <i>Presentation of Financial Statements</i>: Classification of Liabilities as Current or Non-current
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 116 <i>Leases</i>: Lease Liability in a Sale and Leaseback
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 1 <i>Presentation of Financial Statements</i>: Non-current Liabilities with Covenants
1 January 2024	<ul style="list-style-type: none"> Amendments to FRS 7 <i>Statement of Cash Flows</i> and FRS 107 <i>Financial Instruments</i>: Disclosures: Supplier Finance Arrangements
1 January 2025	<ul style="list-style-type: none"> Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>: Lack of Exchangeability
Date to be determined	<ul style="list-style-type: none"> Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i>: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Committee of Management expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. Thus, in our view, it is not necessary to provide information to assets the possible impact that the application of the new and amended standards will have on the entity's financial statements as such a disclosure would not be material.

The Singapore Teachers' Co-operative Society Limited
150 Changi Road, #02-06, Guthrie Building
87th/88th Committee of Management 2023

Attendance at the Committee of Management Meetings for the Year 2023

S/No	Name of COM Member Designation	J	F	M	A	M	J	J	A	S	O	N	D	Total	%
1	Mr Richard Zaccheus Bains Chairman	1	1	1	1	1	2	2	1	1	1	1	1	14	100%
2	Mr Allan Tok Wei Cheng Deputy Chairman	1	1	0	1	1	2	2	1	1	1	1	1	13	92.9%
3	Mr Fok Kim Fook Honorary Treasurer	1	1	1	1	1	2	2	1	1	1	1	1	14	100%
4	Mr Ho Boon Huat Hon. Asst. Secretary 88th COM	1	1	1	1	0	2	2	1	0	1	1	1	12	85.7%
5	Mdm Elaine Seah Ee Leng Honorary Assistant Treasurer	1	1	1	1	1	1	2	1	0	0	1	1	11	78.6%
6	Mdm Elene Lim Lan Hiang Hon. Asst. Secretary 87th COM	1	1	1	1	1	1	2	1	1	1	1	0	12	85.7%
7	Mr Peter Tan Swee Chong Member	1	1	1	1	1	2	1	1	1	0	1	1	12	85.7%
8	Mdm Pasty Ng Moi Sng Member	1	1	1	0	0	0	0	0	0				3	27.3%
9	Mr Wilson Koh Kian Neng Member	1	1	1	1	1	1	2	1	1	1	0	1	12	85.7%
10	Mdm Kiren Kaur Gill Member	0	1	1	1	1	0	2	1	1	1	1	1	11	78.6%
11	Mr Ong Chee Kiong Member							2	1	1	0	0	1	5	71.4%

Note:

- 1 Mr Ong Chee Kiong was elected as a member of the COM for a tenure of one year on 24.06.2023.
- 2 The late Mdm Pasty Ng Moi Sng passed away on 08.09.2023.

COMMITTEES' LIST 2023/2024

ANNEX 2

Membership:

Chairman - Mr Wilson Koh Kian Neng
Secretary - Mdm Elene Lim Lan Hiang

Members:

Mdm Patsy Ng Moi Sng
Mdm Garmit Kaur
Mdm Shamsulbadariah

Loan:

Chairman - Mr Peter Tan Swee Chong
Vice-Chairman - Mr Fok Kim Fook

Members:

Mr Richard Zaccheus
Mdm Elaine Seah Ee Leng
Mr Ho Boon Huat
Mr Teo Chor Kai
Ms Mavis Ren

Recording Secretary- Ms Amelia Sim

Investment/Finance:

Chairman - Mr Allan Tok Wei Cheng
Vice-Chairman - Mr Fok Kim Fook

Members:

Mdm Elaine Seah Ee Leng
Mr Wilson Koh Kian Neng
Mr Ho Boon Huat
Mr Teo Chor Kai
Ms Mavis Ren

Recording Secretary- Ms Jaise Choi

Media/ Publicity/Welfare:

Chairperson - Mdm Kiren Kaur Gill
Secretary - Mr Ong Chee Kiong
Editor - Mr Teo Chor Kai

Members:

Mdm Lau Bee Eng
Mdm Tan Hui Teng
Mr Willy Siang

Remuneration:

Chairman - Mr Allan Tok Wei Cheng
Secretary - Mr Phua Chin Hong
CEO - Mr Teo Chor Kai

