TCC Credit Co-operative Limited

The Credit Co-operative with a Heart

ANNUAL REPORT 2021

FOR THE YEAR ENDED 31 DECEMBER 2021

MISSION

Our mission based on our Co-operative values is to provide the best possible financial and related services to our members and their families.

VISION

To be the first choice Credit Co-operative that provides innovative, fair and family–oriented financial services of quality and value.

CONTENTS

Chairman's Report

On behalf of the Board of Directors, Management and Staff of TCC Credit Co-operative Limited, I am pleased to present the Annual Report for the Financial Year ending 2021.

Introduction

The Covid-19 pandemic extended well into 2021 and caused major disruption to operations and the business performance of the cooperative. Loans were impacted as a result of slower business activity, lower consumer spending and the scaling down of lifestyle and family events such as weddings and family social gatherings. With a slowdown in these activities, the number of loan applications also declined.

It was our strong desire, with the recent relaxation of safe distancing measures, to hold this year's AGM physically, face-to-face. We checked with the regulators on the feasibility of doing this but has been advised that the Covid-19 Temporary Regulations are still in force and until new guidelines are issued for the conduct of meetings, we have to conduct the meetings online.

I also like to take this opportunity to acknowledge our staff who played an essential role in ensuring that financial assistance is always available to our Members, especially during these difficult times. My sincere appreciation goes out to the Staff, our Member Representatives and to my fellow Board Members who always extended their time and support during this challenging period.

Performance in 2021

As mentioned in the last AGM, we made strategic investments in technologies to support our business and service delivery. Our core banking system has been upgraded to better serve our members and the Board and Management team have been working diligently to automate and enhance our systems to be more resilient and up-to-date and to take advantage of new and emerging technologies.

The year 2021 also saw a drop in the number of loans being approved due to the factors cited above. Along with the reduced Fixed Deposits interest rates, our returns from our fixed deposits reduced significantly, these have led to a drop in revenue for the Financial Year 2021. However, we were able to meet all our financial obligations including allocating a portion of the surplus to the General Reserves. The Board after much deliberation took a prudent approach on allocating the dividends for Financial Year 2021 to ensure that the Co-operative will be in a stronger position should we face similar challenges again. Despite being another challenging year, TCC is pleased to announce a 2.5% dividend for the year 2021.

It gives me great satisfaction to report that TCC's Membership stands at 41,952 as of December 2021.

The operating surplus for the year is $1.0 million. Even though the last few years were very tough, the surplus still remains healthy.

Engaging Our Members

We continued to engage our Members by planning and executing activities in accordance with safe distancing measures during the last year. Majority of the events we organized were held virtually. Member representative meetings, financial planning talks, a year-end comedy night were some of the events that we held in 2021. We are also pleased to introduce our free legal consultation services to our Members. From January 2022, we started organizing healthy lifestyle walks for Members and right now, these treks have seen many of our Members participating. We recognize that TCC members have diverse interests and we have formed interest groups such as "The Clickers" for photography enthusiasts, Women's Lifestyle Group" and "TCC Trekkers" for members who are interested in trekking and hiking activities. We urge members to be part of these

Chairman's Report

member drive activity groups and to participate in its activities. The TCC Youth Committee is also planning to introduce a "TCC Toastmasters" group which will allow members who want to develop their potential for public speaking to sharpen their delivery skills.

Our communication platforms such as our TCC website and social media platforms like TCC Facebook have been constantly updated to keep Members posted of the latest happenings in TCC and other upcoming events. We have also rolled out our TCC YouTube page. We are coming up with different and unique ways to engage our Members; be it through walks or contests from our social media. We have also started various interest groups to cater to the needs of our Members.

TCC Initiatives

We have been actively reviewing our loan products and extended our reach to serve more Members. We have introduced a repackaged Renovation Loan that is designed to better serve and assist our Members to build their dream homes. Together we have also introduced a "Study & Save" scheme where Members can take up an Education Loan at an affordable interest rate and earned a higher interest rate on their monthly savings at the same time. These initiatives are designed to continuously enhance our services and assistance to our Members. We sincerely hope that these new initiatives will assist our Members and encourage them to take up loans and participate actively in our programmes and activities.

We are also looking into moving to a new premises. The Board of Directors had also obtained approval to increase the budget to purchase a suitable property through the Extra Ordinary General Meeting, which was held on 20th December 2021. We are actively looking for an appropriate location to house TCC and its two subsidiaries and to create ample space for Members' events. We are still continuing the search to locate the perfect location at the right price. We intend to rent out the existing property at Killiney Road once we move to our new home. This in turn will provide additional income that will increase our overall surplus.

Conclusion

During the last year, the Board of Directors and Management reviewed its activities, focusing particularly on Membership engagement and the improvement of our business. The last two years have been difficult but the entire team stayed focused on our priorities. We aim to remain competitive and relevant to our members as always, learning from the lessons of the past year as we strive forward eagerly.

We look forward to Financial Year 2022 with hope for a better future for everyone. We also need your support to communicate to your family and friends about the range of benefits and services provided by TCC , the financial solutions that are available to those in need, be it a study loan for their loved ones, a renovation loan for a dream home, a marriage loan to start the blissful journey or even a consolidation loan to improve their financial position.

I would like to thank our Advisers, Directors and all our Staff for their efforts and support as well. We wish you and your families all the best for the rest of the year and beyond; and we look forward to speaking in person again next year. Stay healthy and stay safe!

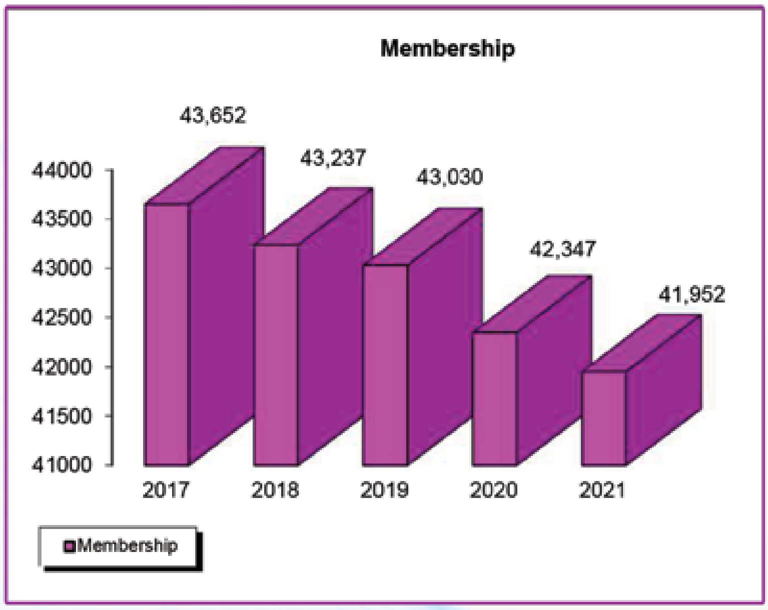
Thank you,

Shareef Bin Abdul Jaffar PBS (Polis)
Chairman

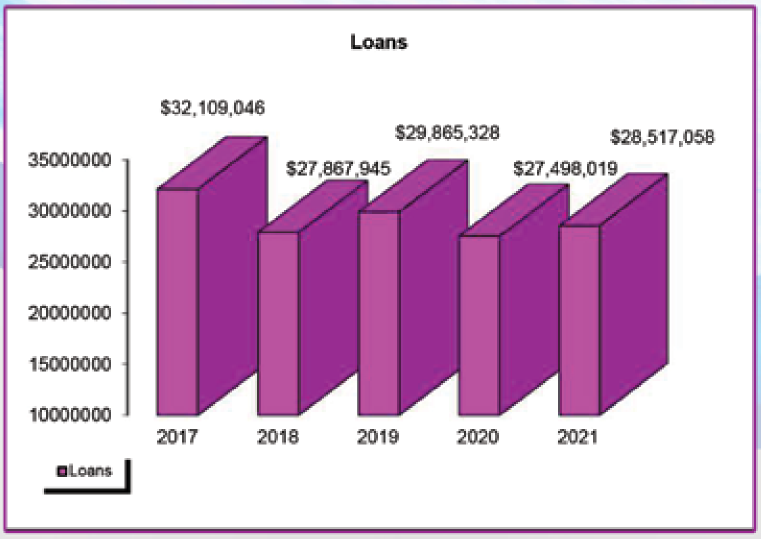
Annual Statistics

	2017	2018	2019	2020	2021
Membership	43,652	43,237	43,030	42,347	41,952
	$	$	$	$	$
Loans	32,109,046	27,867,945	29,865,328	27,498,019	28,517,058
Deposits	73,831,648	75,112,809	75,529,906	78,637,644	79,438,416

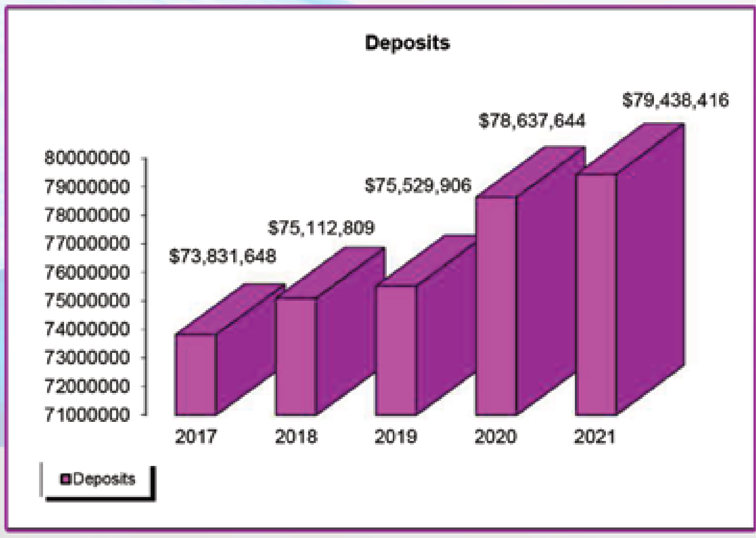
MEMBERSHIP



LOANS



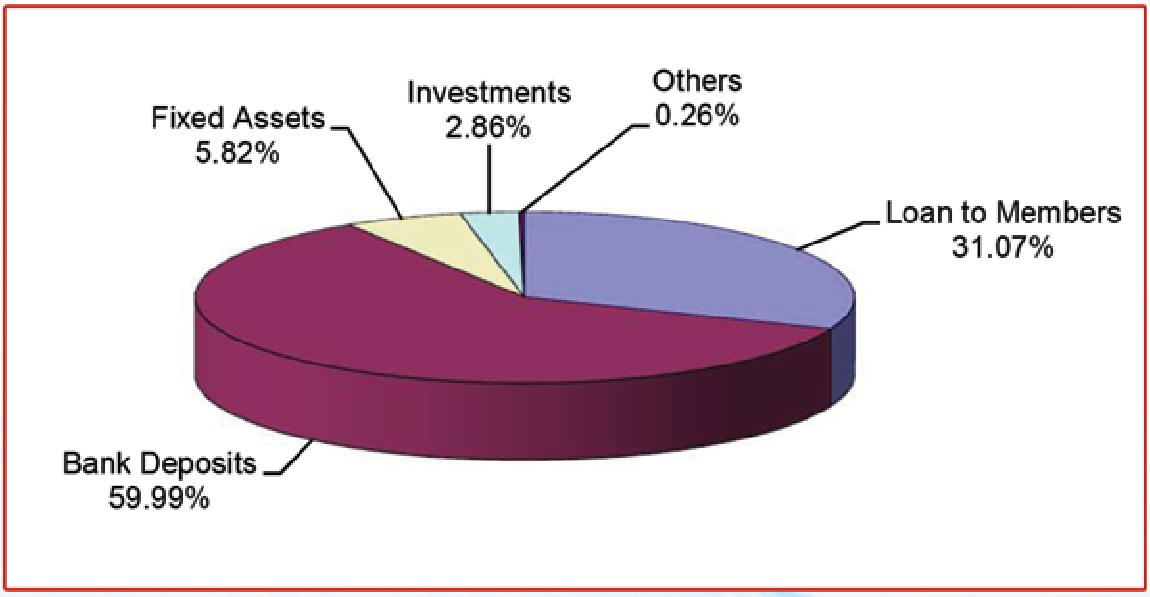
DEPOSITS



Breakdown of Assets

Year	2017	2018	2019	2020	2021
	$	$	$	$	$
Loan to Members	32,109,046	27,867,945	29,865,328	27,498,019	28,517,058
Bank Deposits	45,694,363	51,958,953	49,172,171	54,691,070	55,066,459
Fixed Assets	5,304,746	5,257,815	5,165,522	5,388,070	5,339,886
Investments	2,897,403	2,917,371	3,546,398	3,334,062	2,625,512
Others	348,279	201,947	245,187	170,538	243,112

Breakdown of Assets Chart



Restricted Investments

As at 31st December 2021, our Restricted Investments amounted to $2,347,042 or 2.6% of the total assets as follows:

Restricted Investments	As at 31st December 2021 S$	As at 31st December 2020 S$
a) Investment Property: 200, Jalan Sultan, Singapore 199018	386,531	399,711
b) Shares listed on SGX	819,311	1,276,925
c) Corporate bonds issued in Singapore and managed fund(s) with capital protection mandate	NIL	250,937
d) Shares in other Co-operatives	1,141,200	1,141,200
Total	**2,347,042**	**3,068,773**

SECRETARY'S REPORT

Board Meetings
The Board met monthly. Thirteen (13) Board meetings were held in the year 2021. Appendix I shows the attendance record at Board meetings.

