



SGM KOPERATIF BERHAD

# MESYUARAT AGUNG KE – 85

SABTU 20 OGOS 2022 | 10AM – 12 PM  
GEYLANG SERAI COMMUNITY CLUB, 1 ENSKU AMAN TURN  
#01-01 WISMA GEYLANG SERAI, SINGAPORE 408528

LAPORAN TAHUNAN & PENYATA KEWANGAN  
BAGI TAHUN BERTARIKH 31 DISEMBER 2021



**SENTIASA GIGIH  
MENEROKA**





## **CO-OPERATIVE PRINCIPLES**

1. Discipline
2. Transparency
3. Independence
4. Accountability
5. Responsibility
6. Fairness
7. Efficiency
8. Social Mobility

## **OUR STATEMENT**

### **VISION**

A Credible, dependable and reputable cooperative with conscience.

### **MISSION**

To enhance the financial well-being of the members

### **CORE VALUES**

Service-oriented, integrity, commitment, accountability and efficiency.

SGM Koperatif Berhad

(Established on 7th September 1931)

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**SINGAPORE MALAY TEACHER'S CO-OPERATIVE LTD  
(SGM KOPERATIF BHD)**

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# ORGANISATIONAL STRUCTURE

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## **Patron**

Tuan Abdullah Tarmugi

## **President**

Tuan Hawazi Daipi

## **LEMBAGA PENGARAH (BODs) SGM 2021/2022**

### **Chairman**

En Johari Mohd Rais

### **Deputy Chairman 1**

En Mohd Faizal Ismail

### **Deputy Chairman 2**

A/P Rokhana Bibi Abdullah

### **Deputy Chairman 3**

En Faizal Fadzlillah

### **Members**

En Hamsani Bin Raoh  
A/P Kamsiah Abdullah  
En Kamiti Nahim  
En Mazli Mahmood  
En Syed Mohammad Alsagoff  
En Abdul Rahman Ibrahim  
En Muhd Ariff Mohd Noor  
En Abdullah Sardi  
Dr Hirman Khamis  
En Moen Kasir

## **INTERNAL AUDIT SUB- COMMITTEE 2021-2022**

### **Chairman**

En Abdullah Sardi

### **Members**

En Mazli Mahmood  
En Muhd Ariff Mohd Noor  
En Moen Kasir

## **STAFF OF SMTC LTD**

### **General Manager**

En Idris Aziz Mattar

### **Senior Accounts Officer**

En Abdul Rab Md Taib

### **Human Resource Officer**

Sdri Hartini Hamid

### **Accounts Officer**

Sdri Harniza Abdull Rahim

### **Deputy Accounts Officer**

Sdri Faridah Ahmad Toka (PT)

### **Janitor**

Sdri Sapiah Salleh (PT)

### **Ex-HR Officer**

Mdm Norliza Ripin (Ex-HR officer)  
Resigned on: 30th September 2021

## STAFF OF SGM LITTLE KIDZ CHILDCARE CENTRE @ RIVERVALE, SENGKANG

**Principal:** Sdri Siti Maryam Lim Zulkifli  
**Sr. Teacher:** NIL

CCT	Sdri Nina Suriani Abdul Manap		
CCT	Sdri Shazwani A Latif	T.IE	Sdr Melor Indahni Binte Senin
CCT	Sdri Nurul Syafiqah Binte Mohd Taufek	T.IE	Sdri Siti Rafeah Binte Ismail
CCT	Ms Lea Camille A Castillo	P-EDU	Sdri Nurul Fatihah Binte Abu Bakar
EDU	Sdri Nurfadilah Binte Kumar	P-EDU	Sdri Nur Yusra Binte Osman
EDU	Sdri Mas Niliyana Binte Hirman	P-EDU	Sdri Nur Ain Binte Satari
IE	Ms Tan Gek Kua	Cook	Sdri Aton Binte Osman
IE	Sdri Nur Azizah Zainuddin	Cook	Sdri Aidon Binte Satari
IEMs	Ms Chua Chor Hui	Janitor	Sdri Sapiah Binte Taib

## STAFF OF SGM MURNI @ TAMPINES

**Principal:** Sdri Naseem Sultanah A Gaffoor  
**Vice-Principal:** Sdri Siti Nazurah Mohd Yunos

	(resigned on 5th July 2022)	P-EDU	Sdri Sayati A Rahim
P-EDU/ Admin	Sdri Rozanah Binte Majid	P-EDU	Sdri Nor Bee Md Kamar
CCTMs	Shannen G Torremoro	P-EDU	Sdri Shaibah Binti Abdullah
CCT	Sdri Sharifah Zaharah Binte S Hashim	EDU	Sdri Noriyah Binte Abdul Rahman
CCT	Sdri Siti Hasanah Binte Abdul Rahman	P-EDU	Sdri Nilam Binte Mohd Salleh
CCT	Sdri Misnia Binte Adnan	Nutritionist	Sdri Hamidah Binte Basiron
CCTMs	Anthea Jamie Beltran Jacoba	Nutritionist	Sdri Fatimah Ahmad
P-EDU	Sdri Hetty Muslim	Janitor	Sdri Hamidah Kassim

**CCT:** Child Care Teacher

**IE:** Infant Educarer

**T.IE:** Trainee Infant Educarer

**P-EDU:** Para-Educarer

**PT:** Part-Time

# NOTICE OF 85<sup>TH</sup> ANNUAL GENERAL MEETING

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To:

Members of Singapore Malay Teachers' Co-operative Ltd

With the Grace of Allah.