Members:

Mr Richard Zaccheus
Mr Fok Kim Fook

Audit:

Chairman - Mr Chua Kia Khian
Secretary - Mdm Elaine Seah Ee Leng

Member:

Mr Terence Pan

Internal Auditors:**Members:**

Mr Phua Chin Hong
Professional Accountant Firm

Staff Welfare:

Chairman - Mr Richard Zaccheus
Secretary - Mrs Chia Teck Lim

Members:

Mr Fok Kim Fook (Hon Treasurer)
Mr Teo Chor Kai (CEO)
Ms Mavis Ren (CFO)

Data Protection Management Committee (DPMC):

Approving Officer - Mr Teo Chor Kai
Consultant - Dr Dannee Ng
Data Protection Officer- Mr Willy Siang
Data Protection Officer- Mdm Arifah Begum

STIH Representatives:

Mr Richard Zaccheus
Mr Allan Tok
Mr Ho Boon Huat
Mr Teo Chor Kai

Representatives/Delegates/Staff in Other Co-operative Organisation

Singapore National Co-operative Federation (SNCF)

EXCO Member	-	-	Ms Mavis Ren
Delegate	-	-	Mr Fok Kim Fook (Credit Sector)

The Singapore Amalgamated Services Co-operative Organisation Ltd (SASCO)

Member, Board of Directors	-	-	Mr Fok Kim Fook
Delegates	-	-	Mr Peter Tan Swee Chong Mr Teo Chor Kai

Consumers Association of Singapore (CASE)

Delegates	-	-	Mr Allan Tok Wei Cheng Mr Fok Kim Fook
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Premier Security Co-operative Society Ltd

Delegate	-	-	Mr Teo Chor Kai
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National Trades Union Congress (NTUC)

NTUC Income Insurance Co-operative Limited (NTUC INCOME)

Delegate	-	-	Mr Ho Boon Huat
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NTUC FairPrice Co-operative Ltd

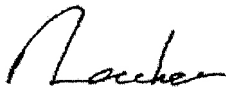
Delegates	-	-	Mr Peter Tan Swee Chong Mdm Ng Moi Sng Patsy
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NTUC Health Co-operative Ltd

Delegate	-	-	Mdm Elene Lim Lan Hiang
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The Singapore Teachers' Co-operative Society Ltd**ANNEX 4****PROPOSED DISTRIBUTION OF 2023 SURPLUS**

		S\$	S\$
SURPLUS FOR THE YEAR 2023			843,994
(before dividend payment of \$677,253 in July 2023)			
Less: Contribution to Central Co-operative Fund			(90,477)
			<u>753,517</u>
Proposed Dividend on Share Capital:	8% x \$ 6,543,488	523,479	
Proposed Loan Interest Rebate:	5% x \$ 911,156	45,558	(569,037)
			<u>184,480</u>
Distribution to:-			
Common Good Fund		50,000	
Staff Welfare Fund		20,000	
Co-op education and Training Fund		30,000	
Retained Surplus		84,480	(184,480)
			<u><u>-</u></u>