External Auditors
Stamford Assurance PAC Chartered Accountants and Public Accountants were appointed as External Auditors for the financial year 2021.

Audit Committee
The Board appointed Mr. Shareef Bin Abdul Jaffar, Mr. Tan Geok Seng and Mr. Santhanaram Jayaram to the Internal Audit Committee for the financial year 2021.
There were 2 meetings held by the Audit Committee during the year 2021.

The first meeting held on 17 March 2021 was attended by all three members of the Audit Committee. The Financial Year-End audit plan was discussed with the External Auditors who presented the audit plan together with the objective of the audit, the audit process and approach, and the areas of focus.

The second meeting held on 22 May 2021 was attended by all three members of the Audit Committee. This was the closing meeting of the financial year-end audit. The external audit partner tabled the draft financial statements for discussion and approval from the Audit Committee.

Minimum Liquidity Asset (MLA) & Capital Adequacy Ratio (CAR)
TCC's MLA and CAR ratios for 2021 satisfy the prudential requirement set by the Registry of Co-operative Societies as stated below:

Minimum Liquid Asset Ratio	69.32%
Capital Adequacy Ratio	12.28%

Common Good Fund Benefits
A sum of $192,897.55 was granted to members as follows:

Cash Grants for Hospitalization	-	$ 58,937.50
Cash Grants for Death of Member	-	$ 26,975.00
Loyal Membership Awards	-	$ 39,500.00
Scholarship and Bursary Awards	-	$ 19,550.00
Baby Bonus	-	$ 3,000.00
Marriage Grant	-	$ 1,900.00
Get Well Fruit Basket	-	$ 7,185.05
Festive Lucky Draw	-	$ 35,550.00
Handicap	-	$ 300.00

Scholarship and Bursary Awards for 2021
One hundred twenty-one awards, comprising eighty-three Scholarship Awards and thirty-eight Bursary Awards were given to members' children. The total value of the awards amounted to $19,550.00.

Loyal Membership Awards for 2021
Eighty lucky members with at least 25 years of loyal membership with TCC received $500.00 each being credited into their Super Savings account.

2021 Other Activities

The year 2021 saw many online events organized for our members. The year 2020 and 2021 gave us a platform to engage them virtually and a chance to produce activities that were unique or talks that catered to the needs of our members. With heightened restrictions, plans to organize more physical activities also took a turn for the worst. It was a challenging aspect, but it was something that we took in our stride.

Our first event took place in February; a trip in time to the Changi Jurassic Mile. We walked from Changi to Bedok Jetty at East Coast Park. It was an event that saw around 32 members participated. The very next walk was to Pulau Ubin in April. Thunderstorms could not dampen the mood of 23 members who braved the rain and conquered the scenic and rustic island. We also organized virtual walks ensuring our members could still exercise from their comforts.

As our members' health and safety were of paramount importance, the physical events came to a halt from May onwards due to the COVID-19 restrictions.

We did organize online meetings with members to stay connected with them and our 88th Annual General Meeting (AGM) was held via electronic means for the second time consecutively. This virtual AGM saw almost 1200 members participating in the event. While we missed the opportunity to interact with our members in person, we were still glad to be in touch and hope that eventually, we get to see all of you once the situation is more stable in the coming year.

The Health and Financial Literacy talks that were organized for members online received encouraging feedback. We even started free Legal Consultation Services for members on Saturdays and the bookings for these sessions were always full.

TCC also recruited more partners so that our members will have more privileges to benefit from. Partners such as F45, Honeyworld and Singapore Paincare joined us. Tying up with more corporate partners will be an ongoing exercise and we hope members can take full advantage of the benefits through these partnerships. We also hope that such collaborations will create more awareness for TCC and its future growth.

Our Festive Lucky Draws for members are ongoing. One hundred lucky members for each festive period walked away with $100 worth of vouchers during the five festive seasons: Chinese New Year, Hari Raya Puasa, National Day, Deepavali and Christmas.

We appreciate our members and thank them for their loyal support. With the restrictions being lifted slowly, we look forward to seeing you at our events. We wish you and your families all the best and stay healthy!

Thank you

Maria Binte Amri
Secretary

Sub-Committee Composition

Establishment Committee

Mr. Shareef Bin Abdul Jaffar
Mr. Tan Geok Seng
Mr. Daniel Cher Choong Kiak
Ms. Maria Bte Amri

Audit Committee

Mr. Shareef Bin Abdul Jaffar
Mr. Tan Geok Seng
Mr. Santhanaram Jayaram

Investment Committee

Mr. Tan Geok Seng
Mr. Daniel Cher Choong Kiak

Youth Committee

Mr. Daryl Tan – Leader
Ms. Shobikar d/o Mahaendran
Ms. Vigneshwari Jaikumar
Ms. Mohanaruby
Ms. Wong Shu Jun
Mr. Leu Fook Loy
Mr. Lim Zhi Wang

Membership & Events Committee

Ms. Maria Bte Amri
Mr. Hamzah Bin Hj Abdul Karim
Mr. Joshua Benjamin

Member Outreach Committee

Mr. Santhanaram Jayaram
Mr. Daryl Tan

APPENDIX I

The following members served on the Board, during the period under review:

Record of Board of Directors' Attendance

No.	Name	Position	2021												
			25 Jan	22 Feb	23 Mar	27 April	24 May	30 Jun	28 Jul	25 Aug	27 Sep	28 Oct	25 Nov	16 Dec	21 Dec
1	Mr Shareef Bin Abdul Jaffar	Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√
2	Mr Tan Geok Seng	Vice-Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√
3	Mr Daniel Cher Choong Kiak	Director / Treasurer	√	√	√	√	√	√	√	√	√	√	√	√	√
4	Ms Maria Bte Amri	Director / Secretary	√	√	√	√	√	√	√	√	√	√	√	√	√
5	Mr Hamzah Bin Abdul Karim	Director	√	√	√	√	√	√	√	√	√	√	√	√	√
6	Mr Joshua Benjamin	Director	√	√	√	√	√	√	√	√	√	√	√	√	√
7	Mr Santhanaram Jayaram	Director	√	√	√	√	√	√	√	√	√	√	√	√	√

√ (Present) x (Absent)

TCC CREDIT CO-OPERATIVE LIMITED

MINUTES OF THE 88th ANNUAL GENERAL MEETING HELD ON SATURDAY, 12 JUNE 2021 AT MANAGEMENT DEVELOPMENT INSTITUTE OF SINGAPORE (MDIS), 501 STIRLING ROAD, SINGAPORE 148951 VIA LIVE WEBCAST.

PRESENT VIA ONLINE:	101 members.
PROXY FORMS RECEIVED:	1,159 forms

There being a quorum, the Secretary, Mr T G Gritharan called the meeting to order at 11.30 a.m.

NOTICE OF MEETING

The Secretary, Mr T G Gritharan, read the Notice of Meeting convening the 88th Annual General Meeting.

CHAIRMAN'S ADDRESS

The Chairman in his address welcomed everyone to TCC's 88th Annual General Meeting. He thanked everyone for joining the second consecutive virtual AGM. He added that it gives him a great pleasure to see many of our members taking their precious time off on this Saturday morning to attend this annual key event. He regretted to inform that TCC is unable to do hold a physical AGM due to the ongoing global pandemic. We at TCC sincerely appreciate your kind understanding and support with regards to following all the latest government regulations which have been put in place to ensure the safety of all our members. On behalf of the Board of Directors, he thanked members for their presence today.

He shared that the Covid-19 pandemic impacted all our lives throughout the year and affected our operations in the year 2020. This created a very challenging environment for TCC. The critical role that credit cooperatives play during these troubled times cannot be better expressed than during this pandemic. TCC Management and Staff played a pivotal role in maintaining continuity of operations in a safe environment to ensure that much needed financial assistance is always available to our members. His heartfelt appreciation goes out to his fellow Board Members, Management and Staff of TCC. He also thanked our Member Representatives and volunteers who always ensured that we remain operational and continue to assist our members.

Given that the core business of TCC is providing financial solutions to members, we had in the past few years made strategic investments in technologies, anticipating the needs of a digitally enhanced business. Continuous investments in technology capabilities have strengthen our operating capabilities and allowed for business continuity. TCC seized the opportunity to upgrade our Core Banking system and related hardware to ensure resiliency and to roll out digital banking services to our members. The Board and Management team are working hand-in-hand to digitally transform our business to keep up with how the world in transforming digitally. As much as by staying within the guidelines and protocols set by the Registry of Co-operative Societies, TCC came up with new initiatives that was adaptable to the members' necessities, which he will touch upon in a while. Recognizing that our members' come first is a fundamental principal which important to us, TCC ensured that their financial needs were not disrupted by these changes.

With this, Chairman shared some quick facts. It was indeed a great satisfaction to report that TCC's membership stands at 42,347 as of December 2020. The operating surplus for the year is One Million dollars. This is despite the very challenging operating environment. In order to assist our members during these trying times, the Board decided to return as much of the surplus as possible to our members. TCC is pleased to announce a 3% dividend for the year 2020.

In view of the restrictions imposed on gatherings and movement of people during the pandemic, TCC continued to engage our members by planning and executing activities in accordance with safe distancing measures. Most of the events were held online. TCC held member representative meetings and co-organized talks on financial planning. As well as promoted healthy lifestyle events and organized trekking sessions with enhanced safe distancing measures.

TCC leveraged on our communication platforms to keep members updated of the latest happenings and events via our website and social media platforms such as the TCC Facebook. Our TCC Bulletin also saw a major facelift and we have created a more engaging medium to keep our members engaged and informed. We look forward to your active involvement in all our future events.

Chairman informed that towards the end of last year, our beloved Dr. R. Theyvendran, PBM, passed away peacefully at the age of 79. We also lost a number of members who contributed their time and efforts to the growth of TCC. Our heartfelt condolences goes out to all their families. We will miss them dearly.

TCC has been actively reviewing our loan products and extended our reach to serve more members. In recent months, our loan products are now accessible to new groups of members such as Private Hire Car Driver's Vocational Licence (PDVL) Holders and Contract Employees. The loan lending guidelines have been revamped to help more members with their financial needs. We hope that members will benefit from these new initiatives.

As mentioned earlier, TCC have successfully completed upgrading to our core banking system. This is a very significant upgrade which was performed remotely to accommodate the COVID-19 restrictions. The upgrade to a new version of our banking system has been a significant project for us as it will provide us with a stable and secure core banking system with enhanced reporting and security features. It will also enable us to roll-out digital banking services to benefit more members. The software enhancement provides a more intuitive workflow and additional banking tools to enhance member experience.

Very soon, members will expect an Online Lending Module which will be made available in the coming months. With this module in place, it will be easier for members to submit their loan applications online and for immediate processing.

