

S B Tan Audit PAC

**Public Accountants &
Chartered Accountants**

Reg no. 201709525H
118 Aljunied Avenue 2 #06-104
Singapore 380118
Tel: 6844 8626 Fax: 6844 8627
E-mail: admin@sbtan.com
<http://www.sbtan.com>

Industrial & Services Co-operative Society Ltd

Registration No. S89CS0200B

Registered office: 237 Alexandra Road
#04-19, The Alexcier Singapore 159929

Annual Audit Report for the Year Ended 31 December 2024

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DIRECTORS' STATEMENT

We, the undersigned Members of Board of Directors, submit this annual report to the members together with the audited financial statements of Industrial & Services Co-operative Society Ltd for the financial year ended 31 December 2024.

Opinion of the Directors

In the opinion of the Directors:

- the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Co-operative as at 31 December 2024, and of the results, changes in funds and cash flows of the Co-operative for the year ended on that date in accordance with the provisions of the Singapore Co-operative Societies Act (the "Act") and Singapore Financial Reporting Standards ("FRS");
- 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
- the receipt, expenditure and investment of monies and the acquisition and disposal of assets made by the Co-operative during the year ended 31 December 2024 have been made in accordance with the provisions of the Act.

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

Board Members

The Board of Directors and Trustee members at the date of this report are as follows:

Members of Board of Directors

Mr Sallim Abdul Kadir	- Chairman
Ms Jenny Tsin	- Vice Chairman
Mr Yeo Tiong Eng	- Honorary Secretary
Mr Goh Sze Hee, Vincent	- Honorary Treasurer
Ms Apriani Kartika	- Member
Mr Mike Hue Chuen Chieh	- Member
Mr Joshua Tay Teck Seng	- Member
Ms Tricia Ortega	- Member (Appointment on 1 June 2024)
Mr Wee Yik Keong, Matthew	- Member
Mr Sunny Lee Chin Hon	- Member
Dr Natarajan Varaprasad	- Member
Ms Lim Yanzi, Sammi	- Member
Ms Judy Hunt	- Member
Mr Jabez Koh Chiang Meng	- Member (Appointment on 1 June 2024)

Members of Board of Trustee

Mr Phillip Tan Eng Seong	- Chairman
Dr T Chandroo	- Member
Dr Mariam Sharifah Aljunied	- Member
Mr Tham Tuck Seng	- Member
Mr Yeo Kian Teong, Alex	- Member

DIRECTORS' STATEMENT**Arrangements to enable Directors to acquire shares or debentures**

Neither at the end of, nor at any time during the financial year, was the Co-operative a party to any arrangement whose object 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 entities.

Directors' interests in shares or debentures

The Directors of the Co-operative held office at the end of the financial year who had interests in the shares of the Co-operative and its related entities as recorded in the register of Directors' shareholdings kept by the Co-operative are as follows:

Name of Directors and Co-operative in which interest are held	Shareholdings registered in the name of Directors at:	
	beginning of financial year	end of financial year
Industrial & Services Co-operative Society Limited		
Mr Sallim Abdul Kadir	10	10
Ms Jenny Tsin	10	10
Mr Yeo Tiong Eng	10	10
Mr Goh Sze Hee, Vincent	10	10
Mr Joshua Tay Teck Seng	10	10
Mr Mike Hue Chuen Chieh	10	10
Ms Apriani Kartika	10	10
Mr Wee Yik Keong, Matthew	20	20
Ms Lim Yanzi, Sammi	10	10
Dr Natarajan Varaprasad	10	10
Mr Jabez Koh Chiang Meng	10	10

Share options

There were no share options granted by the Co-operative during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Co-operative.

There were no unissued shares of the Co-operative under options as at the end of the financial year.

Auditor

S B Tan Audit PAC has expressed willingness to accept appointment as auditor.

DIRECTORS' STATEMENT

On behalf of the Board of Directors,



Mr Sallim Abdul Kadir
Director / Chairman

Singapore
24 April 2025



Mr Goh Sze Hee, Vincent
Director / Honorary Treasurer

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INDUSTRIAL & SERVICES CO-OPERATIVE SOCIETY LTD**

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements of **Industrial & Services Co-operative Society Ltd** ("Co-operative") are properly drawn up in accordance with the Singapore Co-operative Societies Act (the "Act") and Singapore Financial Reporting Standards ("FRSs"), so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2024 and of the financial performance, changes in funds and cash flows of the Co-operative for the year ended on that date.

