REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

NTUC Health Co-operative Limited
and its Subsidiary
Registration Number: S92CS0208D

Year ended 31 December 2017

Directors' statement

We are pleased to submit this annual report to the members of the Co-operative together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion:

(a) the accompanying financial statements of NTUC Health Co-operative Limited (the "Co-operative") and consolidated financial statements of the Co-operative and its subsidiary (the "Group") as set out on pages FS1 to FS54 are drawn up in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 and Singapore Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 December 2017, and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Co-operative for the year ended 31 December 2017;

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

(c) the receipt, expenditure and investment of monies and the acquisition and disposal of assets made by the Co-operative during the financial year ended 31 December 2017 have been made in accordance with the By-laws of the Co-operative and provisions of the Act.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The Directors in office at the date of this statement are as follows:

Tan Hwee Bin	(Chairman)
Willie Cheng Jue Hiang	
Liak Teng Lit	
Dr Christopher Lien	
Tan Hock Soon	
Adeline Sum Wai Fun	
Andrew Chong Yang Hsueh	(Appointed on 31 May 2017)
Heng Chee How	(Appointed on 23 April 2018)

Directors' interests

No director who held office at the end of the financial year had interests in shares, debentures, warrants and share options in the Co-operative, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Co-operative a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Co-operative to acquire benefits by means of the acquisition of shares in or debentures of the Co-operative or any other body corporate.

Share options

During the financial year, there were:

(i) no share options granted by the Co-operative or its subsidiary to any person to take up unissued shares in the Co-operative or its subsidiary; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Co-operative or its subsidiary.

As at the end of the financial year, there were no unissued shares of the Co-operative or its subsidiary under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Tan Hwee Bin
Director

Willie Cheng Jue Hiang
Director

9 May 2018

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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Independent auditors' report

Members of the Co-operative
NTUC Health Co-operative Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NTUC Health Co-operative Limited (the "Co-operative") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Co-operative as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in equity of the Co-operative for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS54.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act, Chapter 62 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the state of affairs of the Group and of the Co-operative as at 31 December 2017 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Co-operative for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 Directors' statement.

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

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

Responsibilities of management and directors for the financial statements

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

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

(a) the accounting and other records of those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the Singapore Companies Act, Chapter 50;

(b) the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Co-operative during the year are, in all material respects, in accordance with the By-laws of the Co-operative and the provisions of the Act; and

(c) proper accounting and other records have been kept by the Co-operative.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the compliance audit*' section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Management's responsibility for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipt, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the By-laws of the Co-operative and the provisions of the Act.

Auditors' responsibility 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 receipt, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act.

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 May 2018

Statements of financial position
As at 31 December 2017

	Note	Group 2017 $	Group 2016 $	Co-operative 2017 $	Co-operative 2016 $
Non-current assets					
Property, plant and equipment	4	18,508,504	18,503,921	18,508,504	18,398,294
Investment properties	5	5,288,219	5,461,390	5,288,219	5,461,390
Investments in a subsidiary	6	–	–	–	101,764
Investments	7	4,852,209	10,212,976	4,852,209	10,212,976
		28,648,932	34,178,287	28,648,932	34,174,424
Current assets					
Inventories	8	49,128	26,295,242	49,128	23,883,752
Investments	7	6,000,000	–	6,000,000	–
Trade and other receivables	9	18,209,393	14,896,485	18,209,393	17,126,747
Prepayments		378,693	719,005	378,693	704,372
Cash and cash equivalents	10	62,956,015	24,647,490	62,956,015	20,834,374
		87,593,229	66,558,222	87,593,229	62,549,245
Total assets		116,242,161	100,736,509	116,242,161	96,723,669
Equity					
Share capital	11	41,590,374	26,908,074	41,590,374	26,908,074
Reserves					
- Fair value reserve	12	245,301	(393,932)	466,249	(172,984)
- Merger reserves	12	3,705,590	3,705,590	–	–
Accumulated profits		42,968,017	24,885,210	46,452,659	27,021,400
Equity attributable to owners of the parent		88,509,282	55,104,942	88,509,282	53,756,490
Non-controlling interest		–	362,554	–	–
Total equity		88,509,282	55,467,496	88,509,282	53,756,490
Non-current liabilities					
Deferred tax liabilities	13	–	1,988	–	–
Community Silver Trust	14	1,943,957	1,283,288	1,943,957	1,283,288
Deferred income	15	4,747,673	22,316	4,747,673	22,316
		6,691,630	1,307,592	6,691,630	1,305,604

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

Statements of financial position (cont'd)
As at 31 December 2017

		Group		Co-operative	
	Note	**2017**	**2016**	**2017**	**2016**
		$	**$**	**$**	**$**
Current liabilities					
Trade and other payables	16	18,078,094	37,814,324	18,078,094	35,978,553
Deferred income	15	2,727,305	4,568,172	2,727,305	4,568,172
Provisions	17	235,850	1,114,850	235,850	1,114,850
Current tax payable		–	464,075	–	–
		21,041,249	43,961,421	21,041,249	41,661,575
Total liabilities		27,732,879	45,269,013	27,732,879	42,967,179
Total equity and liabilities		116,242,161	100,736,509	116,242,161	96,723,669

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

Statements of comprehensive income
Year ended 31 December 2017

	Note	Group 2017 $	Group 2016 $	Co-operative 2017 $	Co-operative 2016 $
Continuing operations					
Revenue	18	24,845,743	22,842,042	24,845,743	22,842,042
Other operating income	19	45,206,330	28,987,703	60,514,570	32,913,308
Consumables used		(11,235,607)	(9,885,467)	(11,235,607)	(9,885,467)
Staff costs	20	(40,331,591)	(30,089,532)	(40,334,041)	(30,093,495)
Depreciation expense		(4,737,551)	(3,635,883)	(4,737,551)	(3,635,883)
Rental expense		(4,695,829)	(3,448,229)	(4,695,829)	(3,448,229)
Other operating expenses		(10,419,253)	(7,437,098)	(10,419,543)	(7,437,764)
(Loss)/Profit before tax and contributions from continuing operations	21	(1,367,758)	(2,666,464)	13,937,742	1,254,512
Tax expense	22	–	–	–	–
(Loss)/Profit before contributions from continuing operations		(1,367,758)	(2,666,464)	13,937,742	1,254,512
Discontinued operation					
Profit from discontinued operation (net of tax)	23	21,335,986	5,265,576	7,083,240	2,417,448
Profit before contributions		19,968,228	2,599,112	21,020,982	3,671,960
Contributions					
Central Co-operative Fund		(25,000)	–	(25,000)	–
Singapore Labour Foundation	24	(1,033,159)	(563,218)	(1,033,159)	(563,218)
Profit after contributions		18,910,069	2,035,894	19,962,823	3,108,742
Honorarium to directors		(127,943)	(184,500)	(127,943)	(184,500)
Profit for the year		18,782,126	1,851,394	19,834,880	2,924,242
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets:					
- fair value gain		639,233	121,203	639,233	121,203
- reclassifications to profit or loss		–	(41,250)	–	(41,250)
Other comprehensive income for the year		639,233	79,953	639,233	79,953
Total comprehensive income for the year		19,421,359	1,931,347	20,474,113	3,004,195