In conclusion, the changes that all of us are going through now, is becoming a norm. That is the only constant change and in order for us to ensure business continuity we have to adapt and come out stronger. TCC, is innovative and are looking for methods to keep our business growing and most importantly, connecting with all our members. We will remain competitive and relevant as always, learn from the lessons of the past year and take it along with us on our journey forward. The current challenges may dampen us but our spirits remain resolute. While we are optimistic, we take nothing for granted. With your continuous support, TCC is confident of thriving well whist remaining true to our tagline "A Credit Co-operative with a Heart".

Chairman believes that we are in a competitive position, with a sound strategy, a solid business and with a great team. We are focused on our path forward and committed to enhancing greater returns. He would like to thank our Advisers, Directors, staff and all of our members for their commitment, efforts and initiative. TCC is an organization with a proud history. He wished all the very best as we carry out our individual responsibilities in building future success together. He sincerely thanked everyone and added to stay safe and healthy and hopefully this time next year, to be able to meet in person.

<End of Speech>

AGENDA 1: CONFIRMATION OF THE MINUTES OF THE 87TH AGM.

1.1 94.05% had voted to confirm and adopt the Minutes of the 87th AGM.As this forms a simple majority, the 87th AGM Minutes of Meeting was declared as confirmed and adopted.

Results:

Total votes casted	1,159	
For:	1,090	94.05%
Against:	1	0.08%
Abstain:	68	5.87%

AGENDA 2: TO RECEIVE & ADOPT THE ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020.

2.1 93.01% had voted to receive the Annual Report for year ended 31st December 2020. As this forms a simple majority, the Annual Report was declared as adopted.

Results:

Total votes casted	1,158	
For:	1,077	93.01%
Against:	6	0.52%
Abstain:	75	6.47%

AGENDA 3: TO RECEIVE & ADOPT THE AUDITOR'S REPORT & STATEMENT OF ACCOUNTS FOR THE FINANCIAL YEAR 2020

3.1 92.67% had voted to receive the Auditor's report and Statement of Accounts for the financial year ended 31 December 2020. As this forms a simple majority, the Auditor's Report and Statement of Accounts were declared as adopted.

Results:

Total votes casted	1,159	
For:	1,074	92.67%
Against:	9	0.78%
Abstain:	76	6.55%

AGENDA 4: TO APPROVE & AUTHORIZE THE PAYMENT OF DIVIDENDS TO THE MEMBERS OF CO-OPERATIVE AT A DIVIDED RATE OF 3% FOR THE FINANCIAL YEAR ENDING 31ST DECEMBER 2020.

4.1 94.56% had voted to approve the 3% dividend payment for the Financial year ended 31 December 2020. As this forms a simple majority, the 3% dividend payment was declared as approved and authorized.

Results:

Total votes casted	1,158	
For:	1,095	94.56%
Against:	1	0.09%
Abstain:	62	5.35%

AGENDA 5: TO ARRPOVE THE PAYMENT OF HONORARIUM FOR BOARD OF DIRECTORS WHO ARE NOT IN RECEIPT OF ALLOWANCES

5.1 88.86% have voted to approve the payment of Honorarium for members of the Board of Directors who are not in receipt of allowances for the year 2020. As this forms a simple majority, the payment of Honorarium was approved.

Results:

Total votes casted 1,158

For:	1,029	88.86%
Against:	10	0.86%
Abstain:	119	10.28%

AGENDA 6: TO APPROVE THE ESTIMATE OF EXPENDITURE FOR THE YEAR 2021.

6.1 90.42% had voted to approve the Estimates of the Expenditure for the Year 2021. As this forms a simple majority, the Estimates of the Expenditure for the Year 2021 was declared as approved.

Results:

Total votes casted 1,159

For:	1,048	90.42%
Against:	7	0.60%
Abstain:	104	8.97%

AGENDA 7: TO APPROVE MAXIMUM LIABILITY FOR THE YEAR 2021.

7.1 88.70% had voted to approve the maximum liability for the year 2021. As this forms a simple majority, the maximum liability for the year 2021 was declared as approved.

Results:

Total votes casted 1,159

For:	1,028	88.70%
Against:	10	0.86%
Abstain:	121	10.44%

AGENDA 8: TO DELEGATE THE BOARD OF DIRECTORS THE POWER TO APPOINT TCC'S INTERNAL AUDITORS FOR THE YEAR 2021.

8.1 92.67% had voted to appoint Internal Auditors for TCC for the year 2021. As this forms a simple majority, to appoint TCC's Internal Auditors for year 2021 was declared as duly approved.

Results:

Total votes casted 1,159

For:	1,074	92.67%
Against:	8	0.69%
Abstain:	77	6.64%

AGENDA 9: TO DELEGATE THE BOARD OF DIRECTORS THE POWER TO APPOINT TCC'S EXTERNAL AUDITORS FOR THE YEAR 2021.

9.1 91.98% had voted to delegate to the Board of Directors the power the appoint TCC's External Auditors for the year 2021. As this forms a simple majority, Agenda 9 was declared as duly approved.

Results:

Total votes casted	1,159	
For:	1,066	91.98%
Against:	13	1.12%
Abstain:	80	6.90%

AGENDA 10: ELECTION OF MEMBERS OF THE BOARD FOR THE TERM OF 3 YEARS

10.1 Since there was no contest as at close of Nomination date, Mr. Shareef Bin Abdul Jaffar, PBS (Polis) , Mr. Daniel Cher Choong Kiak, PBM and Ms. Maria Binte Amri has been re-elected unopposed as a Director of the Board of TCC Credit Co-operative Limited for a further term of three (3) years.

AGENDA 11: TO CONSIDER AND APPROVE THE AMENDMENTS TO THE BY-LAWS OF THE CO-OPERATIVE AS PER APPENDIX I.

11.1 90.92% had voted to approve the amendments to the By-Laws of the Co-operative as per Appendix I. As this forms no less than three quarters of total number of proxy votes, the amendments to the By-Laws of the Co-operative as per Appendix I were declared as having been duly accepted and shall be subject to the final approval from the Registry of Co-operatives Society.

Results:

Total votes casted	1,156	
For:	1,051	90.92%
Against:	5	0.43%
Abstain:	100	8.65%

AGENDA 12: TO CONSIDER ANY OTHER BUSINESS OF WHICH AT LEAST FOUR DAYS NOTICE IS GIVEN IN WRITING TO THE SECRETARY.

12.1 There were no questions submitted before or on the due date on the 8th June 2021 by 12 noon.

CONCLUSION

On behalf of the Board of Directors, the Chairman thanked all members present for their everlasting support, loyalty and faith in TCC.

There being no other matters, the meeting ended at 12.05 p.m.

Recorded by

Kiranjit Kaur
Recording Secretary

Verified by

T G Gritharan
Secretary/ General Manager

Confirmed by

Shareef Bin Abdul Jaffar
Chairman

MINUTES OF TCC CREDIT CO-OPERATIVE LIMITED EXTRA - ORDINARY GENERAL MEETING HELD ON MONDAY, 20 DECEMBER 2021 AT TCC CONFERENCE ROOM 93 KILLINEY ROAD, SINGAPORE 239537 VIA LIVE WEBCAST.

PRESENT VIA ONLINE: 103 members
PROXY FORMS RECEIVED: 852 forms

There being a quorum, the Secretary, Ms Maria Bte Amri called the meeting to order at 6.30 p.m. with the consent of Chairman, Mr Shareef Bin Jaffar who presided the EOGM.

NOTICE OF MEETING

The Secretary, Ms Maria Bte Amri, read the Notice of Meeting convening the Extra-Ordinary Meeting.

CHAIRMAN'S ADDRESS

Dear Valued Members,

Good evening to all of you. Thank you for joining us in this virtual EOGM, once again we are conducting this general meeting in view of the COVID-19 safe distancing.

TCC, as Singapore's largest Credit Cooperative with more than 42,000 members have grown exponentially over the years. We have currently outgrown our facilities and would require additional space for our growth.

The idea of searching for a new home for TCC was initiated six years ago. The original objective was to find adequate office space to house our operations and to rent out the four Killiney Road properties, which are sitting on prime commercial land, to generate rental income which will contribute to TCC's income and to ensure that we continue to pay healthy dividends to our members.

The Covid-19 pandemic, whilst causing major disruption to our way of life, also brought about strong sentiments of brotherhood, community spirit and compassion for our fellow men. It strongly reinforced the cooperative values of people helping people.

The Covid-19 pandemic also presented us with a remarkable opportunity, in view of the depressed property market, to acquire an independent building, at fair market value, for TCC to house not only its operations but also to have a purpose-built facility for our members to gather, meet and participate in wholesome family-based activities.

In our search for such a property, we have come across a number of potential standalone buildings, with sufficient build up area, conveniently located and easily accessible by MRT and public transportation networks.

We intend to create member spaces for meetings, activities and events and these facilities can also be rented out for members' needs at subsidised prices and for the public at commercial prices. We will also house our two subsidiary companies, SecureGuard and Security Masters under the same roof. This will also add to TCC's revenue stream.

To find a standalone building with adequate space for TCC's needs requires that we set aside a sufficient sum of money which will be able to fund the acquisition and the associated renovation costs. We seek members support to make this dream of having a permanent building a reality today at this EOGM and we are ready to share the good news with our members. Before we announce the resolution, on behalf of the Board of Directors I wish to express our sincere thanks to all our members who took part in this EOGM. Stay safe.

Thank you.

<End of Speech>

RESOLUTION: TO APPROVE THE BUDGET OF $30,000,000 FOR THE PURCHASE OF A NEW BUILDING FOR TCC CREDIT CO-OPERATIVE LIMITED.

Results:

Total votes casted	852	
For:	662	77.7%
Against:	82	9.6 %
Abstain:	108	12.7%

77.7% have voted to approve the budget of $30,000,000 for the purchase and renovation of a new building for TCC Credit Co-operative Limited.

As this forms a simple majority, the resolution is declared as confirmed and approved.

CONCLUSION

On behalf of the Board of Directors, the Chairman thanked all members present for their everlasting support, loyalty, and faith in TCC.

There being no other matters, the meeting ended at 6.40 p.m.

Recorded by

Kiranjit Kaur
Recording Secretary

Verified by

Maria Bte Amri
Secretary/ Director

Confirmed by

Shareef Bin Abdul Jaffar
Chairman

MANAGEMENT COMMITTEE'S STATEMENT

In the opinion of the Management Committee,

(i) the accompanying financial statements of the TCC Credit Co-Operative Limited (the "Co-Operative") and its subsidiaries (the "Group") are drawn up so as to give a true and fair view of the financial position of the Co-Operative and of the Group as at 31 December 2021 and of the financial performance, changes in funds and reserves and cash flows of the Group for the financial year ended on that date;

(ii) at the date of this statement there are reasonable grounds to believe that the Group and Co-Operative will be able to pay its debts as and when they fall due; and

(iii) the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the Co-Operative during the financial year ended 31 December 2021 are, in all material respects, in accordance with the provisions of the Co-Operative Societies Act, Chapter 62 and the By-Laws of the Co-Operative;

On behalf of the Management Committee

Shareef Bin Abdul Jaffar
Chairman

Daniel Cher Choong Kiak
Treasurer

Date: 19 May 2022
Singapore

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCC Credit Co-Operative Limited (the "Co-Operative") and its subsidiaries (the "Group"), which comprise the Group and Co-Operative consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of changes in funds and reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Co-Operative Societies Act ("Act"), and Singapore Financial Reporting Standards ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Group as at 31 December 2021 and the results, changes in funds and reserves and cash flows of the Group and for the year ended on that date.

Basis of 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 and Co-Operative in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Management Committees' Statement set out on page 1 and annual report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

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

Those charged with governance are responsible for overseeing the Group and Co-Operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 and Co-Operative to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

Report on the audit of the financial statements (Continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirement

Opinion

In our opinion:

(a) the receipts, expenditure, investment of money and the acquisition and disposal of assets by the Co-Operative during the year are, in all material respects, in accordance with the provisions of the Act, the Act and the requirements of any other written law applicable to moneys of or managed by the entity; and

(b) proper accounting and other records have been kept, including records of all assets of the Group and Co-Operative whether purchased, donated or otherwise.

Basis of Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Co-Operative 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 management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, the Act and the requirements of any other written law applicable to moneys or managed by the entity. This responsibility includes monitoring related compliance requirements relevant to the Co-Operative, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on 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 receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, the Act and the requirements of any other written law applicable to moneys or managed by the Co-Operative.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

Report on Other Legal and Regulatory Requirement (Continued)

Auditor's Responsibilities for the Compliance Audit (Continued)

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys 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 control. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.