We have audited the financial statements which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprise the Directors' Statement on pages 1 to 3. 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 statement 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Co-operative Societies Act (the "Act") and Singapore Financial Reporting Standards ("FRSs"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The Directors' responsibilities include overseeing the Co-operative's financial reporting process.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INDUSTRIAL & SERVICES CO-OPERATIVE SOCIETY LTD**

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative 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.

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 control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INDUSTRIAL & SERVICES CO-OPERATIVE SOCIETY LTD**

Report on Compliance with Other Legal and Regulatory Requirements

In our opinion:

- the accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act;
- the receipts, expenditure and investments of monies and acquisition and disposal of assets made by the Co-operative during the financial year ended 31 December 2024 have been made in accordance with the provisions of the Act

The engagement partner on the audit resulting in this independent auditors' report is Tan Saw Bin.



S B TAN AUDIT PAC
Public Accountants and
Chartered Accountants
Singapore
24 April 2025

**Statement of Financial Position
As at 31 December 2024**

	Note	2024 \$	2023 \$
Non-current Assets			
Property, plant and equipment	3	1,330,485	944,594
Investment securities	4	50,005	50,005
		1,380,490	994,599
Current Assets			
Investment securities	4	7,957,055	8,215,393
Trade and other receivables	5	378,563	381,556
Prepayments		23,977	14,403
Cash and cash equivalents	6	1,099,901	1,215,553
		9,459,496	9,826,905
Current Liabilities			
Deferred grant income		11,724	32,556
Other payables	7	325,340	379,346
		337,064	411,902
Net Current Assets		9,122,432	9,415,003
Net Assets		10,502,922	10,409,602
<i>Representing:</i>			
Share Capital			
Issued and fully paid-up capital: 212,920 (2023: 211,990) ordinary shares	16	212,920	211,990
Accumulated Funds		9,793,054	9,673,886
Restricted Funds		7,790	26,455
Designated Fund		489,153	497,266
Fair Value Reserve	17	5	5
		10,502,922	10,409,602

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
For the year ended 31 December 2024**

	Note	2024 \$	2023 \$
Program sponsorship		792,986	1,571,959
Donation income		-	8,189
Income from community space	8	110,439	-
Income from case management contracts		89,100	-
Membership fee		853	1,917
Project resolute		-	5,964
Other income	8	1,659,049	893,876
		<u>2,652,427</u>	<u>2,481,905</u>
<i>Less Expenditure</i>			
Appreciation dinner		32,369	4,066
Bank charges (investments)		39,423	29,267
Community space expenditure		111,668	-
Depreciation of property, plant and equipment	3	152,381	158,511
Foreign exchange loss		70,282	1,111
GST expenditure		56,844	12,642
Loss on disposal of financial assets held at FVPL		-	5,852
Member services		59,070	57,418
Organisation development		52,086	33,008
Staff costs - CPF contribution	10	204,629	154,515
- Salaries and other staff costs	10	1,423,853	1,212,228
Training & employment		78,984	143,602
Other operating expenditure	11	266,096	223,425
		<u>(2,547,685)</u>	<u>(2,035,645)</u>
Surplus for the year before taxation and contributions		<u>104,742</u>	<u>446,260</u>
Contributions to Central Co-operative Fund	12	(4,239)	(22,313)
Surplus for the year before taxation		<u>100,503</u>	<u>423,947</u>
Taxation	15	-	-
Surplus for the year		<u>100,503</u>	<u>423,947</u>
Other comprehensive income - Fair value reserve		-	-
Total comprehensive income for the year		<u><u>100,503</u></u>	<u><u>423,947</u></u>
Restricted funds:			
Donations received		66,881	27,238
Disbursement of funds	9	(85,546)	(46,842)
		<u>(18,665)</u>	<u>(19,604)</u>
Restricted - Deficit after taxation		(18,665)	(19,604)
Unrestricted - Surplus after taxation		<u>119,168</u>	<u>443,551</u>
		<u><u>100,503</u></u>	<u><u>423,947</u></u>