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

Statements of comprehensive income (cont'd)
Year ended 31 December 2017

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Profit for the year attributable to:				
Owners of the parent	18,486,428	1,324,504	19,834,880	2,924,242
Non-controlling interest	295,698	526,890	–	–
	18,782,126	1,851,394	19,834,880	2,924,242
Total comprehensive income attributable to:				
Owners of the parent	19,125,661	1,404,457	20,474,113	3,004,195
Non-controlling interest	295,698	526,890	–	–
	19,421,359	1,931,347	20,474,113	3,004,195

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

Statements of changes in equity
Year ended 31 December 2017

	Note	Share capital $	Fair value reserve $	Merger reserves $	Accumulated profits $	Equity attributable to owners of the parent $	Non-controlling interests $	Total equity $
Group								
At 1 January 2016		27,120,874	(473,885)	3,705,590	23,967,520	54,320,099	762,488	55,082,587
Total comprehensive income for the year								
Profit for the year		–	–	–	1,324,504	1,324,504	526,890	1,851,394
Other comprehensive income for the year								
Available-for-sale financial assets:								
- reclassification to income statement		–	(41,250)	–	–	(41,250)	–	(41,250)
- fair value gain		–	121,203	–	–	121,203	–	121,203
Total other comprehensive income		–	79,953	–	–	79,953	–	79,953
Total comprehensive income for the year		–	79,953	–	1,324,504	1,404,457	526,890	1,931,347
Transactions with owners, recognised directly in equity								
Share capital withdrawn during the year	11	(212,800)	–	–	–	(212,800)	–	(212,800)
Dividends	11	–	–	–	(406,814)	(406,814)	–	(406,814)
Dividends declared to non-controlling interests		–	–	–	–	–	(926,824)	(926,824)
At 31 December 2016		26,908,074	(393,932)	3,705,590	24,885,210	55,104,942	362,554	55,467,496

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

Statements of changes in equity (cont'd)
Year ended 31 December 2017

	Note	Share capital $	Fair value reserve $	Merger reserves $	Accumulated profits $	Equity attributable to owners of the parent $	Non-controlling interests $	Total equity $
Group								
At 1 January 2017		26,908,074	(393,932)	3,705,590	24,885,210	55,104,942	362,554	55,467,496
Total comprehensive income for the year								
Profit for the year		–	–	–	18,486,428	18,486,428	295,698	18,782,126
Other comprehensive income for the year								
Available-for-sale financial assets:								
- fair value gain		–	639,233	–	–	639,233	–	639,233
Total other comprehensive income		–	639,233	–	–	639,233	–	639,233
Total comprehensive income for the year		–	639,233	–	18,486,428	19,125,661	295,698	19,421,359
Transactions with owners, recognised directly in equity								
Share capital issued during the year	11	15,000,000	–	–	–	15,000,000	–	15,000,000
Share capital withdrawn during the year	11	(317,700)	–	–	–	(317,700)	–	(317,700)
Dividends	11	–	–	–	(403,621)	(403,621)	–	(403,621)
Changes in ownership interests in subsidiary								
Disposal of subsidiary		–	–	–	–	–	(658,252)	(658,252)
At 31 December 2017		41,590,374	245,301	3,705,590	42,968,017	88,509,282	–	88,509,282

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

Statements of changes in equity (cont'd)
Year ended 31 December 2017

	Note	Share capital $	Fair value reserve $	Accumulated profits $	Total equity $
Co-operative					
At 1 January 2016		27,120,874	(252,937)	24,503,972	51,371,909
Total comprehensive income for the year					
Profit for the year		–	–	2,924,242	2,924,242
Other comprehensive income for the year					
Available-for-sale financial assets:					
- reclassification to profit/loss		–	(41,250)	–	(41,250)
- fair value gain		–	121,203	–	121,203
Total other comprehensive income		–	79,953	–	79,953
Total comprehensive income for the year		–	79,953	2,924,242	3,004,195
Transactions with owners, recognised directly in equity					
Share capital withdrawn during the year	11	(212,800)	–	–	(212,800)
Dividends	11	–	–	(406,814)	(406,814)
At 31 December 2016		26,908,074	(172,984)	27,021,400	53,756,490

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

Statements of changes in equity (cont'd)
Year ended 31 December 2017

	Note	Share capital $	Fair value reserve $	Accumulated profits $	Total equity $
Co-operative					
At 1 January 2017		26,908,074	(172,984)	27,021,400	53,756,490
Total comprehensive income for the year					
Profit for the year		–	–	19,834,880	19,834,880
Other comprehensive income for the year					
Available-for-sale financial assets:					
- fair value gain		–	639,233	–	639,233
Total other comprehensive income		–	639,233	–	639,233
Total comprehensive income for the year		–	639,233	19,834,880	20,474,113
Transactions with owners, recognised directly in equity					
Share issued during the year	11	15,000,000	–	–	15,000,000
Share capital withdrawn during the year	11	(317,700)	–	–	(317,700)
Dividends	11	–	–	(403,621)	(403,621)
At 31 December 2017		41,590,374	466,249	46,452,659	88,509,282

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

Consolidated statement of cash flows
Year ended 31 December 2017

	Group	
	2017	**2016**
	$	**$**
Cash flows from operating activities		
Profit before contributions	19,968,228	2,599,112
Income tax expense	–	462,409
Profit before income tax and contributions	19,968,228	3,061,521
Adjustments for:		
Amortisation of deferred income	(3,339,186)	(2,786,806)
Allowance for doubtful receivables	109,807	553,030
Bad debts written off	–	16,443
Depreciation of property, plant and equipment	5,101,314	4,866,467
Depreciation of investment properties	173,171	173,171
Dividend income	(43,700)	(62,003)
Interest income	(415,467)	(119,684)
Allowance for inventory obsolescence	463,467	921,153
Inventories written off	50,977	82,860
Gain on disposal of available-for-sale financial assets	–	(212,250)
Gain on disposal of discontinued operations	(19,716,000)	–
Loss on disposal of property, plant and equipment	79,726	2,946
Operating cash flows before working capital changes	2,432,337	6,496,848
Working capital changes:		
Inventories	1,179,049	198,762
Trade and other receivables	(9,487,905)	(2,631,241)
Prepayments	340,312	495,559
Trade and other payables	1,583,456	7,219,808
Provisions	6,000	39,000
Community Silver Trust	660,669	157,625
Deferred income	6,223,676	4,389,242
Cash generated from operations	2,937,594	16,365,603
Contributions paid to:		
- Central Co-operative Fund	(25,000)	(25,000)
- Singapore Labour Foundation	(563,218)	(250,932)
Income tax paid	(464,075)	(414,039)
Interest received	415,467	119,684
Directors' honorarium paid	(184,500)	(145,000)
Net cash generated from operating activities	2,116,268	15,650,316

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

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2017

		Group	
	Note	**2017**	**2016**
		$	**$**
Cash flows from investing activities			
Dividend received from available-for-sale financial assets		43,700	62,003
Purchase of property, plant and equipment		(6,649,295)	(6,512,154)
Proceeds from disposal of business and a subsidiary	23	29,382,600	–
Proceeds from disposal of available-for-sale financial assets		–	549,000
Net cash generated from/(used in) investing activities		22,777,005	(5,901,151)
Cash flows from financing activities			
Share capital issued during the year		15,000,000	–
Dividends paid to members of the Co-operative		(395,600)	(406,814)
Dividends paid to non-controlling interests		(926,824)	–
Withdrawal of shares		(317,700)	(212,800)
Net cash generated from/(used in) financing activities		13,359,876	(619,614)
Net increase in cash and cash equivalents		38,253,149	9,129,551
Cash and cash equivalents at beginning of the year		24,451,619	15,322,068
Cash and cash equivalents at the end of the year	10	62,704,768	24,451,619

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 9 May 2018.