The engagement partner on the audit resulting in this independent auditor's report is Chinnu Palanivelu.

Stamford Assurance PAC

STAMFORD ASSURANCE PAC
Public Accountants and Chartered Accountants
Singapore

Date: 19 May 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 $	Group 2020 $	Co-Operative 2021 $	Co-Operative 2020 $
MEMBER'S FUNDS, RESERVES AND LIABILITIES					
Members' subscription	4	30,769,480	30,843,948	30,769,480	30,843,948
Reserve fund	5	2,724,226	2,724,226	2,650,196	2,650,196
Common good fund	6	474,200	567,099	474,200	567,099
General fund		12,060,748	11,497,212	8,620,591	8,625,533
		46,028,654	45,632,485	42,514,467	42,686,776
Non-controlling interest		57,233	54,668	-	-
Total members' funds		46,085,887	45,687,153	42,514,467	42,686,776
LIABILITIES					
Non-current liability					
Deferred tax liability	17	55,342	55,342	-	-
Total non-current liability		55,342	55,342	-	-
Current liabilities					
Members' deposits	7	48,668,936	47,793,696	48,668,936	47,793,696
Central Co-Operative fund contribution	8	223,753	206,050	166,826	160,574
Lease liability	26	25,200	25,200	-	-
Deferred contingent consideration	10	-	26,120	-	-
Other liabilities	9	828,343	840,201	441,798	440,713
Total current liabilities		49,746,232	48,891,267	49,277,560	48,394,983
Total liabilities		49,801,574	48,946,609	49,277,560	48,394,983
Net members' funds, reserves and liabilities		**95,887,461**	**94,633,762**	**91,792,027**	**91,081,759**
ASSETS					
Non-current assets					
Property, plant and equipment	11	3,287,462	3,244,525	3,180,679	3,181,375
Intangible assets	12	560,033	594,341	234,486	268,794
Investment properties	13	1,924,721	1,937,901	1,924,721	1,937,901
Right-of-use assets	14	25,200	25,200	-	-
Financial assets	15	1,455,512	2,164,062	1,455,512	2,164,062
Investment in subsidiaries	16	-	-	1,170,000	1,170,000
Goodwill	17	686,972	686,972	-	-
Loans to members	19	21,741,174	19,967,791	21,741,174	19,967,791
Total non-current assets		29,681,074	28,620,792	29,706,572	28,689,923
Current assets					
Loans to members	19	6,775,884	7,530,228	6,775,884	7,530,228
Trade and other receivables	18	1,290,241	1,218,344	243,112	170,538
Cash and cash equivalents	20	58,140,262	57,264,398	55,066,459	54,691,070
Total current assets		66,206,387	66,012,970	62,085,455	62,391,836
Total assets		**95,887,461**	**94,633,762**	**91,792,027**	**91,081,759**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $	Group 2020 $
Revenue	21	5,303,559	5,401,216
Interest expenses		(60,606)	(58,827)
		5,242,953	5,342,389
Other income	22	2,227,035	1,352,676
Job support scheme		-	1,281,636
Total income		7,469,988	7,976,701
Salary, wages and employees' benefits	25	(3,992,545)	(3,735,367)
Depreciation of property, plant and equipment	11	(97,975)	(96,687)
Amortisation of intangible asset	12	(72,659)	(115,404)
Depreciation of right-of-use assets	14	(37,800)	(36,290)
Depreciation of investment properties	13	(13,180)	(13,180)
Other expenses	23	(1,419,728)	(1,487,878)
Surplus before Contribution to Central Co-Operative Fund		1,836,101	2,491,895
Contribution to Central Co-Operative Fund		(198,754)	(206,320)
Surplus after contribution		1,637,347	2,285,575
Other comprehensive income:			
Common Good Fund expenses	6	(192,899)	(202,261)
		(192,899)	(202,261)
Total comprehensive income for the financial year		1,444,448	2,083,314
Surplus attributable to:			
Owners of the Co-Operative		1,634,782	2,280,588
Non-controlling interests		2,565	4,987
		1,637,347	2,285,575
Total comprehensive income attributable to:			
Owners of the Co-Operative		1,541,884	2,078,327
Non-controlling interests		2,565	4,987
		1,544,449	2,083,314

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Co-Operative 2021 $	Co-Operative 2020 $
Revenue		2,053,699	2,505,316
Interest expense		(60,606)	(58,827)
		1,993,093	2,446,489
Other income		1,669,696	1,133,446
Job support scheme		-	211,916
Total income		3,662,789	3,791,851
Expenses			
Salary, wages and employees' benefits		(1,046,998)	(1,253,992)
Depreciation of property, plant and equipment	11	(45,795)	(57,195)
Amortisation of intangible asset	12	(72,659)	(115,404)
Depreciation of investment properties	13	(13,180)	(13,180)
Other expenses		(1,275,027)	(1,174,207)
Surplus before Contribution to Central Co-Operative Fund		1,209,130	1,177,873
Contribution to Central Co-Operative Fund	8	(166,826)	(160,574)
Surplus for the financial year		1,042,304	1,017,299

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

TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Attributable to the Members of the Co-Operative						
Group		**Members' subscriptions**	**Reserve fund**	**Common Good Fund**	**General fund**	**Total**	**Non-controlling interest**	**Total**
2021	**Note**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance as at 1 January 2021		30,843,948	2,724,226	567,099	11,497,212	45,632,485	54,668	45,687,153
Surplus for the financial year		-	-	-	1,634,782	1,634,782	2,565	1,637,347
Additions during the year	4	2,630,926	-	-	-	2,630,926	-	2,630,926
Withdrawals during the year	4	(2,705,394)	-	-	-	(2,705,394)	-	(2,705,394)
Common Good Fund	6	-	-	(92,899)	(100,000)	(192,899)	-	(192,899)
Honorarium fee		-	-	-	(74,000)	(74,000)	-	(74,000)
Dividends	24	-	-	-	(897,246)	(897,246)	-	(897,246)
Balance as at 31 December 2021		30,769,480	2,724,226	474,200	12,060,748	46,028,654	57,233	46,085,887

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

TCC CREDIT CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

CO-OPERATIVE STATEMENT OF CHANGES IN FUNDS AND RESERVES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Attributable to the Members of the Co-Operative						
Group		**Members' subscriptions**	**Reserve fund**	**Common Good Fund**	**General fund**	**Total**	**Non-controlling interest**	**Total**
2020	**Note**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance as at 1 January 2020		30,202,608	2,724,226	769,360	10,166,015	43,862,209	49,621	43,911,830
Surplus for the financial year		-	-	-	2,280,588	2,280,588	4,987	2,285,575
Additions during the year	4	3,429,128	-	-	-	3,429,128	60	3,429,188
Withdrawals during the year	4	(2,787,788)	-	-	-	(2,787,788)	-	(2,787,788)
Common Good Fund	6	-	-	(202,261)	-	(202,261)	-	(202,261)
Honorarium fee		-	-	-	(70,000)	(70,000)	-	(70,000)
Dividends	24	-	-	-	(879,391)	(879,391)	-	(879,391)
Balance as at 31 December 2020		30,843,948	2,724,226	567,099	11,497,212	45,632,485	54,668	45,687,153

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $	Group 2020 $
Cash flows from operating activities			
Surplus before contribution		1,836,101	2,491,895
Adjustments for:			
Depreciation of property, plant and equipment	11	97,975	96,687
Amortisation of intangible assets	12	72,659	115,404
Depreciation of investment properties	13	13,180	13,180
Depreciation of right-of-use assets	14	37,800	36,290
Over provision of prior year depreciation	11,12	(76,251)	-
Loss on fair value through financial assets	15	16,074	135,049
Gain on disposal of financial assets	15	868,003	77,287
Interest expense on lease liabilities	26	1,295	1,295
Dividend income	22	(48,935)	(96,124)
Operating cash flows before working capital changes		2,817,901	2,870,963
Changes in working capital:			
Trade and other payables		(37,978)	(1,079,663)
Loans to members	19	(1,019,039)	2,367,309
Trade and other receivables		(71,897)	397,344
Cash generated from operations		1,688,987	4,555,953
Members' deposits received	7	11,192,918	12,435,372
Members' deposits withdrawal	7	(10,317,678)	(9,968,974)
Honorarium paid		(74,000)	(70,000)
Payments to Central Co-Operative Fund		(181,051)	(160,177)
Net cash generated from operating activities		2,309,176	6,792,174
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(103,012)	(56,750)
Purchase of right-of-use asset	14	(37,800)	(369,934)
Purchase of financial assets	15	(175,527)	
Dividends received	22	48,935	96,124
Fixed deposit		4,966,539	15,798,687
Net cash generated from investing activities		4,699,135	15,468,127
Cash flows from financing activities			
Interest paid on lease liabilities	26	(1,295)	(1,295)
Dividends paid to members	24	(897,246)	(879,391)
Proceed from members' subscription	4	2,630,926	3,429,128
Withdrawal of members' subscription	4	(2,705,394)	(2,787,788)
Common Good Fund	6	(192,899)	(202,261)
Net cash used in financing activities		(1,165,908)	(441,607)
Net increase in cash and cash equivalents		5,842,403	21,818,694
Cash and cash equivalents at beginning of financial year	20	38,142,786	16,324,092
Cash and cash equivalents at end of financial year	20	43,985,189	38,142,786

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

1. GENERAL

The Co-Operative is incorporated and registered in Singapore under the Co-Operative Societies Act, Chapter 62. The address of its registered office and principal place of business is at 95 Killiney Road, Singapore 239537.

The principal activities of the Group are to engage in promoting co-operation and self-help, encourage thrift, to receive deposits from members and to assist members to reduce the cost of living and improve their economic position.

The financial statements of the Group for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Committee on the date of Management Committees' Statement.

The principal activities of its subsidiaries are disclosed in Note 16.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below

The preparation of the financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The financial statements are presented in Singapore Dollars ($), which is the Co-Operative's functional currency.

2.2 Adoption of new and amended standards and interpretations

The Co-Operative has not adopted the following standards applicable to the Co-Operative that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendment to FRS 116 *Leases*: Covid-19-Related Rent Concessions	1 June 2021
Amendments to FRS 109 *Financial Instruments*, FRS 39 *Financial Instruments: Recognition and Measurement*, RFS 107 *Financial Instruments: Disclosures*, FRS 104 *Insurance Contracts*, FRS 116 *Leases*: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2021	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements and* FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.3 Basis of consolidation and business combinations

Basis of consolidation

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation and business combinations (Continued)

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

- de-recognises the carrying amount of any non-controlling interest;

- de-recognises the cumulative translation differences recorded in equity;

- recognises the fair value of the consideration received;

- recognises the fair value of any investment retained;

- re-classifies the Group's hare of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combination

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Revenue and expense 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.

(i) *Interest income and expense*

Interest income from members' loans are recognized based on the contractual rates. The interest expense on members' deposits and savings are recognized based on contractual rates.

(ii) *Administrative fee income and charges*

Administrative fee income is recognized when the services are rendered. The charges for late payments and GIRO rejections are recognized upon the occurrence of the default.

(iii) *Dividend income*

Dividend income from financial assets and subsidiaries are recognized when the right to receive payment is established.

(iv) *Rental income*

Rental income on tenanted areas of the buildings owned by the Group is recognized as revenue on a straight-line basis over the term of the lease.

(v) *Rendering of services*

Revenue is recognized when services are billed which generally coincides with the delivery and acceptances by clients.

(vi) *Grants*

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant

(vii) *Interest Income on fixed deposits*

Interest income is recognized using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follow.

	Useful lives
Buildings	10 - 12 years
Property improvements	5 years
Computers	5 years
Furniture and fixtures	3 – 5 years
Office equipment	5 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its nonfinancial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Impairment of non-financial assets excluding goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7 Intangible asset

Goodwill

Goodwill arising on the acquisition of a subsidiary or business represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill on subsidiary is recognised separately as intangible assets. Goodwill is initially recognised at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

Computer software licences

Acquired computer software licences are initially recognised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its expenditure which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as a expense as incurred.