The accompanying notes form part of the financial statements

Statement of Changes in Funds
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Share Capital			
	16		
Balance brought forward		211,990	209,890
Issuance of shares to new members		930	2,070
Withdrawal of members		-	(30)
Transfer of fund		-	60
Balance carried forward		212,920	211,990
Accumulated Funds			
Balance brought forward		9,673,886	9,230,335
Surplus after taxation		119,168	443,551
Balance carried forward		9,793,054	9,673,886
Restricted Funds			
Balance brought forward		26,455	46,059
(Deficit) / Surplus		(18,665)	(19,604)
Balance carried forward		7,790	26,455
Designated Fund			
Balance brought forward		497,266	500,326
Transfer of fund		-	(60)
Utilisation		(8,113)	(3,000)
Balance carried forward		489,153	497,266
Fair Value Reserve			
	17		
Balance brought forward		5	5
Balance carried forward		5	5
Total funds		10,502,922	10,409,602

The accompanying notes form part of the financial statements

Statement of Cash Flows
As at 31 December 2024

	Note	2024 \$	2023 \$
Cash Flows From Operating Activities:			
Surplus for the year before taxation		100,503	423,947
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	152,381	158,511
Dividend income	8	(147,048)	(126,191)
Interest income	8	(240,528)	(239,752)
Fair value loss/(gain) arising from financial assets held at FVPL	8	(385,514)	(103,352)
(Gain)/loss on disposal of financial assets held at FVPL	8	(189,307)	5,852
Operating cash flow before working capital changes		(709,513)	119,015
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		2,993	(138,708)
Prepayments		(9,574)	(848)
Other payables		(54,006)	(199,640)
Deferred grant income		(20,832)	16,294
Cash used in operations		(790,932)	(203,887)
Net cash used in operating activities		(790,932)	(203,887)
Cash Flows From Investing Activities:			
Purchase of property, plant, and equipment	3	(538,272)	(25,453)
Interest income	8	240,528	239,752
Dividend received	8	147,048	126,191
Purchase of investments		(3,170,067)	(5,006,144)
Proceeds from sale of investments		4,003,227	5,690,305
Net cash generated from investing activities		682,463	1,024,651
Cash Flows From Financing Activities:			
Proceeds from issuance of share capital		930	2,040
Utilisation of common good fund		(8,113)	(3,000)
Net cash used in financing activities		(7,183)	(960)
Net (decrease) / increase in cash and cash equivalents		(115,652)	819,804
Cash and cash equivalents at beginning of year		1,215,553	395,749
Cash and cash equivalents at end of year	6	1,099,901	1,215,553
Cash and cash equivalents			
Fixed deposits		-	750,000
Cash and bank balance		1,099,901	465,553
		1,099,901	1,215,553

The accompanying notes form part of the financial statements

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

1 General

Industrial & Services Co-operative Society Limited (the "Co-operative") is incorporated and domiciled in Singapore with its registered office and principal place of operations at 237 Alexandra Road, #04-19, The Alexcier, Singapore 159929.

The principal activities of the Co-operative are to provide a channel for gainful employment and self-help activities for discharged inmates of penal institutions and drug rehabilitation centres.

The financial statements were authorised for issue by the Board on 24 April 2025.

2 Significant Accounting Policies

2.1 Basis of Preparation

Statement of compliance

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

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Co-operative has adopted all the new and amended standards which are relevant to the Co-operative and are effective.

The adoption of these standards did not have any material effect on the financial performance or position of the Co-operative.

2.3 New Standards and Interpretations Not Yet Effective

The Co-operative has not adopted standards applicable to the Co-operative that have been issued but not yet effective which will not expect to have any material impact on financial performance or position of the Co-operative.

2.4 Revenue Recognition

Revenue is measured based on the consideration to which the Co-operative expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Co-operative satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Donation income

Donation income are accounted for when received, except for committed donations that are recorded when entitled and conditions are met.

(b) Membership subscription

Membership subscription is recognised upon receipt of application form.

(c) Dividend Income

Dividend income is recognised when the Co-operative's right to receive payment is established.

(d) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

2.5 Foreign Currencies

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of financial activities.