1 Domicile and activities

NTUC Health Co-operative Limited (the "Co-operative") is registered in Singapore with its registered office at 55 Ubi Avenue 1, #08-01, Singapore 408935.

The Co-operative is a subsidiary of NTUC Enterprise Co-operative Limited, which is also the Co-operative's ultimate holding entity.

The principal objectives of the Co-operative are those relating to retail pharmacy, provisions of health and community services to members and the public, and investment holding. The principal activities of its subsidiary is disclosed in Note 6 of the financial statements.

The financial statements of the Group as at and for the year ended 31 December 2017 comprise the Co-operative and its subsidiary (referred to as the "Group" and individually as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provision of the Singapore Co-operative Societies Act, Chapter 62 (the "Act") and Singapore Financial Reporting Standards ("FRSs").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying transactions, events and conditions relevant to that entity (the "functional currency").

These financial statements are presented in Singapore dollars, which is the Co-operative's functional currency.

2.4 Significant accounting judgements and estimates

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

There are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 7 – fair value and impairment of investments;
- Note 8 – allowance for inventory obsolescence; and
- Note 9 – recoverability for doubtful receivables.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Accounting for subsidiary by the Co-operative

Investments in subsidiary is stated in the Co-operative's statement of financial position at cost less accumulated impairment losses. On disposal of investments in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.3 Financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables, held-to-maturity and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and deposits that are readily convertible to a known cash amount and are subject to an insignificant risk of changes in their fair value.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Held-to-maturity financial assets comprise unquoted debt securities.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Certain available-for-sale unquoted equity investments are initially recognised at fair value plus directly attributable acquisition costs and are subsequently measured at cost less accumulated impairment loss as fair values cannot be reliably measured.

Available-for-sale financial assets comprise equity securities.

3.4 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

(i) Loans and receivables and held-to-maturity financial assets

The Group considers evidence of impairment for loans and receivables and held-to-maturity financial assets at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity financial assets are assessed for specific impairment. All individually significant loan and receivables and held-to-maturity financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity financial assets that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity financial assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3.5 Financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

3.6 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Disposal

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives are as follows:

Freehold property	50 years
Leasehold building	50 years
Leasehold properties	50 years
Dental, medical and fitness equipment	5 years
Motor vehicles	10 years
Furniture and fittings	3 to 5 years
Computer and office equipment	3 to 5 years
Computer software	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives at each component of investment property.

The estimation useful lives are as follows:

Freehold buildings	50 years
Leasehold buildings and premises	50 years

Investment property is 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 profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss as incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

3.8 Inventories

Inventories are measure at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

3.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Calculation of recoverable amount

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), or on a *pro rata* basis.

Reversals of impairment

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(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.

3.11 Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured.

Revenue is measured at the fair value of consideration, received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

(i) Sale of goods

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Rendering of services

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

When the services under a single arrangement are rendered in different reporting periods, the consideration is allocated on a relative fair value basis between the services.

(iii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as ‘other income’.

(iv) Advertising income

Advertising income comprises display income and trading term rebate from suppliers. Display income is recognised on straight-line basis over the duration of display. Trading term rebate is recognised when the entitlement to the rebate is established.

3.13 Government grants

An unconditional grant is recognised in profit or loss when the grant becomes receivable.

Capital grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Operating grant is taken to profit or loss in the period to which they relate.

3.14 Lease payments

The Group leases retail shop units and eldercare centres under operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.15 Other operating income and expenses

Other operating income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and reclassifications of net gains previously recognised in OCI. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Losses on disposal of available-for-sale financial assets, impairment losses recognised on financial assets (other than trade receivables) and reclassifications of net losses previously recognised in OCI are reported as other operating expenses.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either other operating income or expense depending on whether foreign currency movements are in a net gain or net loss position.

3.16 Contribution to Singapore Labour Foundation and Central Co-operative Fund

In accordance with Section 71(2) of the Co-operative Societies Act, Cap. 62, the Co-operative shall contribute 5% of the first $500,000 of the surplus to the Central Co-operative Fund and 20% of any surplus in excess of $500,000 to the Central Co-operative Fund or Singapore Labour Foundation as the Co-operative may opt.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiary to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.18 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.19 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

The following standards are expected to have a material impact on the Group's financial statements in the period of initial application.

Applicable to 2018 financial statements

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services.*

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

Estimated impact of the adoption of FRS 115

The Group plans to adopt FRS 115 in its consolidated financial statements on 1 January 2018, using the cumulative effect approach. As a result, the Group will recognize the cumulative effect of initially applying the standard at the date of initial application.

The Group has assessed the estimated impact that the initial application will have on its consolidated financial statements. Based on its assessment, fees collected for nursing home admission, which are currently recognized as revenue upon collection, would be recognized over the estimated length of stay in the nursing home under FRS 115. The estimated impact arising from the change in the timing of revenue recognition is not expect to be significant.

FRS 109 *Financial instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. As at 31 December 2017:

- The Group has equity investments classified as available-for-sale with a fair value of $4,822,209 that are held for long-term strategic purposes. Under FRS 109, the Group has designated these investments as measured at FVOCI. Consequently, all fair value gains and loss will be reported in OCI, no impairment losses will be recognized in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

- The Group has unquoted equity investments with a book value of $30,000 that are held for long-term strategic purposes. Under FRS 109, the Group has designated these investments as measured at FVOCI. Consequently, all fair value gains and loss will be reported in OCI, no impairment losses will be recognized in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

- The Group has debt investments classified as held-to-maturity with a book value of $6,000,000. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Under FRS 109, the Group will continue to account for these investments using the amortised cost model.

- Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

Impairment – The Co-operative applied the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. The Co-operative believes that impairment losses are likely to increase and become more volatile for assets in the scope of FRS 109 impairment model. Based on the impairment methodology described above, the Co-operative has estimated that application of FRS 109 impairment requirements at 1 January 2018 results in $190,000 impairment losses.

The Co-operative is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

Trade and other receivables

The estimated ECLs were calculated based on actual credit loss experience over the past three years. The Co-operative performed the calculation of ECL rates separately for corporates and individuals.

Exposures within each Co-operatives were segmented based on common credit risk characteristic such as credit risk grade, geographical region and industry – for corporates; and delinquency status, geographic region, age of relationship and type of product purchased – for individuals.

Actual credit loss experience was adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Co-operative’s view of economic conditions over the expected lives of receivables.

The Co-operative assessed that the application of FRS 109 impairment requirements in 2017 would not be materially different to the total impairment losses of $209,700 as at 31 December 2017 (note 9) recognised under FRS 39.

Debt securities

The Co-operative monitors changes in credit risk by tracking published external credit ratings.

To determine whether there has been a significant increase in credit risk at 1 January 2018 that has not been reflected in published ratings, the Co-operative also reviewed changes in bond yields and, where available, CDS prices together with available press and regulatory information about issuers.

12-month and lifetime probabilities of default were based on historical data supplied by S&P for each credit rating and were recalibrated based on current bond yields and CDS prices. Loss given default (LGD) parameters generally reflect an assumed recovery rate of 40% except when a security is credit-impaired, in which case the estimate of loss was based on the instrument’s current market price and original effective interest rate.