Computer software licences are subsequently carried ay cost less accumulated amortisation and accumulated impairment losses. These costs are amortised losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

(a) **Financial assets**

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

<u>Amortised cost</u>

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(a) Financial assets (Continued)

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those equity investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

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 amortised cost, FVOCI and FVPL. The Group only has debt instruments at 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 the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(a) Financial assets (Continued)

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. 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.

Derecognition

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

(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, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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 derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets (Continued)

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).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. 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 which could affect debtors' ability to pay.

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 before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.11 General Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Leases (Continued)

(a) As lessee

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

Right-of-use assets

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

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

Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are presented in Note 21.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Leases (Continued)

(a) As lessee (Continued)

Short-term leases and leases of low-value assets

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

(b) 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 properties 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.

2.13 Income 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 at the reporting date.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Income taxes (Continued)

(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 Investment properties

Investment properties are initially recognised at cost and subsequently measured at fair value. Any gains or losses arising from the changes in their fair values are taken to the income statement.

The cost of investment properties includes capitalisation of borrowing costs for the purchase, renovation and extension of the investment properties while these activities are in progress. For this purpose, the interest rates applied to funds provided for the development are based on the actual interest rates payable on the borrowings such development.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written-off to the income statement. The cost of maintenance, repairs and minor improvements is charged to the income statement when incurred.

Properties that are being constructed or developed for future use as investment properties are classified as investment properties. Where the fair value of the investment properties under construction or development cannot be reliably measured, the property is measured at cost until the earlier of the date the construction is completed or the date at which fair value becomes reliably measurable.

On disposal of investment properties, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2.15 Investments in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Co-Operative's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment are recognized in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Employee benefits

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

(i) Defined 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 recognized as an expense in the period in which the related service is performed.

(ii) 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 recognized 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.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months after the end of reporting period as a result of services rendered by employees up to the end of the reporting period.

2.17 Dividends expenses

Dividends to the Group's members during the year will be accounted for in the general fund as an appropriation in the next financial year. Dividends are recognized when the dividends are approved for payment.

2.18 Related parties

A party is related to an entity if:

(a) A person or a close member of that person's family is related to the Group if that person:

(i) Has control or joint control over the Group;

(ii) Has significant influence over the Group; or

(iii) Is a member of the key management personnel of the Group or of parent of the Group;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Related parties (Continued)

(b) An entity is related to the Co-Operative if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.19 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of nonmonetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (Continued)

3.1 Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgments 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.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses of loan to members and trade and other receivables

The Group uses a provision matrix to calculate ECLs for loan receivables. The provision rates are based on days past due for groupings of various customer segments 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 analyzed.

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 customer's actual default in the future. The information about the ECLs on the Group and Co-Operative's loan receivables are disclosed in Note 28.

The carrying amount of the Group and Co-Operative's loan receivables as at 31 December 2021 was $28,517,058 (2020: $27,498,019).

The carrying amount of the Group and Co-Operative's trade and other receivables as at 31 December 2021 was $1,290,241 (2020: $1,218,344) and $243,112 (2020: $170,538) respectively.

(b) Useful lives of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using straight line method. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the management's estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(b) Useful lives of property, plant and equipment (Continued)

Management reviews the estimated useful lives of property, plant and equipment at the end of each financial year end. During the financial year, the management determined that the useful lives of property, plant and equipment are appropriate, and no revision required.

(c) Useful life of investment properties

The Group depreciates the investment properties over their estimated useful lives, after taking into account their estimated residual values, if any, using straight line method. The estimated useful life reflects the management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's investment properties. The residual values reflect the management's estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Management reviews the estimated useful lives of investment properties at the end of each financial year end. During the financial year, the management determined that the useful lives of investment property are appropriate, and no revision required.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The carrying amount of goodwill as at 31 December 2021 was $686,972 (2020: $686,972).

4. MEMBERS' SUBSCRIPTIONS

	Group and Co-Operative	
	2021	2020
	$	$
Balance as at 1 January	30,843,948	30,202,608
Additions during the financial year	2,630,926	3,429,128
Withdrawals during the financial year	(2,705,394)	(2,787,788)
Balance as at 31 December	30,769,480	30,843,948

The above represents savings in the subscription account. Ordinary members must deposit a minimum of $10 per month into the subscription account. The maximum monthly deposit to this account shall be decided by the management committee.

A member may with the approval of the management committee be allowed to withdraw an amount not exceeding 75% of his subscription credits by giving 90 days' notice in writing. This withdrawal is subject to maintenance of a minimum accumulated balance of $1,000. The management committee have the discretion to allow greater proportion of funds to be withdrawn (including minimum sum), accept shorter notice or to refuse such withdrawals.

5. RESERVE FUND

	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Balance at 1 January and 31 December	2,724,226	2,724,226	2,650,196	2,650,196

6. COMMON GOOD FUND

	Group and Co-Operative	
	2021	2020
	$	$
Balance as at 1 January	567,099	769,360
Fund given out	(192,899)	(202,261)
Addition	100,000	-
Balance as at 31 December	474,200	567,099

This fund was established to provide welfare benefits to the Co-Operative's members and their dependents.

7. MEMBERS' DEPOSITS

	Group and Co-Operative	
	2021	2020
	$	$
Savings deposits		
Balance as at 1 January	47,793,696	45,327,298
Deposits received	11,192,918	12,435,372
Withdrawals	(10,317,678)	(9,968,974)
Balance as at 31 December	48,668,936	47,793,696

Interest rates for savings are charged at 0.125% to 0.25% per annum (2020: 0.125% to 0.25% per annum).

8. CENTRAL CO-OPERATIVE FUND CONTRIBUTION

	Group and Co-Operative		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Central Co-Operative fund	223,753	206,050	166,826	160,547

Pursuant to Section 71(2) of the Co-Operative Societies Act, Chapter 62 the Group contributes 5% of the first $500,000 of the profit from its operations and 20% of its profit in excess of $500,000 to the Central Co-Operative Fund. Contribution from operations is subject to adjustment for non-deductible amounts as per guidelines from the Registry of Co-Operative Societies and the amount is due to be paid out in next financial year.

9. OTHER PAYABLES

	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Interest payable on members' deposits	1,208	1,208	1,208	1,208
Unclaimed balances of members	183,115	170,563	183,115	170,563
Other payables	644,020	668,430	257,475	268,942
	828,343	840,201	441,798	440,713

10. DEFERRED CONTINGENT CONSIDERATION

	Group	
	2021	2020
	$	$
Deferred contingent consideration payable	-	26,120

On 31 August 2020, Secureguard Security Services Co-Operative Limited acquired all shares in Security Masters Pte Ltd for total consideration of S$2,852,700. The revised consideration is $2,810,808. The Co-Operative paid the balance of $26,120 (2020: $1,150,441) during the financial year. The Co-Operative was unable to collect the trade receivables amounting to $41,892 hence it has been reduced from the contingent consideration.

The current year movement is shown as below:

	Group	
	2021	2020
	$	$
Balance as at 1 January	26,120	1,218,453
Revision to contingent consideration	-	(41,892)
Payment during the year	(26,120)	(1,150,441)
Balance as at 31 December	-	26,120

11. PROPERTY, PLANT AND EQUIPMENT

Group 2021:	Freehold land $	Building $	Property improvements $	Computer hardware $	Furniture and fixtures $	Office equipment $	Total $
Cost							
As at 1 January 2021	3,094,664	2,465,229	2,228,269	1,040,765	185,540	595,900	9,610,367
Additions	-	-	-	41,720	22,247	39,045	103,012
Written off	-	-	-	(810,764)	(34,709)	(531,807)	(1,377,280)
As at 31 December 2021	3,094,664	2,465,229	2,228,269	271,721	173,078	103,138	8,336,099
Accumulated depreciation							
As at 1 January 2021	-	2,465,229	2,228,269	945,656	158,402	568,286	6,365,842
Depreciation charge for the year	-	-	-	53,789	16,960	27,226	97,975
Reversal of overprovision of Depreciation in prior year	-	-	-	(30,405)	(7,495)	-	(37,900)
Written off	-	-	-	(810,764)	(34,709)	(531,807)	(1,377,280)
As at 31 December 2021	-	2,465,229	2,228,269	158,276	133,158	63,705	5,048,637
Carrying amount							
As at 31 December 2021	3,094,664	-	-	113,445	39,920	39,433	3,287,462

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2020:	Freehold land $	Building $	Property improvements $	Computer hardware $	Furniture and fixtures $	Office equipment $	Total $
Cost							
As at 1 January 2020	3,094,664	2,465,229	2,228,269	1,114,768	323,241	766,217	9,992,388
Additions	-	-	-	43,681	10,090	2,979	56,750
Written off	-	-	-	(117,684)	(147,791)	(173,296)	(438,771)
As at 31 December 2020	3,094,664	2,465,229	2,228,269	1,040,765	185,540	595,900	9,610,367
Accumulated depreciation							
As at 1 January 2020	-	2,465,229	2,228,269	1,018,450	274,212	721,766	6,707,926
Depreciation charge for the year	-	-	-	44,890	31,981	19,816	96,687
Written off	-	-	-	(117,684)	(147,791)	(173,296)	(438,771)
As at 31 December 2020	-	2,465,229	2,228,269	945,656	158,402	568,286	6,365,842
Carrying amount							
As at 31 December 2020	3,094,664	-	-	95,109	27,138	27,614	3,244,525

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Co-Operative 2021:	Freehold land $	Building $	Property improvements $	Computer hardware $	Furniture and fixtures $	Office equipment $	Total $
Cost							
As at 1 January 2021	3,094,664	2,465,229	2,228,269	982,017	125,730	563,844	9,459,753
Additions	-	-	-	1,445	4,980	3,428	9,853
Written-off	-	-	-	(810,764)	(34,709)	(531,807)	(1,377,280)
As at 31 December 2021	3,094,664	2,465,229	2,228,269	172,698	96,001	35,465	8,092,326
Accumulated depreciation							
As at 1 January 2021	-	2,465,229	2,228,269	917,165	121,075	546,640	6,278,378
Depreciation charge for the year	-	-	-	34,540	4,162	7,093	45,795
Reversal of overprovision of Depreciation in prior year	-	-	-	(29,311)	(5,935)	-	(35,246)
Written off	-	-	-	(810,764)	(34,709)	(531,807)	(1,377,280)
As at 31 December 2021	-	2,465,229	2,228,269	111,630	84,593	21,926	4,911,647
Carrying amount							
As at 31 December 2021	3,094,664	-	-	61,068	11,408	13,539	3,180,679

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Co-Operative 2020:	Freehold land $	Building $	Property improvements $	Computer hardware $	Furniture and fixtures $	Office equipment $	Total $
Cost							
As at 1 January 2020	3,094,664	2,465,229	2,228,269	953,011	118,200	561,986	9,421,359
Additions	-	-	-	29,006	7,530	1,858	38,394
As at 31 December 2020	3,094,664	2,465,229	2,228,269	982,017	125,730	563,844	9,459,753
Accumulated depreciation							
As at 1 January 2020	-	2,465,229	2,228,269	884,051	104,377	539,257	6,221,183
Depreciation charge for the year	-	-	-	33,114	16,698	7,383	57,195
As at 31 December 2020	-	2,465,229	2,228,269	917,165	121,075	546,640	6,278,378
Carrying amount							
As at 31 December 2020	3,094,664	-	-	64,852	4,655	17,204	3,181,375

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Location, cost and carrying values of all freehold:

	Group and Co-Operative					
	2021			2020		
	Cost $	Carrying value $	Fair Value $	Cost $	Carrying value $	Fair Value $
95/97 Killiney Road						
- Land	1,472,105	1,472,105	5,700,000	1,472,105	1,472,105	5,550,000
- Building	2,336,825	-	1,800,000	2,336,825	-	1,750,000
	3,808,930	1,472,105	7,500,000	3,808,930	1,472,105	7,300,000
99 Killiney Road						
- Land	1,622,559	1,622,559	3,555,000	1,622,559	1,622,559	3,480,000
- Building	128,404	-	945,000	128,404	-	920,000
	1,750,963	1,622,559	4,500,000	1,750,963	1,622,559	4,400,000
Total land value	3,094,664	3,094,664	9,255,000	3,094,664	3,094,664	9,030,000
Total building value	2,465,229	-	2,745,000	2,465,229	-	2,670,000