Zaccheus Richard Bains
Chairman



Fok Kim Fook
Hon Treasurer

ANNEX 5

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD				
ESTIMATES FOR FY 2024 - FY 2025				
	FY 2024	FY 2024	Adjusted	
		(Adjustments)	FY2024	FY 2025
	S\$	S\$		S\$
<u>OPERATING EXPENDITURE</u>				
Auditor's Remuneration	33,500	(3,500)	30,000	33,500
Administrative Expenses	34,800		34,800	34,800
Affiliation Fees	1,500		1,500	1,500
COM Responsibility Allowance	90,000	10,000	100,000	90,000
Attendance Allowance / Sub-Comm Meeting	1,000		1,000	1,000
Attendance Allowance / MC Meeting	7,150		7,150	7,150
Transport Expenses	10,000	7,500	17,500	17,500
Allowance for expected credit losses on loans to members	20,000	1,000	21,000	20,000
Bad Debts Written Off	200,000	(100,000)	100,000	200,000
Bank Charges	6,000		6,000	6,000
Co-Operative Activities	30,000	100,000	130,000	30,000
Computer Service & Supplies	120,000	(20,000)	100,000	120,000
Debts Management Fees	43,200		43,200	43,200
General Meeting Expenses	40,000		40,000	40,000
General Expenses	12,000		12,000	12,000
Insurance	30,000		30,000	30,000
Internal Audit / AC Expenses	30,600		30,600	30,600
Investment Management Fee	20,000	(10,000)	10,000	20,000
Maintenance of Office Premises	5,000	(4,000)	1,000	5,000
Maintenance of Office Equipment	5,000	(2,000)	3,000	5,000
Membership Drive Expenses	10,000		10,000	10,000
Printing & Stationery	10,000	(5,000)	5,000	10,000
Postages & Courier	8,500		8,500	8,500
Professional & Legal Expenses	55,000	(37,000)	18,000	55,000
Property Tax & Quit Rent	8,800		8,800	8,800
Refreshment	6,000	4,000	10,000	10,000
Staff CPF Contributions	94,000	9,000	103,000	100,000
Staff Dental & Medical Expenses	9,000	(3,000)	6,000	6,500
Salaries & Bonuses for Staff	808,950	71,730	880,680	850,000
Skill Development Levy	1,570		1,570	1,570
Service Charges for Check-off	7,000		7,000	7,000
Service Charges for Premises	21,000	4,000	25,000	25,000
Telephone Charges	15,000		15,000	15,000
Utilities	10,000	(1,000)	9,000	10,000
TOTAL	1,804,570	21,730	1,826,300	1,864,620
<u>CAPITAL EXPENDITURE</u>				
Computer & Equipment	50,000		50,000	20,000
Computer Software	200,000	(150,000)	50,000	50,000
Renovation	200,000	400,000	600,000	50,000
Furniture & Office Equipment	30,000		30,000	30,000
TOTAL	\$ 480,000	\$ 250,000	\$ 730,000	\$ 150,000
TOTAL ESTIMATED EXPENDITURE	\$ 2,284,570	\$ 271,730	\$ 2,556,300	\$ 2,014,620

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD

MAXIMUM LIABILITY

The Committee of Management reviewed its savings policy and is satisfied that it is possible to maintain the present level of liability and provide members with better returns. It is therefore recommended that the maximum borrowing limit of the Society for the year 2024 be set at **S\$80,000,000**.

	BALANCE 31/12/2023	PROJECTED BALANCE 31/12/2024	ESTIMATE INTEREST PAYABLE	INTEREST PAYABLE 31/12/2023
	S\$'000	S\$'000	S\$'000	S\$'000
GENERAL SAVINGS	25,097	25,000	250	164
BONUS SAVINGS	11,519	13,000	400	362
TERM DEPOSITS	33,522	42,000	1,223	743
TOTAL	\$ 70,138	\$ 80,000	\$ 1,873	\$ 1,269



ZACHEUS RICHARD BAINS
CHAIRMAN



FOK KIM FOOK
HON TREASURER

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LIMITED

(Registered under the Co-operative Societies Act, Cap. 62, Singapore)

ANNEX 7

REPORT ON INVESTMENT

7.1 RESTRICTED AND NON-RESTRICTED INVESTMENTS

As at 31 December 2023, the Co-operative has \$20,477,659 (FY2022: \$16,041,472) in restricted Investments and \$57,533,954 (FY2022: \$59,929,359) in non-restricted investments.

7.2 RESTRICTED INVESTMENT (RI) LIMIT

The default RI limit is 10%

On 25 June 2022, 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. Subsequently, the Co-op was granted permission to invest 30% of its total assets in RI by the Registrar of Co-Operative Society for a period of 3 years from 11 June 2022 to 30 June 2025, or the date of the Co-Operative's Annual General Meeting date in the 2025, whichever is earlier.

As at 31 December 2023, our restricted investments amounted to \$20,477,659 or 22.1% of total assets.