The Co-operative estimated that application of FRS 109’s impairment requirements as at 1 January 2018 results in an impairment of $2,253 on debt securities.

Cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on S&P’s ratings as at 31 December 2017.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Co-operative considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Co-operative used a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

The Co-operative expects that application of FRS 109's impairment requirements at 1 January 2018 results in an impairment of $37,703 on cash and cash equivalent.

The Co-operative is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon transition.

Transition

Changes in accounting policies resulting from the adoption of FRS 109 will generally be applied retrospectively, except as described below.

- The Co-operative will take advantage of the exemption allowing it not to restate comparative information tor prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 109 will generally be recognised in retained earnings and reserves as at 1 January 2018.

- The following assessment have to be made on the basis of the facts and circumstances that exist at the date of initial application.

  - The determination of the business model within which a financial asset is held.
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 25). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.

4 Property, plant and equipment

	Freehold property $	Leasehold building $	Leasehold properties $	Dental, medical and fitness equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Group									
Cost									
At 1 January 2017	1,712,781	7,778,521	1,174,048	3,496,331	15,357,308	3,147,103	3,011,848	1,340,967	37,018,907
Additions	–	–	–	1,035,391	3,551,413	1,005,128	288,845	768,518	6,649,295
Disposal	–	–	–	(294,236)	(793,847)	(566,489)	(345,979)	–	(2,000,551)
Disposal of business and a subsidiary (note 23)	–	–	–	–	(6,982,573)	(807,667)	(187,551)	(286,538)	(8,264,329)
At 31 December 2017	1,712,781	7,778,521	1,174,048	4,237,486	11,132,301	2,778,075	2,767,163	1,822,947	33,403,322
Accumulated depreciation									
At 1 January 2017	554,278	2,644,697	347,398	1,751,730	9,515,358	1,593,230	1,870,522	237,773	18,514,986
Depreciation	39,494	155,570	27,000	709,342	2,958,759	670,737	359,290	181,122	5,101,314
Disposal	–	–	–	(291,548)	(755,907)	(540,099)	(333,271)	–	(1,920,825)
Disposal of business and a subsidiary (note 23)	–	–	–	–	(6,009,745)	(586,653)	(162,763)	(41,496)	(6,800,657)
At 31 December 2017	593,772	2,800,267	374,398	2,169,524	5,708,465	1,137,215	1,733,778	377,399	14,894,818
Carrying amounts									
At 1 January 2017	1,158,503	5,133,824	826,650	1,744,601	5,841,950	1,553,873	1,141,326	1,103,194	18,503,921
At 31 December 2017	1,119,009	4,978,254	799,650	2,067,962	5,423,836	1,640,860	1,033,385	1,445,548	18,508,504

	Freehold property $	Leasehold building $	Leasehold properties $	Dental, medical and fitness equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Group									
Cost									
At 1 January 2016	1,712,781	7,778,521	1,174,048	2,946,299	12,682,874	2,134,316	2,127,741	776,630	31,333,210
Additions	–	–	–	550,032	3,395,637	1,088,641	913,507	564,337	6,512,154
Disposal	–	–	–	–	(721,203)	(75,854)	(29,400)	–	(826,457)
At 31 December 2016	1,712,781	7,778,521	1,174,048	3,496,331	15,357,308	3,147,103	3,011,848	1,340,967	37,018,907
Accumulated depreciation									
At 1 January 2016	514,783	2,489,127	320,398	1,210,523	7,113,687	1,211,679	1,529,991	81,842	14,472,030
Depreciation	39,495	155,570	27,000	541,207	3,122,874	454,459	369,931	155,931	4,866,467
Disposal	–	–	–	–	(721,203)	(72,908)	(29,400)	–	(823,511)
At 31 December 2016	554,278	2,644,697	347,398	1,751,730	9,515,358	1,593,230	1,870,522	237,773	18,514,986
Carrying amounts									
At 1 January 2016	1,197,998	5,289,394	853,650	1,735,776	5,569,187	922,637	597,750	694,788	16,861,180
At 31 December 2016	1,158,503	5,133,824	826,650	1,744,601	5,841,950	1,553,873	1,141,326	1,103,194	18,503,921

	Freehold property $	Leasehold building $	Leasehold properties $	Dental, medical and fitness equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Co-operative									
Cost									
At 1 January 2017	1,712,781	7,778,521	1,174,048	3,496,331	15,200,185	2,969,301	2,958,157	1,340,967	36,630,291
Additions	–	–	–	1,035,391	3,550,893	1,003,442	288,847	768,518	6,647,091
Disposal	–	–	–	(294,236)	(793,847)	(566,489)	(345,865)	–	(2,000,437)
Disposal of business (note 23)	–	–	–	–	(6,824,930)	(628,179)	(133,861)	(286,538)	(7,873,508)
At 31 December 2017	1,712,781	7,778,521	1,174,048	4,237,486	11,132,301	2,778,075	2,767,278	1,822,947	33,403,437
Accumulated depreciation									
At 1 January 2017	554,278	2,644,697	347,398	1,751,730	9,397,340	1,470,126	1,828,655	237,773	18,231,997
Depreciation	39,494	155,570	27,000	709,342	2,949,770	656,695	349,132	181,122	5,068,125
Disposal	–	–	–	(291,548)	(755,907)	(540,100)	(333,156)	–	(1,920,711)
Disposal of business (note 23)	–	–	–	–	(5,882,738)	(449,507)	(110,737)	(41,496)	(6,484,478)
At 31 December 2017	593,772	2,800,267	374,398	2,169,524	5,708,465	1,137,214	1,733,894	377,399	14,894,933
Carrying amounts									
At 1 January 2017	1,158,503	5,133,824	826,650	1,744,601	5,802,845	1,499,175	1,129,502	1,103,194	18,398,294
At 31 December 2017	1,119,009	4,978,254	799,650	2,067,962	5,423,836	1,640,861	1,033,384	1,445,548	18,508,504

	Freehold property $	Leasehold building $	Leasehold properties $	Dental, medical and fitness equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Co-operative									
Cost									
At 1 January 2016	1,712,781	7,778,521	1,174,048	2,946,299	12,566,434	1,965,805	2,044,650	776,630	30,965,168
Additions	–	–	–	550,032	3,354,954	1,079,350	913,507	564,337	6,462,180
Write off	–	–	–	–	(721,203)	(75,854)	–	–	(797,057)
At 31 December 2016	1,712,781	7,778,521	1,174,048	3,496,331	15,200,185	2,969,301	2,958,157	1,340,967	36,630,291
Accumulated depreciation									
At 1 January 2016	514,783	2,489,127	320,398	1,210,523	7,007,704	1,117,369	1,479,108	81,842	14,220,854
Depreciation	39,495	155,570	27,000	541,207	3,110,839	425,665	349,547	155,931	4,805,254
Write off	–	–	–	–	(721,203)	(72,908)	–	–	(794,111)
At 31 December 2016	554,278	2,644,697	347,398	1,751,730	9,397,340	1,470,126	1,828,655	237,773	18,231,997
Carrying amounts									
At 1 January 2016	1,197,998	5,289,394	853,650	1,735,776	5,558,730	848,436	565,542	694,788	16,744,314
At 31 December 2016	1,158,503	5,133,824	826,650	1,744,601	5,802,845	1,499,175	1,129,502	1,103,194	18,398,294

5 Investment properties

	Group and Co-operative $
Cost	
At 1 January 2016, 31 December 2016 and 31 December 2017	8,245,933
Accumulated depreciation	
At 1 January 2016	2,611,372
Depreciation for the year	173,171
At 31 December 2016	2,784,543
Depreciation for the year	173,171
At 31 December 2017	2,957,714
Carrying amounts	
At 1 January 2016	5,634,561
At 31 December 2016	5,461,390
At 31 December 2017	5,288,219

As at 31 December 2017, the Group and the Co-operative's investment properties are held under the following tenure:

	2017		2016	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Leasehold	5,288,219	10,518,000	5,461,390	10,541,000

The fair value of investment property was determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment property portfolio every year. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Included in investment properties is a carrying amount of approximately $3,515,400 (2016: $3,625,000) representing the Group's and the Co-operative's 25% share in certain units jointly-owned with NTUC Income Insurance Co-operative Limited. As at 31 December 2017, the Group and the Co-operative have no contingent liabilities and capital commitments in respect of those units.