12. INTANGIBLE ASSETS

	Co-Operative	
	2021 $	2020 $
The software		
Cost		
As at beginning of the year	1,255,778	885,844
Additions	-	369,934
Written-off	(848,822)	-
As at end of the year	406,956	1,255,778
Accumulated depreciation		
As at beginning of the year	986,984	871,580
Depreciation of current year	72,659	115,404
Written-off	(848,822)	-
Reversal of overprovision of amortization in prior year	(38,351)	-
As at end of the year	172,470	986,984
Carrying amount		
As at year end	234,486	268,794

	Group	
	2021 $	2020 $
Customer contract (Note 17)	325,547	325,547
Total intangible assets	560,033	594,341

13. INVESTMENT PROPERTIES

Killiney Road	**Group and Co-Operative**			
	2021		**2020**	
	Freehold land	**Building**	**Freehold land**	**Building**
2020	**$**	**$**	**$**	**$**
Cost				
As at beginning of the year	1,538,190	109,870	1,538,190	109,870
Additions	-	-	-	-
As at end of the year	1,538,190	109,870	1,538,190	109,870
Accumulated depreciation				
As at beginning of the year	-	109,870	-	109,870
Depreciation of current year	-	-	-	-
As at end of the year	-	109,870	-	109,870
Carrying amount				
As at year end	1,538,190	-	1,538,190	-
Fair value	3,198,000	902,000	3,100,000	900,000

Location:	**Site area (Sq. Ft)**	**Tenure**
93, Killiney Road, Singapore 239537	1,018	Freehold

Jalan Sultan	**Group and Co-Operative**	
	2021	**2020**
2021	**$**	**$**
Cost		
As at 1 January 2021	495,134	495,134
Additions	-	-
As at 31 December 2021	495,134	495,134
Accumulated depreciation		
As at 1 January 2021	95,423	82,243
Additions	13,180	13,180
As at 31 December 2021	108,603	95,423
Carrying amount		
As at 31 December 2021	386,531	399,711
Fair value	750,000	780,000

Location:	**Site area (Sq. Ft)**	**Tenure**
200, Jalan Sultan, #10-06 Textile Centre, Singapore 199018	882	99 years

	2021	**2020**
	$	**$**
Total investment properties	1,924,721	1,937,901

The investment properties of the Group were leased to tenants under operating leases. The rental income from investment properties is $129,500 (2020: $124,724). The property tax incurred on the investment properties is $33,300 (2020: $1,960).

14. RIGHT-OF-USE ASSETS

Lease property	Group	
	2021	2020
	$	$
Cost		
At beginning of the financial year	88,140	50,340
Additions	37,800	37,800
At end of the financial year	125,940	88,140
Accumulated depreciation		
At beginning of the financial year	62,940	26,650
Depreciation charge for the financial year	37,800	36,290
At end of the financial year	100,740	62,940
Carrying amount		
At end of the financial year	25,200	25,200

15. FINANCIAL ASSETS

	Group and Co-Operative	
	2021	2020
	$	$
Fair value through profit or loss		
Quoted equity	819,312	1,276,924
Quoted bond - Singapore	-	250,938
	819,312	1,527,862
Fair value through other comprehensive income		
Unquoted equity – Singapore	636,200	636,200
	1,455,512	2,164,062
Movement during the financial year:		
Balance at 1 January	2,164,062	2,376,398
Addition	175,527	-
Disposed during the financial year	(868,003)	(77,287)
Fair value changes during the financial year (Note 23)	(16,074)	(135,049)
Balance at 31 December	1,455,512	2,164,062

Equity investment are quoted in Singapore and Malaysia.

The carrying amount of financial assets were denominated in Singapore Dollar.

The quoted investments are stated at fair value based on available market price as at financial year end.

Investments in quoted bond have effective interest rates approximately 2.5% (2020: 2.5%) per annual and have maturity dates ranging from 5 to 12 years (2020: 5-12years).

16. INVESTMENT IN SUBSIDIARIES

	Co-Operative 2021 $	Co-Operative 2020 $
At beginning of the financial year	1,170,000	1,170,000
Acquisition of unquoted equity shares	-	-
At end of the financial year	1,170,000	1,170,000

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Percentage of equity held 2021 %	Percentage of equity held 2020 %	Cost of investments 2021 $	Cost of investments 2020 $
Held by the Co-Operative:					
Secureguard Security Services Co-Operative Limited (Singapore)	Security related services	99.64	99.64	1,170,000	1,170,000
Held by the Secureguard Security Services Co-Operative Ltd:					
Security Masters Pte Ltd	Security related services	100	100	2,810,808	2,810,808

Refer to Note 10 for reason on revision to investment in subsidiary.

17. GOODWILL

Acquisition of subsidiary

On 31 August 2019, the subsidiary, Secureguard Security Services Co-Operative Ltd, acquired 100% equity interest in 'Security Masters Pte Ltd'. Upon the acquisition, Security Masters Pte Ltd became a wholly owned subsidiary of the Co-Operative.

The fair values of the identifiable assets and liabilities of Security Masters Pte Ltd as at the date of acquisition were:

	Fair value as at 31 December 2021	**Fair value recognised on date of acquisition**
	$	**$**
Cash and bank balance	798,947	798,947
Trade and other receivables	1,254,441	1,296,333
	2,053,388	2,095,280
Property, Plant and Equipment	53,728	53,728
Right of Use Asset	35,535	35,535
Customer contracts (Note 12)	325,547	325,547
	414,810	414,810
Total Assets	2,468,198	2,510,090
Trade payables	46,178	46,178
Other payables	242,842	242,842
Deferred tax liabilities	55,342	55,342
Total liabilities	344,362	344,362
Net identifiable assets at fair value	2,123,836	2,165,728
Consideration for acquisition of 100% equity interest		
- Cash consideration paid on 9 September 2019	1,000,000	1,000,000
- Cash consideration paid on 15 November 2019	634,247	634,247
- Cash consideration paid during year 2020	1,150,441	-
- Deferred contingent consideration payable (Note 10)	-	1,218,453
- Cash consideration paid during year 2021	26,120	-
Total purchase consideration	2,810,808	2,852,700
Goodwill	686,972	686,972

Refer to Note 10 on revision to trade receivable as at acquisition date.

Impairment of goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

17. GOODWILL (Continued)

Impairment of goodwill (Continued)

The recoverable amounts of the CGUs are determined from value in use calculations based on cash flow forecasts derived from the most recent financial budgets approved by management for the next 4 years. The key assumptions for these value in use calculations are follows:

Group	2021 %	2022 %	2023 %	2024 %
Discount rate	8.21	8.21	8.21	8.21
Operating margin	10	10	10	10
Growth rate	10	10	10	10

The growth rate and operating margin assumptions applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the budgeted cash flows for year four.

Operating margins have been based on past experience and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to the cash generating unit.

Acquisition-related cost

Acquisition-related costs of $20,000 are included in the “other expense” in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

Contingent consideration

As part of the purchase agreement, the subsidiary of the Co-Operative, Secureguard Security Services Co-Operative Ltd, agreed to pay the former owners of Security Masters Pte Ltd the remaining purchase consideration of $1,218,453 upon the receipt of the trade receivables from the customers. The Group has been making payment on regular interval which is contingent on collectability of trade receivable.

Acquired trade and other receivables

Total receivables comprise of trade and non-trade receivables, with fair value of $1,129,039 and $107,506 respectively. Their gross amounts are $1,129,039 and $107,506 respectively. At the acquisition date, the full contractual amounts of other receivables can be collected.

Goodwill arising from acquisition:

Goodwill comprises the fair value of expected synergies arising from the acquisition and is allocated entirely to Security Masters Ltd, which is in the security industry. None of the goodwill is expected to be deductible for tax purpose.

Revenue and profit contribution

The acquired business contributed $1,388,225 of revenue, $150,323 of gross profit and net loss of $228,597 after taken into consideration of expected credit loss of $228,999. Before considering the expected loss, company made profit of $402 for the period ended from 1 September 2020 to 31 December 2020.

Had Security Masters Pte Ltd consolidated from April 2020, the consolidated revenue, consolidated gross profit and consolidated net loss for the year ended 31 December 2020 would have increased to $3,087,450, $363,193 and $230,597 respectively.

18. TRADE AND OTHER RECEIVABLES

	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Trade receivables				
- External parties	514,582	948,493	-	-
- Related parties	443,529	186,516	-	-
Provision for Expected Credit Lss for external party	-	(197,678)	-	-
	958,111	937,331	-	-
Other receivables				
Prepayment	267,650	69,853	240,070	36,977
Other receivables	17,267	144,738	2,159	128,111
Deposits	47,213	66,422	883	5,450
	332,130	281,013	243,112	170,538
Total trade and other receivables	1,290,241	1,218,344	243,112	170,538

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Receivables that are past due but not impaired

The Group had trade receivables amounting to $751,484 (2020: $791,233) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	Group and Co-Operative	
	2021	2020
	$	$
Trade receivables past due:		
- Less than 30 days	374,408	437,312
- 31 to 60 days	249,861	223,976
- 60 to 90 days	108,815	58,131
- More than 90 days	18,400	71,814
	751,484	791,233

The residual amounting to $206,627 (2020: $146,098) of trade receivables are not past due.

18. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables that are impaired

The Group had trade receivables that are impaired at the end of the reporting period and the movement of the provision accounts are as follows:

	Group and Co-Operative	
	2021	2020
	$	$
Movement in the provision		
At beginning of the financial year	197,678	282,020
- Allowance for Expected Credit Loss (Note 23)	-	-
- Bad debt recovered	(197,678)	(20,000)
- Bad debt written off	-	(64,342)
At end of the financial year	-	197,678

Trade receivables that are individually determined to be impaired at the end of the financial year relate to debtors that are in significant financial difficulties and have defaulted on payments.

As at 31 December 2021, the Group has provided provision of $Nil (2020: $197,678) for trade receivables on related parties and third parties. This amount has been outstanding for over at least 60 days.

The carrying amount of trade and other receivables were denominated in Singapore Dollar.

19. LOANS TO MEMBERS

	Group and Co-Operative	
	2021	2020
	$	$
Loans to members	32,283,355	31,900,629
Less: Accrued interest and late payment charges	-	(47,673)
Add: Rebate/waiver on interest	31,338	18,625
	32,314,693	31,871,581
Less: Allowance for expected credit loss	(3,797,635)	(4,373,562)
Loans to members, net	28,517,058	27,498,019
Less: Current portion of loans to members	(6,775,884)	(7,530,228)
Non-Current portion of loans to members	21,741,174	19,967,791

The loans to members by the Co-Operative are interest bearing at the range of 2.9% to 6.99% (2020: 2.9% to 6.99%) per annum and will be repayable by monthly installments over the original period from 3 to 5 years (2020: 3 to 5years).

19. LOANS TO MEMBERS (Continued)

The movement in the allowance for impairment loss account is as follows:

	Group and Co-Operative	
	2021	2020
	$	$
Balance at 1 January	4,373,562	4,222,787
Written off during the year	(1,097,216)	(226,995)
Provision for Expected Credit Loss for current year (Note 23)	521,289	377,770
Balance at 31 December	3,797,635	4,373,562

Loans breakdown by interest rate basis and type of loans:

	Group and Co-Operative	
	2021	2020
	$	$
Interest rate basis		
Flat rate	9,549,498	10,057,000
Monthly rate	22,765,195	21,814,581
	32,314,693	31,871,581

	Group and Co-Operative	
	2021	2020
	$	$
Type of loans		
Education loans - unsecured	985,959	1,026,095
Property loans – Secured	22,673,709	21,814,581
Personal loans - unsecured	8,655,025	9,030,905
	32,314,693	31,871,581

The carrying amount of loan to members were denominated in Singapore Dollar.

20. CASH AND CASH EQUIVALENTS

	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Cash at bank	43,698,894	37,973,004	40,627,091	35,395,707
Cash in hand	286,295	169,782	284,295	169,412
	43,985,189	38,142,786	40,911,386	35,565,119
Short- term deposits	14,155,073	19,121,612	14,155,073	19,125,951
	58,140,262	57,264,398	55,066,459	54,691,070

Short term deposits bear interest at an average effective interest rate of 0.4% (2020: 1.19%) per annum and has a maturity period of 1 year (2020: 4 days to 1 year) from the financial year end.