Non Restricted Investments	FY2023	FY2022	FY 2021
	Investment Amount (\$)	Investment Amount (\$)	Investment Amount (\$)
Investment properties	1,152,693	1,197,027	1,255,805
Statutory board bonds	10,730,994	11,037,742	12,236,948
Central investment fund (SI)	-	-	2,093,906
Shares in other co-op and corporatised co-op (invest before 30/06/2010)	2,922,735	8,593,874	1,937,816
Fixed deposits and bank balances	42,727,532	39,100,716	37,755,835
Total	57,533,954	59,929,359	55,280,310
Restricted Investments	FY2023	FY2022	FY 2021
	Investment Amount (\$)	Investment Amount (\$)	Investment Amount (\$)
Shares listed on SGX	5,024,531	2,572,004	2,597,371
Corporate bonds and Managed Funds	14,509,189	12,377,769	16,605,455
Shares in private companies	617,840	440,815	440,815
Shares in other co-op (invest after 30/06/2010)	326,099	650,884	169,990
Total	20,477,659	16,041,472	19,813,631
Total Assets	\$ 92,718,206	\$ 92,011,610	\$ 90,750,939
Restricted Investment (RI) approved	30%	30%	30%
Total RI invested	\$ 20,477,659	\$ 16,041,472	\$ 19,813,631
RI as a % of Total Assets	22.1%	17.4%	21.8%

Asset Allocation

Restricted Investments	FY2023		As at 31 Dec 2023
	Investment Amount (\$)	Approved Allocation (%)	Actual (%)
Shares listed on SGX	5,024,531	25.0%	24.5%
Corporate bonds and Managed Funds	14,509,189	70.0%	70.9%
Shares in private companies	617,840	5.0%	4.6%
Shares in other co-op (invest after 30/06/2010)	326,099		
Total	20,477,659	100.0%	100.0%

7.3 INVESTMENT PERFORMANCE FROM FY2021 TO FY2023

The return on investment (ROI) of Restricted Investments (RI) for the year 2021 was 4.49%, and for 2022, it was 3.07%. ROI for the year 2023 was 4.8%. This gave an average of 4.12% for the past three years. This met the target set by the Co-op of between 3.5% to 4.5% for RI investment. The ROI of 2022 missed the target due to the write-off of Ezion and Credit Suisse bonds.

For the non-RI, the returns were 1.23% in 2021, 1.31% in 2022, and 7.47% in 2023. This gave an average of 3.34%. In 2023, the ROI increased significantly due to a capital gain from the disposal of NTUC Choice Home shares amounting to \$2.545 million and higher returns from fixed deposits due to the higher interest rate environment in the financial market.

The Co-op's return on investment remained comparatively stable and good despite the uncertainties in the financial markets in the past three years. With this better return, it was able to maintain a good payout in its term deposit rate for members and also maintain the favourable Bonus Savings interest rate for members.

Non Restricted Investments	FY2023	FY2022	FY 2021
	Income (\$)	Income (\$)	Income (\$)
Investment properties	27,221	45,925	50,896
Statutory board bonds	259,177	292,189	221,318
Central investment fund (SI)	-	(91,908)	(27,977)
Shares in other co-op and corporatised co-op (invest before 30/06/2010)	2,688,959	100,673	101,873
Fixed deposits and bank balances	1,324,283	441,044	334,671
Total	\$ 4,299,640	\$ 787,923	\$ 680,781
Returns on non restricted investment	7.47%	1.31%	1.23%
Restricted Investments			
Restricted Investments	FY2023	FY2022	FY 2021
	Income (\$)	Income (\$)	Income (\$)
Shares listed on SGX	418,796	329,812	179,816
Corporate bonds and Managed Funds	557,671	152,317	701,071
Shares in private companies	-	-	-
Shares in other co-op (invest after 30/06/2010)	6,418	9,599	9,599
Total	982,885	491,728	890,486
Returns on restricted investment	4.80%	3.07%	4.49%
Total Investments Income	5,282,525	1,279,651	1,571,267
Returns on investment (ROI)	6.77%	1.68%	2.09%
Investment Income recognised in P&L	2,456,731	1,067,123	1,468,595
Capital Gains recognised in Retained Earnings	2,825,794	212,528	102,672

THE SINGAPORE TEACHERS' CO-OPERATIVE SOCIETY LTD
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GUTHRIE BUILDING
SINGAPORE 419973

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88th ANNUAL GENERAL MEETING – 29 JUNE 2024
NOMINATION FOR ELECTION TO THE COMMITTEE OF MANAGEMENT – 2024/2027

NO	NAME OF CANDIDATE	NAME OF PROPOSER	NAME OF SECONDER
01.	Mr Zaccheus Richard Bains	Mr Teo Chor Kai	Mr Phua Chin Hong
02.	Mr Tan Swee Chong	Mr Teo Chor Kai	Mr Leong Sing
03.	Mr Ong Chee Kiong	Mr Teo Chor Kai	Mr Tan Swee Chong
04.	Ms Kwek Wen Qing	Mr Teo Chor Kai	Mr Koh Kian Neng