6 Investment in a subsidiary

	Co-operative 2017 $	Co-operative 2016 $
Unquoted equity shares, at cost	–	101,764
Allowance for impairment loss	–	–
	–	101,764

Details of the subsidiary is as follows:

Name of subsidiary	Principal activity	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Origins Healthcare Pte Ltd (Singapore) [1][2]	Trading of health products	–	80

Notes:

[1] Audited by KPMG LLP, Singapore.
[2] Disposed on 30 June 2017.

7 Investments

	Note	Group and Co-operative 2017 $	Group and Co-operative 2016 $
Non-current			
Held-to-maturity financial assets			
Unquoted debt securities	(b)	–	6,000,000
Available-for-sale financial assets			
Quoted equity investment, at fair value		2,876,209	2,330,976
Other unquoted equity investments, at fair value		1,946,000	1,852,000
Unquoted equity investments, at cost	(a)	230,000	230,000
Less: Allowance for impairment loss		(200,000)	(200,000)
		4,852,209	10,212,976
Current			
Held-to-maturity financial assets			
Unquoted debt securities	(b)	6,000,000	–
At 31 December		10,852,209	10,212,976

(a) There is no active market for the unquoted equity investments and the management is of the opinion that the fair value cannot be estimated within a reasonable range and the probabilities of the various estimates cannot be reasonably assessed. Accordingly, the management believes that the fair value of the unquoted shares in co-operative societies cannot be reliably measured and are carried at cost in accordance with the accounting policy described in Note 3.3.

(b) The unquoted bond is issued by the holding co-operative, NTUC Enterprise Co-operative Limited. The unquoted bond has stated interest rates of 1.91% (2016: 1.91%) and will mature on 20 December 2018.

8 Inventories

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Finished goods	49,128	26,759,061	49,128	24,347,571
Less: Allowance for inventory obsolescence	–	(463,819)	–	(463,819)
	49,128	26,295,242	49,128	23,883,752

In 2017, Group's and the Co-operative's inventories of $10,510,636 (2016: $7,674,790) and $10,869,379 (2016: $9,284,378), respectively, were recognised as an expense during the period and included in "Consumables used".

The movement in allowance for inventory obsolescence during the year is as follows:

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
At 1 January	463,819	143,755	463,819	143,755
Allowance for inventory obsolescence (net)	463,467	921,153	463,467	921,153
Allowance utilised	(366,228)	(601,089)	(366,228)	(601,089)
Disposal of business	(561,058)	–	(561,058)	–
At 31 December	–	463,819	–	463,819

Allowance for inventory obsolescence and reversals included in "Consumables used".

The Group's inventories of $50,977 (2016: $82,860) were written off as an expense and included in "Consumables used".

9 Trade and other receivables

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Trade receivables	1,780,326	6,000,868	1,780,326	5,445,963
Amount due from related parties				
- Trade	–	893,371	–	12,356
- Non-trade	1,183,430	151,193	1,183,430	151,193
Other receivables	14,811,290	5,731,450	14,811,290	5,731,450
Dividend receivables	–	–	–	3,707,296
Deposits	644,047	2,682,160	644,047	2,641,046
	18,419,093	15,459,042	18,419,093	17,689,304
Allowance for doubtful receivables	(209,700)	(562,557)	(209,700)	(562,557)
Loan and receivables	18,209,393	14,896,485	18,209,393	17,126,747

Non-trade amount due from related parties are unsecured, non-interest bearing and repayable on demand.

Other receivables includes grant and subsidy receivables of $14,295,413 (2016: $4,677,952).

Movement in the allowance for doubtful receivables are as follows:

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
At 1 January	562,557	141,189	562,557	141,189
Allowance made during the year	109,807	553,030	109,807	553,030
Allowance utilised	(263,414)	(131,662)	(263,414)	(131,662)
Disposal of business	(199,250)	–	(199,250)	–
At 31 December	209,700	562,557	209,700	562,557

The Group and the Co-operative's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 27.

10 Cash and cash equivalents

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
Cash at bank	18,108,636	24,230,345	18,108,636	20,421,090
Fixed deposits	44,800,000	–	44,800,000	–
Cash on hand	47,379	417,145	47,379	413,284
Cash and cash equivalents in statement of financial position	62,956,015	24,647,490	62,956,015	20,834,374
Less: Cash at bank in Medifund account	(251,247)	(195,871)	(251,247)	(195,871)
	62,704,768	24,451,619	62,704,768	20,638,503

Include in cash at bank is $251,247 (2016: $195,871) held on behalf of the Medifund account. A specific bank account is established and maintained for the Medifund account.

The Medifund account is a grant from the Medical Endowment Fund (the "MEF") which is set up by the Government under the Medical and Elderly Care Endowment Schemes Act (Cap. 173A).

For the purpose of any written law in Singapore, all monies in the Medifund account are deemed not to form part of the property of the approved institution if it goes into voluntary or compulsory liquidation. In such event, the monies shall then be vested and paid into the MEF.

11 Share capital

	Number of shares	
	2017	2016
Co-operative		
Ordinary shares, fully paid with no par value:		
On issue at 1 January	26,908,074	27,120,874
Issued during the year	15,000,000	–
Withdrawn during the year	(317,700)	(212,800)
At 31 December	41,590,374	26,908,074

Rights of member

(a) The membership shares relates to shares held by members where redemption of share is subject to approval of the Board of Directors.

(b) All members are entitled to redeem their shares at the par value or the net asset value of the Co-operative based on the latest audited financial position as at the date of redemption, whichever is lower.

(c) The shares do not carry any rights to fixed income.

(d) In accordance with Section 4.6 of the Co-operative's By-Laws, every member shall, unless otherwise disqualified under the Act or the By-laws, have the right to:

(i) avail himself of all services of the Society;

(ii) stand for election to office, subject to the provisions of the Act and the By-laws, where applicable;

(iii) be co-opted to hold office in the Society, where applicable;

(iv) participate and vote at general meetings; and

(v) enjoy all other rights, privileges or benefits provided under the By-laws.

(e) Members are entitled to receive dividends as and when declared by the Co-operative.

(f) In the event of the winding up of the Co-operative, the assets shall be applied first to the cost of liquidation, then to the discharge of the liabilities of the Co-operative, then to the payment of the share capital or subscription capital, and then, provided that the By-laws of the Co-operative permit, to the payment of a dividend or patronage refund at a rate not exceeding that laid down in the Rules or in the By-Laws.