20. CASH AND CASH EQUIVALENTS (Continued)

For the purpose of the statement of cash flows, the cash and cash equivalents comprise of the following:

	Group	
	2021	2020
	$	$
Cash and cash equivalents	58,140,262	57,264,398
Less: Short-term deposits	(14,155,073)	(19,121,612)
	43,985,189	38,142,786

The carrying amount of cash and cash equivalents were denominated in Singapore Dollar.

21. REVENUE

Disaggregation of revenue

	Group	
	2021	2020
	$	$
Loans to members	1,965,309	2,109,314
Savings and short-term deposits with banks	88,390	396,002
	2,053,699	2,505,316
Security services fee	3,249,860	2,895,900
	5,303,559	5,401,216
Timing of transfer of good or service		
At a point in time	-	-
Over time	5,303,559	5,401,216
	5,303,559	5,401,216

The Group mainly generate revenue by earning interest income of loan to members and fee from security services provided by the subsidiaries.

There is no significant judgement and method used in estimating revenue, no contract liabilities, refund liabilities, and no remaining performance obligations, except that the subsidiaries have to fulfil contractual obligation to supply grands to remaining contract period which is range from 1 to 2 years.

22. OTHER INCOME

	Group 2021 $	2020 $
Administrative fee income	142,553	84,897
Bad debts recovered	425,804	212,841
Dividends from quoted investments	3,693	47,605
Dividends from unquoted investments	45,242	48,519
Giro rejection administration income	23,484	18,180
Interest income	6,304	5,495
Gain on disposal of financial assets	141,669	-
Miscellaneous income	466,758	99,875
Penalty fee income – loan repayment	347,653	358,464
Rental income	129,500	124,724
Government grants	494,375	352,076
	2,227,035	1,352,676

23. OTHER EXPENSES

	Group 2021 $	2020 $
Annual general meeting expenses	91,604	106,248
Bank service charges	73,189	74,086
Computer maintenance expenses	165,173	142,342
Consultancy service	20,320	25,840
Loss on disposal of financial assets	-	13,900
Loss on fair value through profit or loss (Note 15)	16,074	135,049
Legal and professional fee	9,633	19,322
Maintenance expenses	47,839	69,628
Miscellaneous expenses	51,641	55,119
Postage, printing and stationeries	108,288	87,817
Provision for doubtful loan to members (Note 19)	521,289	377,770
Utility charges	67,347	38,083
Others	247,331	342,674
	1,419,728	1,487,878

24. DIVIDENDS

The dividend of $879,391 for the year ended 31 December 2020 (2019: $870,276) was paid by the Co-Operative after approval at the AGM and the amount was accounted for as appropriation in the general fund in the current financial year.

25. EMPLOYEES' BENEFITS

	Group	
	2021	2020
	$	$
Salaries and bonus	3,518,357	3,204,392
Employer's contribution to Central Provident Fund	268,962	294,003
Foreign worker levy	89,550	91,178
Staff related expenses	115,676	145,794
	3,992,545	3,735,367

26. LEASES

Lease receivable

The Group and Co-Operative leases out at a fixed monthly rental with lease agreements of 2 years which is non-cancellable. No contingent rent is required to be paid under the lease agreements. Future minimum lease receivables for the lease are as follows:

	Group and Co-Operative	
	2021	2020
	$	$
Within one year	132,000	132,000
After one year but not more than five years	-	-
	132,000	132,000

Income recognised in profit or loss for the financial year ended 31 December 2021 amounted to $129,500 (2020: $138,500).

Lease deposit payable

The Co-Operative leases office space under non-cancellable operating lease agreements.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group and Co-Operative	
	2021	2020
	$	$
Within one year	23,000	23,000
	23,000	23,000

Recognised as an expense in profit or loss for the financial year ended 31 December 2021 amounted to $23,465 (2020: $36,905).

26. LEASES (Continued)

Lease liabilities	**Group**	
	2021	**2020**
	$	**$**
At beginning of the financial year	62,105	24,305
Addition lease liability during the year	-	37,800
	62,105	62,105
Changes from financing cash flows:		
- Repayments	(36,905)	(36,905)
- Interest paid	(1,295)	(1,295)
Non-cash changes:		
- Interest expense	1,295	1,295
At end of the financial year	25,200	25,200

Group as a lessee

The Group has lease contracts for office. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. There is lease contract that include extension options which are further discussed below.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of right-of-use assets

Lease property	**Group**	
	2021	**2020**
	$	**$**
At beginning of the financial year	23,690	23,690
Effect from acquisition from subsidiary	37,800	37,800
Depreciation for the financial year	(36,290)	(36,290)
At end of the financial year	25,200	25,200

Amounts recognised in profit or loss

	Group	
	2021	**2020**
	$	**$**
Depreciation of right-of-use assets	36,290	36,290
Interest expenses on lease liabilities	1,295	1,295
Total amount recognised in profit or loss	37,585	37,585

Total cash outflow

The Group had total cash outflows for leases of $1,295 (2020: $1,295) which consist of repayment of an interest on lease.

26. LEASES (Continued)

Extension options

The Group has lease contract that include extension options. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

27. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

(i) Key management personnel compensation

	Group		Co-Operative	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Key management personnel salary, bonuses, and benefits	179,610	265,015	179,610	205,015
Employer's contribution to Central Provident Fund	16,437	26,737	16,437	21,202
Directors' honorarium payments	50,000	67,650	50,000	37,650
	246,047	359,402	246,047	263,867

Key management personnel of the Group and Co-Operative are those persons having those authority and responsibilities for planning, directing and controlling the activities of the Group and Co-Operative.

(ii) Related parties' transactions

Significant transactions with related parties took place at terms agreed between the parties during the financial year are as follows:

	Group		Co-Operative	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
With related parties				
Expenses charge by	-	-	-	(43,317)
Services charge to	670,950	786,831	-	-
With subsidiaries				
Managements fees charge to subsidiaries	-	-	36,000	36,000
Dividend received from subsidiaries	-	-	117,000	117,000
Rental income from a subsidiary	-	-	-	10,615
Payment on behalf	26,119	-	-	-

28 FINANCIAL RISK MANAGEMENT

The Group and Co-Operative's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk).

The management committee review and agree policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Group and Co-Operative's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group and Co-Operative's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group and Co-Operative's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and Co-Operative. The Group and Co-Operative's exposure to credit risk arises primarily. For other financial assets (including investment securities and cash and cash equivalent), the Group and Co-Operative minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group and Co-Operative has adopted a policy of dealing with creditworthy but appropriate collateral and surety. The Group and Co-Operative performs ongoing credit evaluation of its counterparties' financial condition and generally do require a collateral.

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

The Group and Co-Operative has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Group and Co-Operative has developed and maintained the Group and Co-Operative's credit risk gradings to categories exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group and Co-Operative's own trading records to rate its major customers and other members. The Group and Co-Operative considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

28 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

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

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or another financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group and Co-Operative categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 24 months past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Co-Operative's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing 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 more than 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is more than 30 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

28 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

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

Group	Note	Category	12-month or lifetime ECL	Gross carrying amount $	ECL $	Net carrying amount $
31 December 2021						
Loan to members	19	Note 1	Lifetime ECL	32,314,693	3,797,635	28,517,058
Trade receivables	18	Note 1	12-month ECL	958,111	-	958,111
Other receivables	18	Note 2	12-month ECL	332,130	-	332,130
					3,797,635	
31 December 2020						
Loan to members	19	Note 1	Lifetime ECL	31,871,581	4,373,562	27,498,019
Trade receivables	18	Note 1	12-month ECL	1,135,009	197,678	937,331
Other receivables	18	Note 2	12-month ECL	281,013	-	281,013
					4,571,240	

Co-Operative	Note	Category	12-month or lifetime ECL	Gross carrying amount $	ECL $	Net carrying amount $
31 December 2021						
Loan to members	19	Note 1	Lifetime ECL	32,314,693	3,797,635	28,517,058
Other receivables	18	Note 2	12-month ECL	243,112	-	243,112
					3,797,635	
31 December 2020						
Loan to members	19	Note 1	Lifetime ECL	31,871,581	4,373,562	27,498,019
Other receivables	18	Note 2	12-month ECL	170,538	-	170,538
					4,373,562	

28 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Trade receivables (Note 1)

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

Other receivables (Note 2)

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Group and Co-Operative

	Loan to members					
	Days past due					
	≤3 months	3 - 6 months	6 -12 months	>12 months	Collateral loan	Total
	$	$	$	$	$	$
31 December 2021						
Total gross carrying amount	472,000	441,527	1,091,446	1,906,009	18,709,197	22,620,179
ECL amount	6,562	138,508	811,096	1,906,009	935,460	3,797,635
						18,822,544

	≤3 months	3 - 6 months	6 -12 months	>12 months	Collateral Loan	Total
31 December 2020						
Total gross carrying amount	720,697	310,167	641,220	4,350,537	16,165,328	22,187,949
ECL amount	43,425	65,411	251,136	2,621,395	1,392,195	4,373,562
						17,814,387

The current portion of loan to members is $ 6,775,884 (2020: $9,683,632) which is not past due.

28 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Group

			Trade receivables Days past due			
	Current	**Less than 30 days**	**31 – 60 days**	**60 – 90 days**	**More than 90 days**	**Total**
	$	$	$	$	$	$
31 December 2021						
Total gross carrying amount	206,627	374,408	249,861	108,815	18,400	958,111
ECL amount	-	-	-	-	-	-
						958,111

	Current	**Less than 30 days**	**31 – 60 days**	**60 – 90 days**	**More than 90 days**	**Total**
31 December 2020						
Total gross carrying amount	438,280	305,502	170,073	124,297	96,857	1,135,009
ECL amount	23,432	12,642	34,895	53,756	72,953	197,678
						937,331

Information regarding loss allowance movement of loan to members is disclosed in Note 18.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

The Group has no significant concentration of credit risk other than those balances with holding Co-Operative and related companies comprising Nil% (2020: 19%) of trade receivables. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure

28 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities. The Group finances its working capital requirements funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Group.

The table below summarizes the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within one year			
	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Members' deposits	48,668,936	47,793,696	48,668,936	47,793,696
Other payables	828,343	840,201	441,798	440,713
Balance at 31 December	49,497,279	48,633,897	49,110,734	48,234,409

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Co-Operative's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Co-Operative's financial instruments will fluctuate because of changes in market interest rates. The Co-Operative's exposure to interest rate risk arises primarily from their loan to holding Co-Operative, cash and cash equivalents and borrowings.

The Co-Operative does not expect any significant effect on the Co-Operative's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

28 FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk (Continued)

Group	Variable rates: Less than 12 months $	Variable rates: More than 1 year $	Fixed rates: Less than 12 months $	Fixed rates: More than 1 year $	**Total** $
At 31 December 2021					
Assets					
Cash and cash Equivalents	43,985,189	-	14,155,073	-	58,140,262
Loans to members	-	-	6,775,884	21,741,174	28,517,058
Liabilities					
Members' deposits	-	-	48,668,936	-	48,668,936

Group	Variable rates: Less than 12 months $	Variable rates: More than 1 year $	Fixed rates: Less than 12 months $	Fixed rates: More than 1 year $	**Total** $
At 31 December 2020					
Assets					
Cash and cash equivalents	38,142,786	-	19,121,612	-	57,264,398
Loans to members	-	-	7,530,228	19,967,791	27,498,019
Liabilities					
Members' deposits	-	-	47,793,696	-	47,793,696

Co-Operative	Variable rates: Less than 12 months $	Variable rates: More than 1 year $	Fixed rates: Less than 12 months $	Fixed rates: More than 1 year $	**Total** $
At 31 December 2021					
Assets					
Cash and cash equivalents	40,911,386	-	14,155,073	-	55,066,459
Loans to members	-	-	6,775,884	21,741,174	28,517,058
Liabilities					
Members' deposits	-	-	48,668,936	-	48,668,936

28 FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk (Continued)

Co-Operative	Variable rates Less than 12 months $	Variable rates More than 1 year $	Fixed rates Less than 12 months $	Fixed rates More than 1 year $	Total $
At 31 December 2020					
Assets					
Cash and cash equivalents	35,565,119	-	19,125,951	-	54,691,070
Loans to members	-	-	7,530,228	19,967,791	27,498,019
Liabilities					
Members' deposits	-	-	47,793,696	-	47,793,696

(e) Foreign currency risk

Exposure for foreign currency is not material to the Group and Co-Operative.