2.6 Property, plant and equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Number of years</u>
Leasehold Properties	14 to 25
Renovation	5
Computer and equipment	3 to 5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2.7 Related Party

A related party is defined as follows:

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

- (i) Has control or joint control over the Co-operative; or
- (ii) Has significant influence over the Co-operative; or
- (iii) Is a member of the key management personnel of the Co-operative or of a parent of the Co-operative.

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

- (i) The entity and the Co-operative are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

2.7 Related Party (cont'd)

(b) An entity is related to the Co-operative if any of the following conditions applies (cont'd):

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Co-operative or an entity related to the Co-operative. If the Co-operative is itself such a plan, the sponsoring employers are also related to the Co-operative;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Co-operative or to the parent of the Co-operative.

2.8 Cash and Cash Equivalents

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

2.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.10 Employee Benefits**(a) Defined contribution plans**

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

(b) Short-term employee benefits

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

2.11 Impairment of Financial Assets

The Co-operative assesses at end of the reporting period whether there is any objective evidence that a financial asset is impaired.

i) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.11 Impairment of Financial Assets (cont'd)**ii) Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Co-operative first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Co-operative determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2.12 Impairment of non-financial assets

The Co-operative assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Co-operative makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss statement.

2.13 Financial Assets**(i) Classification**

The Co-operative classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Co-operative's only financial assets are loans and receivables.

Loans and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables excluding prepayments are presented as "trade and other receivables", "fixed deposits" and "cash and bank balances" on the balance sheet.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Co-operative commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Co-operative has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

2.13 Financial Assets (cont'd)iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised as expenditure.

iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Interest income on financial assets are recognised separately in profit or loss.

2.14 Financial Liabilitiesi) Initial recognition and measurement

Financial liabilities are recognised on the Co-operative's statement of financial position when the Co-operative becomes a party to the contractual provisions of the instrument. The Co-operative determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in comprehensive income statement when the liabilities are derecognised as well as through the amortisation process. Liabilities of short duration are not discounted.

iii) Derecognition

The Co-operative derecognises financial liabilities when, and only when, the Co-operative's obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised to profit or loss statement.

2.15 Fair Value Measurement

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Co-operative takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

2.16 Provisions

Provisions are recognised when the Co-operative has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.17 **Leases**Operating leases**Lessee**

Leases where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expenditure in the period in which termination takes place.

Lessor

Leases where the Co-operative retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

The Co-operative applies the short-term lease recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expenditure on a straight-line basis over the lease term.

3 **Property, plant and equipment**

	Leasehold Properties S\$	Renovation S\$	Computer and equipment S\$	Total S\$
<i>Cost:</i>				
At 1 January 2023	1,543,211	316,390	327,676	2,187,277
Additions	-	8,676	16,777	25,453
Disposals	-	(950)	(3,080)	(4,030)
At 31 December 2023 and 1 January 2024	1,543,211	324,116	341,373	2,208,700
Additions	-	404,145	134,127	538,272
Disposals	-	-	(34,707)	(34,707)
At 31 December 2024	1,543,211	728,261	440,793	2,712,265
<i>Accumulated depreciation:</i>				
At 1 January 2023	574,551	265,107	269,967	1,109,625
Charge for the financial year	74,512	50,555	33,444	158,511
Disposal	-	(950)	(3,080)	(4,030)
At 31 December 2023 and 1 January 2024	649,063	314,712	300,331	1,264,106
Charge for the financial year	74,512	33,524	44,345	152,381
Disposal	-	-	(34,707)	(34,707)
At 31 December 2024	723,575	348,236	309,969	1,381,780
<i>Net book value:</i>				
Balance at 31 December 2024	819,636	380,025	130,824	1,330,485
Balance at 31 December 2023	894,148	9,404	41,042	944,594

4 Investment securities

	2024	2023
	\$	\$
Non-current investments:		
Fund investments - at FVOCI (Unquoted)	50,005	50,005
Current investments:		
Fixed income investments - at FVPL (Quoted)	5,609,447	5,870,433
Fund investments - at FVPL (Quoted)	2,366,031	2,330,173
Forward contracts - at FVPL (Quoted)	(18,423)	14,787
	<u>7,957,055</u>	<u>8,215,393</u>
	<u>8,007,060</u>	<u>8,265,398</u>

Fixed income investment at FVPL have stated interest rates of 2.15% to 5.38% (2023: 2.15% to 5.38%) and mature within 1 to 10 years (2023: 1 to 10 years).