MR CHUA KIA KHIAN
RETURNING OFFICER

DATED: 17 MAY 2024

 <p>Name: Mr Richard Zaccheus</p> <p>Designation: Retired Teacher</p> <p>Date of joining the society: 17 July 1965</p> <p><u>Service with Teachers' Co-op:</u></p> <table border="0"> <tr> <td><u>Duration:</u></td> <td><u>Committee:</u></td> </tr> <tr> <td>1990 – 1995</td> <td>Supervisory Board</td> </tr> <tr> <td>1996 – To date</td> <td>Committee of Management</td> </tr> <tr> <td>1996 – 2015</td> <td>Childcare</td> </tr> <tr> <td>1996 – To date</td> <td>Loan</td> </tr> <tr> <td>2008 – To date</td> <td>Chairman (COM)</td> </tr> </table> <p>Served on Singapore National Co-operative Federation (SNCF) Board for 9 years</p> <p>Served on the EduCare Co-op Ltd Board for 6 years</p> <p>Represented STCS at World Council of Credit Unions Conference (WOCCU)</p>	<u>Duration:</u>	<u>Committee:</u>	1990 – 1995	Supervisory Board	1996 – To date	Committee of Management	1996 – 2015	Childcare	1996 – To date	Loan	2008 – To date	Chairman (COM)	 <p>Name: Mr Peter Tan Swee Chong</p> <p>Designation: Retired Teacher</p> <p>Date of joining the society: 1 December 1965</p> <p><u>Service with Teachers' Co-op:</u></p> <table border="0"> <tr> <td><u>Duration:</u></td> <td><u>Committee:</u></td> </tr> <tr> <td>1977 – 1984</td> <td>Supervisory Board</td> </tr> <tr> <td>1985 – To date</td> <td>Committee of Management</td> </tr> <tr> <td>1986 – 1998</td> <td>Hon Asst Treasurer</td> </tr> <tr> <td>1990 – 2015</td> <td>Childcare</td> </tr> <tr> <td>2021 – To date</td> <td>Loan</td> </tr> </table>	<u>Duration:</u>	<u>Committee:</u>	1977 – 1984	Supervisory Board	1985 – To date	Committee of Management	1986 – 1998	Hon Asst Treasurer	1990 – 2015	Childcare	2021 – To date	Loan
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1990 – 2015	Childcare																								
2021 – To date	Loan																								
 <p>Name: Ong Chee Kiong</p> <p>Designation: Teacher</p> <p>Date of joining the Society: 30 November 2011</p> <p><u>Service with Teachers' Co-op:</u></p> <p>2023 – To date Member of the Committee of Management</p> <p><u>Community Involvement and contributions:</u> Committee Member of the Design & Technology Educators Society, Singapore</p>	 <p>Name: Kwek Wen Qing</p> <p>Designation: Teacher</p> <p>Date of joining the Society: 30 June 2015</p> <p><u>Service with Teachers' Co-op:</u></p> <p>2023 – To date Member of the Membership Committee</p>																								

NOTES

NOTES

Co-operative Principles

Voluntary Association and Open Membership

1. Membership of a co-operative society shall be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

Democratic Control

2. Co-operative societies are democratic organisations. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

Limited interest on Capital

3. Share capital shall only receive a strictly limited rate of interest, if any.

Equitable division of surplus

4. The economic results arising out of the operations of the society belong to the members of that society and shall be distributed in such a manner as would avoid one member gaining at the expense of others.
This may be done by decision of the members as follows:
 - (a) By provision for development of the business of the Co-operative;
 - (b) By provision of common services; or,
 - (c) By distribution among the members in proportion to their transactions with the society.

Co-operative Education

5. All co-operative societies shall make provision for the education of their members, officers, and employees and of the general public, in the principles and technique of Co-operation, both economic and democratic.

Co-operation among Co-operatives

6. All co-operative organisations, in order to best serve the interests of their members and communities shall actively co-operate in every practical way with other co-operatives at local, national and international levels.



The Singapore Teachers' Co-operative Society Ltd

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