(g) Any monies remaining after the application of the funds to the purposes specified in the above paragraph (section 88 of Co-operative Societies Act) and any sums unclaimed after two years under Section 89 (2) of the Act (which relates to claims of creditors), shall not be divided among the members but shall be carried to the Co-operative Societies Liquidation Account kept by the Registrar of the Co-operative Societies.

(h) A sum carried to the Co-operative Societies Liquidation Account shall be kept in this Account for at least two years. Out of the Co-operative Societies Liquidation Account such sums may be transferred to the Central Co-operative Fund, or applied generally for the furtherance of co-operative principles in such manner, as the Minister may determine from time to time.

Dividends

The following exempt one-tier dividends were declared by the Group and Co-operative:

	Group		**Co-operative**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Dividends to owners of the Co-operative				
First and final exempt (one-tier) dividend paid of $0.015 (2016: $0.015) per share in respect of the previous financial year	403,621	406,814	403,621	406,814

12 Reserves

Fair value reserve

The fair value reserve comprise the cumulative net change in the fair value of available-for-sale financial assets until they are disposed of or impaired.

Merger reserves

Merger reserves represent the identifiable net assets acquired to the Co-operative arising from the acquisition of business under common control.

13 Deferred tax liabilities

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
Property, plant and equipment	–	1,988	–	–

14 Community Silver Trust

The Community Silver Trust ("CST") is a grant scheme, received in advance, whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term Care ("ILTC") sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care. Donations received for ILTC programs are eligible for this grant.

15 Deferred income

The deferred income relates to grants received in relation to purchase, or to subsidise the purchase of specific assets and/or capital expenditure. Grants received are initially deferred in the statements of financial position and recognised systematically over the life of the underlying assets purchased.

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
At 1 January	4,590,488	2,792,181	4,590,488	2,792,181
Increase during the year	6,223,676	4,585,113	6,223,676	4,585,113
Less: Transfer to profit or loss	(3,339,186)	(2,786,806)	(3,339,186)	(2,786,806)
At 31 December	7,474,978	4,590,488	7,474,978	4,590,488

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Analysed as follows:				
Current liabilities	2,727,305	4,568,172	2,727,305	4,568,172
Non-current liabilities	4,747,673	22,316	4,747,673	22,316
	7,474,978	4,590,488	7,474,978	4,590,488

16 Trade and other payables

	Group		Co-operative	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Trade payables	611,300	18,051,786	611,300	18,390,042
Other payables	3,301,049	2,943,704	3,301,049	2,853,589
Amount due to subsidiary – non-trade	–	–	–	121,792
Amount due to related parties – non-trade	404,381	196,071	404,381	196,071
Dividend payable	43,963	962,766	43,963	35,942
Central Co-operative Fund	25,000	25,000	25,000	25,000
Singapore Labour Foundation	1,033,159	634,392	1,033,159	634,392
Honorarium to directors	149,021	184,500	149,021	184,500
Accrued operating expenses	8,180,537	10,461,560	8,180,537	9,182,680
Grants received in advance	4,329,684	4,354,545	4,329,684	4,354,545
	18,078,094	37,814,324	18,078,094	35,978,553

Non-trade amounts due to related parties and subsidiary are unsecured, non-interest bearing and repayable on demand.

Included in “Other payables” is an amount relating to Medifund account (see note 10).

The Group and the Co-operative’s exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in note 27.

17 Provisions

	Group and Co-operative	
	2017	**2016**
	$	**$**
Provision for reinstatement costs	235,850	1,114,850

Movements in provision for reinstatement costs:

	Group and Co-operative 2017 $	Group and Co-operative 2016 $
At 1 January	1,114,850	1,075,850
Provision made	6,000	69,000
Provision utilised	–	(30,000)
Disposal of business (note 23)	(885,000)	–
At 31 December	235,850	1,114,850

Provision for reinstatement costs

The provision for reinstatement costs are the estimated costs of dismantle, removal or restoration of plant and equipment arising from the acquisition or use of assets, which are recognised and included in the cost of property, plant and equipment.

18 Revenue

	Group		Co-operative	
	2017 $	**2016 $**	**2017 $**	**2016 $**
Continuing operations				
Dental services	16,143,751	17,081,194	16,143,751	17,081,194
Eldercare services	8,701,992	5,760,848	8,701,992	5,760,848
	24,845,743	22,842,042	24,845,743	22,842,042
Discontinued operations (note 23)				
Sales of goods	53,758,834	109,737,120	46,842,292	96,634,451
Total	78,604,577	132,579,162	71,688,035	119,476,493

19 Other operating income

	Group		Co-operative	
	2017 $	**2016 $**	**2017 $**	**2016 $**
Advertising income	11,215	22,430	11,215	22,430
Amortisation of deferred income	3,339,186	2,786,806	3,339,186	2,786,806
Dividend income	43,700	62,003	43,700	3,769,299
Foreign exchange gain, net	2,277	15,364	144	(189)
Gain on disposal of available-for-sale financial assets	–	212,250	–	212,250
Government grant	40,296,359	24,735,938	40,296,359	24,735,938
Interest income	415,355	118,496	415,355	118,496
Rental income	849,275	824,463	919,265	964,443
Gain on disposal of a subsidiary (note 23)	–	–	15,227,246	–
Others	248,963	209,953	262,100	303,835
	45,206,330	28,987,703	60,514,570	32,913,308

20 Staff costs

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
Salaries, bonuses and other short-term benefits	37,043,311	27,649,541	37,045,761	27,653,504
Employer's contribution to defined contribution plans	3,288,280	2,439,991	3,288,280	2,439,991
	40,331,591	30,089,532	40,334,041	30,093,495

21 (Loss)/Profit before tax and contributions from continuing operations

The following items have been charged in arriving at (loss)/profit before tax and contributions from continuing operations:

	Group and Co-operative	
	2017	2016
	$	$
Advertisement and promotion expenses	112,903	104,293
Allowance for doubtful receivables	109,807	553,030
Patronage rebates/discounts	48,303	60,021
Loss on disposal of property, plant and equipment	79,726	2,946

22 Tax expense

The Co-operative is registered under the Co-operative Societies Act, Chapter 62 which is exempted from income tax under Section 13 of the Income Tax Act, Chapter 134.

23 Disposal of business and a subsidiary

On 23 June 2017, as part of corporate reorganisation, the Group entered into a sale and purchase of business and share agreement with a related corporation, NTUC Fairprice Co-operative Limited. for the disposal of the Unity division ("the Business"), and the disposal of its subsidiary, Origins Healthcare Pte Ltd, for a total cash consideration of $30,262,400.