The investment securities are externally managed comprised funds placed with the professional fund manager pursuant to investment management agreement. Pursuant to the terms, the agreement can be terminated by giving the requisite prior notice in writing to the fund manager.

The fund manager is given discretionary powers within specific investment guidelines to invest the funds and these investments are managed on a portfolio basis and their performance evaluated on a fair value basis.

Investments designated as at FVOCI

The Co-operative designated the unquoted fund investments at FVOCI because these fund investments represent investments that the Co-operative intend to hold for the long-term strategic purposes.

The investment securities are denominated in the following currencies:

	2024	2023
	\$	\$
Singapore Dollar	7,123,441	6,232,409
United States Dollar	883,619	2,032,989
	<u>8,007,060</u>	<u>8,265,398</u>

5 Trade and Other Receivables

	2024	2023
	\$	\$
<u>Trade receivables:</u>		
Grant receivables	53,100	-
<u>Other receivables:</u>		
Deposits	42,060	3,090
Amount due from related party (note 21)	248,597	377,080
Sundry receivables	34,806	1,386
	<u>325,463</u>	<u>381,556</u>
	<u>378,563</u>	<u>381,556</u>

The amount due from related party is unsecured, and is repayable quarterly. Interest at 3% per annum applies for outstanding balance not paid by due date

Other receivables are denominated in Singapore Dollar.

Expected credit losses

The Co-operative does not have any allowance for expected credit losses on its trade receivables as at year end because they are assessed to be recoverable.

6 Cash and cash equivalents

	2024	2023
	\$	\$
Fixed deposits	-	750,000
Cash and bank balances	1,099,901	465,553
	<u>1,099,901</u>	<u>1,215,553</u>

Fixed deposits bear interest at Nil (2023: 3.10% - 3.99%) per annum.

Cash and cash equivalents that are not denominated in the functional currency of the Company are as follows:

	2024	2023
	\$	\$
Singapore Dollar	1,096,961	1,117,461
United States Dollar	2,940	98,092
	<u>1,099,901</u>	<u>1,215,553</u>

7 Other Payables

	2024	2023
	\$	\$
Amount due to related party (note 21)	9,871	158,219
Accrued expenditure	249,744	164,340
GST payables	7,304	18,974
Provision for unutilised leave	48,274	33,411
Sundry payables	10,147	4,402
	<u>325,340</u>	<u>379,346</u>

The amount due to related party is unsecured, interest free, repayable on demand. Amount due to related party is denominated in Singapore Dollar. Accrued expenditure is mainly payroll.

8 Income from community space and other Income

	2024	2023
	\$	\$
Income from community space	110,439	-

Just BrewIN is a cafe cum community space set up by the Co-operative in September 2024 to create a dynamic and inclusive space for ex-offenders and their families. The cafe is open to public.

Other Income includes the following:

Dividend income	143,105	123,746
Fair value gain arising from financial assets held at FVPL	385,514	103,352
Gain on disposal of financial assets held at FVPL	189,307	-
Government grant	55,849	44,042
Interest income from bonds	239,376	234,319
Service fee	640,719	379,164

9 Disbursement of funds

Disbursement of funds includes the following:

	2024	2023
	\$	\$
SASS Subsidy - Rotary Club	34,881	19,049
SASS Subsidy - Catholic Welfare Services	32,000	-

10 Staff Costs

	2024	2023
	\$	\$
<u>Key management personnel:</u>		
Salaries, allowances and bonuses	145,702	130,643
CPF contributions	14,284	14,792
	<u>159,986</u>	<u>145,435</u>
	2024	2023
	\$	\$
<u>Other Staff:</u>		
Salaries, allowances and bonuses	1,278,151	1,081,585
CPF contributions	190,345	139,723
	<u>1,468,496</u>	<u>1,221,308</u>
	<u>1,628,482</u>	<u>1,366,743</u>

11 Other Operating Expenditure

Other operating expenditure include the following:

	2024	2023
	\$	\$
Property tax	6,365	8,672
Repairs & maintenance - property	6,238	8,733
Subscription	14,574	9,749
Telecommunication	12,187	12,672
Utilities	12,014	6,910

12 Central Co-operative Fund

The Co-operative shall contribute, according to by-laws, as follows:

- a) 5% of the first \$500,000 of the surplus resulting from the operations of the Co-operative during the preceeding financial year to the Central Co-operative fund; and
- b) 20% of any surplus in excess of \$500,000 of the surplus resulting from the operations of the Co-operative during the preceeding financial year to the Central Co-operative fund or the Singapore Labour Foundation as the Co-operative may opt.