29 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. The fair value of quoted financial assets is determined by reference to their quoted market prices at the financial year end date.

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

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices) (Level 2);
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Investments in unquoted equity investments are made in fellow Co-Operatives and Group is able to sell to respective Co-Operative based on cost price. Hence, fair value of investment is equal to cost of investment. There is no movement on unquoted equity investment.

Group and Co-Operative	Carrying amount $	Fair value measurement using: Level 1 $	Level 2 $	Level 3 $
2021				
Fair value through profit or loss				
-Quoted equities	819,312	819,312	-	-
-Quoted bonds	-	-	-	-
Fair value through other comprehensive income				
-Unquoted equity	636,200	-	-	636,200
Total	1,455,512	819,312		636,200

29 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

Group and Co-Operative	Carrying amount	Fair value measurement using:		
		Level 1	Level 2	Level 3
	$	$	$	$
2020				
Fair value through profit or loss				
-Quoted equities	1,276,924	1,276,924	-	-
-Quoted bonds	250,938	250,938	-	-
Fair value through other comprehensive income				
-Unquoted equity	636,200	-	-	636,200
Total	2,164,062	1,527,862	-	636,200

The carrying amounts of cash and cash equivalents, fixed deposits, trade and other receivables, members' deposits and other payables are assumed to approximate their fair value as these instruments are relatively short-term in nature.

This investment is not quoted on any market and do not have any comparable industry peers. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant.

30 CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximize shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

The Co-Operative manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

31 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position, except for the following:

	Group		Co-Operative	
	2021	2020	2021	2020
	$	$	$	$
Fair value through profit and loss				
Quoted equity	819,312	1,276,924	819,312	1,276,924
Quoted bond	-	250,938	-	250,938
	819,312	1,527,862	819,312	1,527,862
Fair value through other comprehensive income				
Unquoted equity	636,200	636,200	636,200	636,200
Financial assets measured at amortised cost				
Loan to members	28,517,058	27,498,019	28,517,058	27,498,019
Trade and other receivables	1,290,241	1,218,334	243,112	170,538
Cash and cash equivalents	58,140,262	57,264,398	55,066,459	54,691,070
	87,947,561	85,980,751	83,826,629	82,359,627
Financial liabilities measured at amortised cost				
Members' deposits	48,668,936	47,793,696	48,668,936	47,793,696
Other payables	828,343	840,201	441,798	440,713
	49,497,279	48,633,897	49,110,734	48,234,409

32 POST BALANCE SHEET EVENTS

(i) The Board of Directors has proposed a dividend of 3% (2020: 3%) per annum on daily rate basis on members' subscription account for the financial year ended 31 December 2021 which will be paid once members' approval is obtained at the Annual General Meeting (AGM). The financial statements do not reflect the final dividend payable of 3% which will be accounted for in the general fund as an appropriation in the financial year ending 31 December 2021.

(ii) In December 2020, a novel strain of coronavirus was reported to have surfaced in China. The spread of this virus began to cause some business disruption through reduced net revenue in the Company's Asia Pacific market in January and February 2021. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Group expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

34 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorized for issue in accordance with a resolution of the Board of Directors of the Co-Operative as at **19 May 2022.**

TCC CREDIT CO-OPERATIVE LIMITED

DETAILED INCOME AND OPERATING EXPENSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Co-Operative 2021 $	Co-Operative 2020 $
Revenue		
Interest income:		
Loans to members	1,965,309	2,109,314
Savings and fixed deposits with banks	88,390	396,002
	2,053,699	2,505,316
Interest expense:		
Interest expense on members' savings	(60,606)	(58,827)
	(60,606)	(58,827)
Other operating income:		
Administrative fee income	142,553	84,897
Giro rejection administration income	23,484	18,180
Gross dividends from quoted investments	3,693	47,605
Gross dividends from unquoted investments	45,242	165,519
Miscellaneous income	348,898	141,216
Penalty fee income - loan repayment	347,653	358,464
Rental income	129,500	124,724
Gain on disposal of financial assets	141,669	-
Bad debts recovered	413,407	192,841
Reversal of overprovision of Depreciation and amortization in prior year	73,597	-
	1,669,696	1,133,446
Job Support Scheme	-	211,916
Total other operating income	1,669,696	1,345,362
Other operating expenses (see APPENDIX A)	(753,738)	(796,437)
Salary, wages and employees' benefits	(1,046,998)	(1,253,992)
Depreciation for property, plant and equipment	(45,795)	(57,195)
Amortisation for intangible assets	(72,659)	(115,404)
Depreciation for investment properties	(13,180)	(13,180)
Provision for Expected Credit Loss	(521,289)	(377,770)
Operating surplus for the financial year	1,209,130	1,177,873
Contribution to Central Co-Operative Fund	(166,826)	(160,574)
Net operating surplus for the financial year	1,042,304	1,017,299

APPENDIX A: OTHER OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Co-Operative	
	2021	2020
	$	$
Advertising and sponsorship	4,136	-
Affiliation fee	2,606	2,644
Annual general meeting expenses	81,897	96,689
ATM expenses	18,562	15,468
Professional fee	-	30,000
Bank charges	70,167	70,087
Computer maintenance	165,173	142,342
Co-Operative video	4,430	-
Credit assessment/review expense	17,175	6,616
Education and training	-	2,541
Insurance expense	8,838	8,838
Legal and professional fee	9,633	5,462
Loss on disposal of financial assets	-	13,900
Loss on fair value of financial assets	16,074	135,049
Maintenance	47,652	55,467
Marketing expenses	13,112	282
Miscellaneous expenses	20,082	16,014
Postage, printing and stationery	107,158	80,782
Prizes for lucky draw	12,000	12,000
Promotional expenses	9,220	7,249
Property tax	33,300	5,511
Property Transaction expenses	7,600	200
Service charges	1,619	1,326
Storage expenses	31,843	30,127
Telephone charges	15,631	18,369
TOL license fee	526	513
Transport charges	8,862	15,065
Utility charges	46,442	23,896
	753,738	796,437

TCC CREDIT CO-OPERATIVE LIMITED
Estimated Expenditute For 2022

TCC CREDIT COOPERATIVE LTD - ESTIMATED EXPENDITURE FOR 2022			
Expenditure	Estimate 2022 $	Actual 2021 $	Estimate 2021 $
Advertising and sponsorship	10,000	4,136	15,000
Affiliation fee	5,000	2,606	5,000
Annual general meeting expenses	120,000	81,897	120,000
Area representatives' meeting expenses	10,000	-	30,000
ATM expenses	15,000	18,562	15,000
Audit fee	30,000	-	30,000
Bank charges	75,000	70,167	75,000
Building maintenance	35,000	42,842	45,000
Computer maintenance	160,000	165,173	140,000
Co-operative functions	10,000	-	20,000
Corporate video/gifts	18,000	4,430	15,000
CPF and Skill Development Levy contributions	140,000	119,372	140,000
Insurance	10,000	8,838	10,000
Interest expenses	60,000	60,606	60,000
Legal and professional fee	10,000	9,633	15,000
Marketing expenses	64,000	26,967	30,000
Miscellaneous expenses	30,000	25,193	30,000
Office equipment maintenance	10,000	4,810	10,000
Postage, printing, and stationery	108,000	107,158	105,000
Prize for lucky draw	15,000	12,000	15,000
Property tax	35,000	33,300	35,000
Credit assessment expenses	20,000	17,175	20,000
Salaries and allowances	1,100,000	861,841	1,110,000
Staff welfare	80,000	65,785	120,000
Storage	20,000	31,843	25,000
Telephone charges	20,000	15,631	25,000
Training Board of Directors Expenses	20,000	-	30,000
Transport charges	15,000	8,862	25,000
Utility charges	60,000	46,442	40,000
Total	**2,305,000**	**1,845,268**	**2,355,000**

TCC CREDIT CO-OPERATIVE LIMITED

APPROPRIATION OF SURPLUS - 2021

	S$
NET SURPLUS FROM OPERATIONS	**1,042,304**
LESS: APPROPRIATION	
DIVIDEND	**(759,007)**
COMMON GOOD FUND	**(100,000)**
GENERAL FUND	**(183,297)**

BAD DEBTS

S/NO	CLIENT NO.	NAME	LOAN BALANCE	ADDRESS
1	9558	SELENA BTE SALIM	9,158.09	BLK 245, TAMPINES STREET 21
2	37958	MOHAMED AZLI HAMZAH	16,311.74	BLK 329 JURONG EAST
3	40171	WASEEM SOHAIL SEHGAL	8,298.28	BLK 150, BEDOK RESERVOIR ROAD
4	18633	PACKRISAMY SUBRAMANIAM	51,417.30	29, BENGAWAN ROAD
5	53952	NEO YU,	5,044.17	BLK 359, YISHUN RING ROAD
6	57518	ROHINI D/O THIAGARAJAN	7,987.61	BLK 531, BEDOK NORTH ST 3
7	51728	TUPAZ DAVID JUDE	8,672.38	BLK 413, BEDOK NORTH, AVE 2
8	74664	KUAH HUN BOON	25,610.95	39, AMBER ROAD
9	3109	NORAINI BTE MOHAMED DIN	7,457.31	BLK 174,YISHUN RING AVE
10	11108	THESEIRA CLIVE	5,273.82	BLK 874 TAMPINES ST 84
11	51090	MARCUS CRAIG RODRIGS	2,991.93	BLK 11 ST GRORGES
12	20752	BORHAN BIN SAINI	14,331.96	BLK 201, JALAN LOYANG BESAR
13	49252	FIONA NOELLA THOMAS	1,755.03	BLK 685C WOODLANDS DRIVE
14	53760	SADESH KUMAR	8,869.85	BLK 116 HOUGANG AVE 1
15	53102	CHUA LAY KEONG	9,035.96	BLK 79 INDUS RD
16	5935	JAMIL BIN SULEIMAN	12,000.69	BLK 842 TAMPINES ST
17	5470	MOHD FADZILAH SAFUAN	22,024.87	BLK 249, COMPASSVALE ROAD
		Total	**216,241.94**	

TCC Member Benefits

Marriage Grant

Baby Bonus

Handicap Children Fund

Annual Scholarship & Bursary Award

Heart Check-up Subsidy

Hospitalisation Grant

Hospital Fruit Basket

Benevolent Grant

Loyal Membership

Festive Lucky Draws

Events & Activities

TCC Member Privileges

TCC Financial Services:
With You At Every Milestone

EDUCATION
2.2%p.a

MARRIAGE
5%p.a

RENOVATION
(NEW With Furnishing Loan
+ Exclusive Discounts
with Furnishing Partners)
4%p.a

DEBT CONSOLIDATION
4%p.a

PERSONAL
6.99%p.a

MORTGAGE

Do you know your benefits?

For more information...

Call 6319 3700

Or visit our website!

www.TCC.org.sg

- ✓ **Earn dividend up to 5% on Subscription account (applies to Ordinary members)**
- ✓ **Earn attractive interest rates on Savings**
- ✓ **Local & Overseas education loans offered at attractive interest rates**
- ✓ **Other loans offered at competitive interest rates**
- ✓ **24 hrs Banking access via Internet, Telephone & TCC ATM**
- ✓ **Common Good Fund:**
  - Hospitalisation Grant
  - Funeral Grant
  - Marriage Grant
  - Baby Bonus Grant
  - Annual Scholarship & Bursary Award offered to members' children from Primary, Secondary, Junior College, Polytechnic, ITE and University levels
  - Annual Loyal Membership Awards for Ordinary members
  - Fruit Baskets for members who are hospitalised
  - Financial Assistance for handicapped children
  - Festive Lucky Draw held during Chinese New Year, Hari Raya Aidilfitri, National Day, Deepavali and Christmas
- ✓ **Entitlement to member rates at Thomson Medical Centre and Raffles Medical**
- ✓ **Purchase Movie Vouchers at members' price**
- ✓ **Enjoy member rates and discounts with TCC partners**
- ✓ **Subsidised events, activities and tour packages**

And more...