The Business and the subsidiary disposed during the year was not previously presented as a discontinued operation or classified as held for sale as at 31 December 2016 and thus the comparative statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

	Note	Group 2017 $	Group 2016 $
Results of discontinued operation			
Revenue	18	53,758,834	109,737,120
Other operating income		4,524,059	9,769,561
Consumables used		(37,699,543)	(76,191,342)
Staff costs		(8,487,254)	(15,896,679)
Depreciation expense		(536,934)	(1,403,755)
Rental expense		(5,224,867)	(10,266,021)
Other operating expenses		(4,714,309)	(10,020,899)
Results from operating activities		1,619,986	5,727,985
Tax expense		–	(462,409)
Results from operating activities (net of tax)		1,619,986	5,265,576
Gain on sale of discontinued operation		19,716,000	–
Profit from discontinued operation (net of tax)		21,335,986	5,265,576
Cash flows from discontinued operation			
Net cash (used in)/from operating activities		(2,931,110)	2,143,923
Net cash from/(used in) investing activities		29,382,600	(49,974)
Net cash from for the year		26,451,490	2,093,949

	Note	Co-operative 2017 $	Co-operative 2016 $
Results of discontinued operation			
Revenue	18	46,842,292	96,634,451
Other operating income		4,523,290	9,766,904
Consumables used		(34,533,656)	(70,538,396)
Staff costs		(7,261,771)	(13,511,772)
Depreciation expense		(503,745)	(1,342,542)
Rental expense		(5,147,708)	(10,144,278)
Other operating expenses		(3,855,462)	(8,446,919)
Results from operating activities		63,240	2,417,448
Tax expense		–	–
Results from operating activities (net of tax)		63,240	2,417,448
Gain on sale of discontinued operation		7,020,000	–
Profit from discontinued operation (net of tax)		7,083,240	2,417,448
Cash flows from discontinued operation			
Net cash (used in)/from operating activities		(3,827,520)	3,612,150
Net cash from/(used in) investing activities		14,933,390	(870,076)
Net cash from for the year		11,105,870	2,742,074

Effect of disposal on the financial position

	Group 2017 $
Plant and equipment	1,463,672
Trade and other receivables	6,065,190
Inventories	24,552,621
Cash and cash equivalents	879,800
Trade and other payables	(20,869,643)
Provisions	(885,000)
Deferred tax liabilities	(1,988)
Non-controlling interest	(658,252)
Net assets disposed	10,546,400
Proceeds from disposal of business	(30,262,400)
Gain on disposal of business	(19,716,000)
Consideration received, satisfied in cash	30,262,400
Cash and cash equivalents disposed of	(879,800)
Net cash inflow	29,382,600

	Co-operative 2017 $
Plant and equipment	1,389,030
Trade and other receivables	4,158,637
Inventories	22,602,746
Trade and other payables	(19,352,023)
Provisions	(885,000)
Net assets disposed	7,913,390
Proceeds from disposal of business	(14,933,390)
Gain on disposal of business	(7,020,000)

On 30 June 2017, the Co-operative sold 80% of its interest in Origins Healthcare Pte Ltd for a cash consideration of $15,329,010 and recorded a gain on disposal of subsidiary of $15,227,246 included in 'other operating income'.

24 Singapore Labour Foundation

	Group		Co-operative	
	2017 $	2016 $	2017 $	2016 $
Contribution				
- current year	1,033,159	634,392	1,033,159	634,392
- over provision in prior year	–	(71,174)	–	(71,174)
	1,033,159	563,218	1,033,159	563,218

25 Operating lease

The Group and the Co-operative as lessees

The Group and the Co-operative lease various retail outlets and day care centres under non-cancellable operating leases. The leases typically run for a period of 10 years, with an option to renew the lease after that date. Lease payments are increased every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in a local price index. For certain operating leases, the Group is restricted from entering into any sublease arrangements.

The leases have variable lease charge of 0.25% to 15% (2016: 0.25% to 15%) of targeted gross sales as stipulated on the lease agreement and are negotiated for an average term of 3 years.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	Group and Co-operative	
	2017	**2016**
	$	**$**
Within one year	4,388,050	12,886,530
After one year but within five years	5,446,261	13,823,144
	9,834,311	26,709,674

The Group and the Co-operative as lessors

The Group and the Co-operative lease out various retail and office space under non-cancellable operating leases. The leases are committed for an average of 3 years.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	Group and Co-operative	
	2017	**2016**
	$	**$**
Within one year	562,248	428,266
After one year but within five years	1,032,972	363,329
	1,595,220	791,595

Rental income earned by the Group and Co-operative from the investment properties amounted to $451,946 (2016: $452,587). Direct operating expenses arising from rental-generating investment properties during the financial period amounted to $244,167 (2016: $245,176).

26 Related parties

For the purpose 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 or common significant influence. Related parties may be individuals or other entities.

In addition to the transactions disclosed elsewhere in the financial statements, the following significant related party transactions based on terms as agreed between the parties during the financial year:

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
With subsidiary				
Purchase of goods	–	–	358,718	1,609,588
Rental income	–	–	69,990	139,979
With related parties				
Sales of goods	4,276,330	8,908,437	–	–
Consultancy fees	420,188	775,244	–	–
Rental paid	2,145,551	3,946,874	1,183,371	3,946,874
Patronage rebates/discounts	823,864	1,910,805	823,864	1,910,805
Management fee expense	1,404,600	1,597,200	1,404,600	1,597,200
Rental income	475,220	–	475,220	–
Purchase of goods	1,529,546	1,425,269	1,529,546	1,425,269

Compensation of key management personnel

The compensation of Directors and other members of the key management personnel of the Group and the Co-operative during the financial year were as follows:

	Group		Co-operative	
	2017	2016	2017	2016
	$	$	$	$
Salaries and other benefits	2,852,884	2,976,474	2,852,884	2,976,474
Employer's contribution to defined contribution plan	156,170	124,882	156,170	124,882
Director's honorarium	149,021	184,500	149,021	184,500
	3,158,075	3,285,856	3,158,075	3,285,856

27 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing those risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets in the statement of financial position represents the Group and the Co-operative's maximum exposure to credit risk.

Trade and other receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer, these limits are reviewed regularly. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

At the reporting date, the Group has no significant concentration of credit risk. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the statement of financial position.

The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial assets.

The Group and the Co-operative held cash and cash equivalents of $62,956,015 at 31 December 2017 (2016: $24,647,490 and $20,834,374 respectively), representing their maximum credit exposures on these assets. Cash and fixed deposits are placed with banks and approved financial institutions. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The Group's and Co-operative's maximum exposure to credit risk at the reporting date was:

	Group Carrying amount		**Co-operative Carrying amount**	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Investments	10,852,209	10,212,976	10,852,209	10,212,976
Cash and cash equivalents	62,956,015	24,647,490	62,956,015	20,834,374
Trade and other receivables	18,209,393	14,896,485	18,209,393	17,126,747
	92,017,617	49,756,951	92,017,617	48,174,097

Impairment losses

The aging of trade and other receivables as at 31 December is:

	2017		**2016**	
	Gross	**Impairment loss**	**Gross**	**Impairment loss**
	$	**$**	**$**	**$**
Group				
Not past due	16,728,188	–	13,493,680	–
Past due 1 to 30 days	671,419	–	1,112,889	–
Past due 31 to 60 days	114,905	–	78,690	–
Past due 61 to 90 days	69,443	–	143,720	–
Past due more than 90 days	835,138	209,700	630,063	562,557
	18,419,093	209,700	15,459,042	562,557
Co-operative				
Not past due	16,728,188	–	16,278,791	–
Past due 1 to 30 days	671,419	–	570,531	–
Past due 31 to 60 days	114,905	–	71,389	–
Past due 61 to 90 days	69,443	–	141,902	–
Past due more than 90 days	835,138	209,700	626,691	562,557
	18,419,093	209,700	17,689,304	562,557

Allowance for doubtful receivables

Management uses judgement to determine the allowance for doubtful receivables which are supported by historical write-off, credit history of the customers and repayment records. The Group reviews its allowance for doubtful receivables monthly. Balances which are overdue are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Actual results could differ from estimates.