13 Board of Directors - Remuneration

The Board of Directors does not receive any remuneration from the Co-operative in accordance with by-laws.

14 Related Party Transactions

An entity or individual is considered a related party of the Co-operative if it is subject to common control or common significant influence with the Co-operative if one party is able to significantly influence the financial and operating decisions of the other party.

The Co-operative's significant related party (note 21) transactions for the year are as follows:

	2024	2023
	\$	\$
Service fees - income	640,719	379,164
Sponsorship income -SASS	7,800	19,049
Management fees - expenditure	53,264	165,397

14 Related Party Transactions (cont'd)

Compensation of key management personnel

There is no other compensation of key management personnel in the Co-operative other than those disclosed in Note 10. The Co-operative did not provide remuneration to the Board members. There is no paid staff who is close member of the family of the Management or Board member, who receives more than S\$50,000 during the year.

15 Taxation

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.

16 Share Capital

	2024	2023
	S\$	S\$
Issued and fully paid ordinary shares:		
At 1 January	211,990	209,890
Additions	930	2,070
Withdrawal	-	(30)
Transfer from Common Good Fund	-	60
Ordinary shares as 31 December	<u>212,920</u>	<u>211,990</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Co-operative. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

17 Fair value reserve

Fair value reserve represents the cumulative fair value charges, net of tax, of equity investment at fair value through other comprehensive income until they are disposed of or impaired.

18 Financial Risk Management Objectives and Policies

The main risks arising from the Co-operative's financial instruments are credit, liquidity, market, interest and foreign currency risks. The policies for managing each of these risks are summarised as follows:

(a) Credit risk

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of cash and cash equivalents, trade debtors, other debtors represent the Co-operative's maximum exposure to credit risk in relation to financial assets.

The Co-operative monitors the exposure to credit risk on an ongoing basis and credit evaluations are performed on parties requiring credit over a certain amount. Cash terms or advance payments are required for parties of lower credit standing. The credit risk on balances of cash and cash equivalents is low as these balances are placed with a reputable bank.

The Co-operative engaged United Overseas Bank Limited, to invest their funds directly with various financial institutions, with investments in the name of the Co-operative.

(b) Liquidity risk

Liquidity risk refers to the risk that the Co-operative will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Co-operative's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Co-operative's objective is to maintain a balance between continuity of funding and flexibility through the use of program sponsorship. The Co-operative's operations are financed mainly through donated funds. The directors are satisfied that funds are available to finance the operations of the Co-operative.

18 Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity risk (cont'd)*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Co-operative's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount \$	Contractual cash flows \$	One year or less \$	Two to five years \$
2024				
Financial assets:				
Unquoted fund investment at FVOCI	50,005	50,005	-	50,005
Quoted investments securities at FVPL	7,957,055	7,957,055	7,957,055	-
Trade and other receivables	378,563	378,563	378,563	-
Cash and short-term deposits	1,099,901	1,099,901	1,099,901	-
Total undiscounted financial assets	9,485,524	9,485,524	9,435,519	50,005
Financial liabilities:				
Other payables	318,036	318,036	318,036	-
Total undiscounted financial liabilities	318,036	318,036	318,036	-
Total net undiscounted financial assets	9,167,488	9,167,488	9,117,483	50,005
	Carrying amount \$	Contractual cash flows \$	One year or less \$	Two to five year \$
2023				
Financial assets:				
Unquoted fund investment at FVOCI	50,005	50,005	-	50,005
Quoted investments securities at FVPL	8,215,393	8,215,393	8,215,393	-
Other receivables	381,556	381,556	381,556	-
Cash and short-term deposits	1,215,553	1,215,553	1,215,553	-
Total undiscounted financial assets	9,862,507	9,862,507	9,812,502	50,005
Financial liabilities:				
Other payables	360,372	360,372	360,372	-
Total undiscounted financial liabilities	360,372	360,372	360,372	-
Total net undiscounted financial assets	9,502,135	9,502,135	9,452,130	50,005

(c) Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Co-operative's financial instruments will fluctuate because of changes in market interest rates. The Co-operative's exposure to interest rate risk arises primarily from investment in bonds classified as fund investment at FVOCI.