The Group and the Co-operative believes that the unimpaired amounts are still collectible and are within acceptable credit risk, based on historic payment behaviour and analysis of customer credit risk, including underlying customers' credit ratings, when available.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	Within 1 year $	Within 1 to 5 years $
Group				
31 December 2017				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	13,748,410	13,748,410	13,748,410	–
31 December 2016				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	33,459,779	33,459,779	33,459,779	–

	Carrying amount $	Contractual cash flows $	Within 1 year $	Within 1 to 5 years $
Co-operative				
31 December 2017				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	13,748,410	13,748,410	13,748,410	–
31 December 2016				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	31,624,008	31,624,008	31,624,008	–

Market risk

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

Currency risk

As at reporting date, the Group is not exposed to significant currency risks.

Interest rate risk

The Group and the Co-operative do not have significant exposure to interest-bearing financial instrument at the end of the reporting period except for its bank deposits and its held-to-maturity investment. Held-to-maturity investments and fixed deposits are fixed rate instruments and a change in interest rate would not affect profit or loss. Cash at bank are short-term and with the current interest level, any future variations in interest rates are not expected to have a material impact on the Group's results. Accordingly, no sensitivity analysis is presented.

Equity price risk

Equity price risk arises from available-for-sale financial assets. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group and the Co-operative do not actively trade available-for-sale investments.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of reporting period.

The sensitivity analysis assumes an instantaneous 5% (2016: 5%) change in the equity prices from the end of the reporting period, with all variables held constant.

	Increase/(Decrease) Group and Co-operative 2017 $	2016 $
Available-for-sales financial assets	242,610	209,149

Capital management

The Group and the Co-operative manage their capital to ensure that the Group and the Co-operative are able to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Co-operative manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Co-operative may adjust the return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year.

Financial instruments by category

Set out below is a comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements:

	Note	Available-for-sale financial assets $	Held-to-maturity financial assets $	Loans and receivables $	Financial liabilities at amortised cost $	Total $
Group						
2017						
Assets						
Cash and cash equivalents	10	–	–	62,956,015	–	62,956,015
Trade and other receivables	9	–	–	18,209,393	–	18,209,393
Investments	7	4,852,209	6,000,000	–	–	10,852,209
		4,852,209	6,000,000	81,165,408	–	92,017,617
Liabilities						
Trade and other payables	16	–	–	–	(18,078,094)	(18,078,094)

	Note	Available-for-sale financial assets $	Held-to-maturity financial assets $	Loans and receivables $	Financial liabilities at amortised cost $	Total $
Group						
2016						
Assets						
Cash and cash equivalents	10	–	–	24,647,490	–	24,647,490
Trade and other receivables	9	–	–	14,896,485	–	14,896,485
Investments	7	4,212,976	6,000,000	–	–	10,212,976
		4,212,976	6,000,000	39,543,975	–	49,756,951
Liabilities						
Trade and other payables	16	–	–	–	(37,814,324)	(37,814,324)
Co-operative						
2017						
Assets						
Cash and cash equivalents	10	–	–	62,956,015	–	62,956,015
Trade and other receivables	9	–	–	18,209,393	–	18,209,393
Investments	7	4,852,209	6,000,000	–	–	10,852,209
		4,852,209	6,000,000	81,165,408	–	92,017,617
Liabilities						
Trade and other payables	16	–	–	–	(18,078,094)	(18,078,094)
2016						
Assets						
Cash and cash equivalents	10	–	–	20,834,374	–	20,834,374
Trade and other receivables	9	–	–	17,126,747	–	17,126,747
Investments	7	4,212,976	6,000,000	–	–	10,212,976
		4,212,976	6,000,000	37,961,121	–	48,174,097
Liabilities						
Trade and other payables	16	–	–	–	(35,978,553)	(35,978,553)

Determination of fair values

Fair values

The carrying amounts of the Group and the Co-operative's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2017 and 2016.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group at the reporting date.

Non-derivative financial assets and liabilities

Fair value of quoted and unquoted equity investments, at fair value, are based on broker quotes. The fair value of these instrument are determined through the use of discounted net assets valuation techniques with observable market inputs such as estimated yield rates and market interest rates at the reporting date.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting dates.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3: unobservable inputs for the asset or liability.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

	Fair value measurement using:		
	Level 1	**Level 2**	**Level 3**
	$	**$**	**$**
2017			
Group and Co-operative			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	–	2,876,209	–
- Other unquoted equity investments	–	1,946,000	30,000
Held-to-maturity financial assets			
- Other unquoted debt security	–	–	6,000,000
2016			
Group and Co-operative			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	–	2,330,976	–
- Other unquoted equity investments	–	1,852,000	30,000
Held-to-maturity financial assets			
- Other unquoted debt security	–	–	6,000,000

Level 3 fair value

Valuation techniques

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

Type	**Fair value $**	**Valuation technique**
2017		
Available-for-sale financial assets	30,000	Lower of NAV or par value
Held-to-maturity investments	6,000,000	Discounted cash flows
2016		
Available-for-sale financial assets	30,000	Lower of NAV or par value
Held-to-maturity investments	6,012,422	Discounted cash flows

There were no transfers of classification between levels during the current or prior financial year.

The fair values of other unquoted equity investments are based on broker quotes. The fair value of these instrument are determined through the use of discounted net assets valuation techniques with observable market inputs such as estimated yield rates and market interest rates at the reporting date. These financial instruments have been classified as level 2 in the current financial years. There have been no changes in the valuation techniques of available-for-sale financial assets during the financial year.

28 Subsequent event

On 28 February 2018, the Co-operative has subscribed bond from NTUC Enterprise Co-operative Limited total amounting to $20,000,000.

Corporate Information

BOARD OF DIRECTORS

Tan Hwee Bin	*Chairman*
Willie Cheng	
Liak Teng Lit	
Dr Christopher Lien	
Tan Hock Soon	
Adeline Sum	
Andrew Chong	
Heng Chee How	

BOARD COMMITTEES

Establishment Committee

Tan Hwee Bin	*Chairman*
Willie Cheng	
Adeline Sum	

Professional Standards Committee

Liak Teng Lit	*Chairman*
Christopher Lien	
Adeline Sum	

Audit and Risk Committee

Willie Cheng	*Chairman*
Christopher Lien	
Tan Hock Soon	

REGISTERED ADDRESS

55 Ubi Avenue 1 #08-01
Singapore 408935

AUDITOR

KPMG LLP

BANKERS

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

UNION

Healthcare Services Employees' Union

K Thanaletchimi	*President*
Diana Chia Siew Fui	*General Secretary*
Charles Ng Theng Loon	*Executive Secretary*
Dicky Loe Keng Hoong	*General Treasurer*

NTUC Health - Union Branch Committee

Enid Maria D'Souza	*Branch Chairperson*
Lim Siew Ngoh	*Branch Secretary*

MEMBERSHIP LISTING AND SHAREHOLDINGS
As at 31 December 2017

S/N	Name of Institutional Shareholder	Total Shares
1	NTUC Enterprise Co-operative Ltd	30,556,944
2	National Trades Union Congress	110,000
3	AUPE Multi-purpose Co-operative Ltd	10,000
4	NTUC Income Insurance Co-operative Limited	1,000,000
5	Singapore Mercantile Co-operative Society Ltd	10,000
6	The Singapore Government Staff Credit Co-operative Society Ltd	10,000
7	The Singapore Teachers' Co-operative Society Limited	50,000
	Institutional Share Capital as at 31 December 2017	31,746,944
	Ordinary Share Capital (17,800 members)	9,843,430
	Total Share Capital as at 31 December 2017	41,590,374