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

18 **Financial Risk Management Objectives and Policies (cont'd)****(c) Market risk (cont'd)****Market price risk**

The Co-operative is exposed to price risk arising from the investments in fund securities, debt securities and money markets fund which are classified as financial assets at FVPL. These securities are managed by the investment manager in accordance with the investment guidelines agreed between the Co-operative and the investment manager. The Co-operative seeks a balanced strategy where it seeks long-term capital appreciation by balancing risk and return. The portfolio is managed in accordance to a medium investment risk exposure where there is an expectation of average asset value fluctuations and average volatility. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are closely monitored by the Co-operative's Investment Sub-Committee.

(d) Foreign currency risk

The Co-operative's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. The Co-operative ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Co-operative has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Co-operative, primarily United States Dollar (USD).

The Co-operative's currency exposures to the USD at the reporting date were as follows:

	2024	2023
	USD	USD
Financial assets		
Cash and cash equivalents	2,940	98,092
Investment securities	883,619	2,032,989
Foreign currency exposure	<u>886,559</u>	<u>2,131,081</u>

A 3% (2023: 2%) strengthening or weakening of Singapore Dollar against the foreign currency denominated balances as at the reporting date would decrease or increase profit or loss before tax by S\$26,597 (2023: S\$42,622). This analysis assumes that all other variables remain constant.

19 **Fair Values of Financial Instruments**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

a) Fair value hierarchy

The Co-operative categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Co-operative 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 or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19 Fair Values of Financial Instruments (cont'd)

b) Financial assets measured at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
2024				
Financial assets:				
<u>Investment securities</u>				
Unquoted fund investment at FVOCI	-	-	50,005	50,005
Quoted investment securities at FVPL	7,957,055	-	-	7,957,055
	<u>7,957,055</u>	<u>-</u>	<u>50,005</u>	<u>8,007,060</u>

	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Total \$
2023				
Financial assets:				
<u>Investment securities</u>				
Unquoted fund investment at FVOCI	-	-	50,005	50,005
Quoted investment securities at FVPL	8,215,393	-	-	8,215,393
	<u>8,215,393</u>	<u>-</u>	<u>50,005</u>	<u>8,265,398</u>

For unquoted fund investment, a significant increase (decrease) in the expected dividend yield would result in a significantly higher (lower) fair value measurement.

c) Assets and liabilities not measured at fair value

Cash and short-term deposits, other receivables and other payables.

The carrying amount of these balances approximate their fair values due to the short-term nature of these balances.

Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities by category were as follows:

	2024 \$	2023 \$
Financial asset held at FVOCI		
Unquoted fund investment at FVOCI	50,005	50,005
	<u>50,005</u>	<u>50,005</u>
Financial asset held at FVPL		
Quoted investments securities at FVPL	7,957,055	8,215,393
	<u>7,957,055</u>	<u>8,215,393</u>

19 **Fair Values of Financial Instruments (cont'd)***c) Assets and liabilities not measured at fair value***Financial assets at amortised cost**

Trade and other receivables	378,563	381,556
Cash and cash equivalents	1,099,901	1,215,553
	<u>1,478,464</u>	<u>1,597,109</u>

Financial liabilities at amortised cost

Other payables	318,036	360,372
	<u>318,036</u>	<u>360,372</u>

20 **Accounting Estimates and Judgement in Applying Accounting Policies**

The Co-operative makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

21 **Funding to Related Party**

Related party refers to NeuGen Fund (the "Fund"). The Co-operative established the Fund, registered under Charities Act in 2018, and is granted the status of an Institution of a Public Character ("IPC").

The Fund administers funding to reformed offenders, their children and families with the opportunity of a complete education and the skills required to be employable and financially independent in future, so that they can lead meaningful and productive lives. Annual audit report of the Fund is available.