Assalamualaikum Wr Wb

Mr/Ms

We are pleased to inform that the 85th AGM will be held as follows:

Day: Saturday, 20th August 2022

Time: 1000hr

Venue: Wisma Geylang Serai

## AGENDA

1. Message/Report by SMTC Ltd Chairman
2. AGM Standing Instructions
3. Confirmation of Minutes of 84th AGM dated Saturday, 10th July 2021.
4. To accept and to approve the Annual Report of the BODs 2021/2022.
5. To accept and to approve Report of Internal Audit Sub- Comm 2021/2022.
6. To accept and to approve Report of External Auditors Messrs Rohan. Mah & SGM Statement of Accounts for Financial Year ending 31 Dec 2021.  
  
SGM Statement of Accounts for Financial Year ending 31 Dec 2021.
7. To approve the Report of the Management Committee of Common Good Fund (DKB) and the Statement of Accounts dated 31 December 2021.

8. To accept and to approve the Budget Expenditure for 2022.
  - 8.1 SGM Koperatif Berhad
  - 8.2 SGM Murni @ Tampines and
  - 8.3 SGM Little KiDZ @ Rivervale
  
9. To nominate 5 members of the Board of Directors 2022-2025.
  
10. To appoint the External Auditor for 2022/2023.
  
11. To discuss written suggestions from Members received by SGM Chairman at least 7(seven) days before the 85th AGM.

Regards from Us

For and on behalf of

Singapore Malay Teachers' Co-operative Ltd

**Idris Aziz Mattar**

General Manager

OUR WORK MAXIM: SERVICE WITH A SMILE, ALWAYS

(Note: According to SGM (By law) Item 4.15.3, Senior Members are permitted to attend the AGM as observers only.)

# AGENDA 1: MESSAGE/REPORT BY CHAIRMAN 2021/2022

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Opening Address and Report by the Chairman, Singapore Malay Teachers' Cooperative Ltd (SGM)

Wassalam Wrt

Another year has passed by. The Annual Report from Year 2021/2022 and henceforth will be presented in the English Language. This is in accordance with the advice of the Registrar of Societies that all legal documents for Government perusal and scrutiny will be in the language of governance in Singapore.

To remain relevant SGM needs to make changes constantly and follow the flow of situations. The Smart Nation vision in Singapore involves transforming the country through technology. SGM has started to embark on digitalisation since the AGM (Annual General Meeting) Report in 2020/2021. The pandemic has speeded up our efforts to digitalise for the benefit of our members as well as to have an efficient office system. By end 2022 we expect what the experts term as Enterprise Resource Planning (ERP) to run and apply fully to integrate stakeholders collectively- the BODs, respected members of SGM and the staff.

Following the 2021 AGM, all sub-committees produced Action Plans which were implemented and further refined during the Strategic Planning Retreat held in December 2021. A Strategic Road Map,

Spanning 2022 to 2026, was formulated. It is now left for SGM to ensure that the 5-year Strategic Plan becomes a reality. Among others, the Five-Year Plans focused on four Principal areas:

- Finance and Loans
- Membership/Publication
- Childcare Development
- Organisational Excellence

Plans will not be successful without the collaboration of all stakeholders. Our website, e-Titian, launched in Nov 2021, shall be the media to ensure developments and suggestions cascade down to members.

The collaboration of SGM and PERGAS Financial Shariah Advisory and Consultancy to establish SGM as a shariah-compliant Thrift and Loan Society is in its final stages. Proposed changes to the documentation for loans are receiving legal endorsement for execution.

On the advice of the Registrar of Societies we have now closed the accounts of the DKB, the reason being that SGM is a thrift and loan society and not a benevolent society. Funds contributed by members had been reimbursed back to members who contributed to the DKB funds. The remaining 'untraced funds' will be transferred to Dana Kebajikan Am (DKA), the charity wing of SGM.

The plan to re-activate SGMI, our business wing, to SGM Educational Institute Pte Ltd in 2011 will be revived. This will lay the path for SGM to start another service cooperative for the management of our Childcare Centres.

Insyah Allah a committee towards this end will be formed and formalised later this year.

This year we celebrated our 90th Anniversary on a modest scale. A 90th Anniversary magazine was published and posted to all our members. During the exercise it came to our notice that a small number of members had already

moved house without notifying us. We appeal that all members to ensure that their new addresses/particulars are updated. This will better made known to us for ease of communication/correspondence.

SGM is moving towards its 100 years of existence in 10 years' time. As such we need to rejuvenate our Cooperative as we move to the next decade. Three motions involving the By-Laws will be presented for approval:

1. Members of the Board of Directors shall serve until the maximum age of 65yrs old.
2. The elected chairman will serve to a maximum of 5 years, and can be re-appointed after a lapse of two years.
3. The mandatory \$1000 share capital for new membership will revert back to \$100/-  
We hope that this significant reduction will encourage more Malay/Muslim teachers to join us.

We thank all Board of Directors who had spent many years of dedicated service. They are without doubt, icons of SGM to be listed in the roll of honour of our beloved Cooperative.

Wassalam

## AGENDA 2: STANDING INSTRUCTIONS

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1. Any resolution or written amendment received that is to be discussed will be brought up for mention according to the listed agenda.
2. The proposer for any resolution or amendment is allowed to make his presentation for five minutes without any new inclusions.
3. Members present are allowed to speak no more than five minutes on the topic discussed.
4. Any member wanting to speak must get the permission of the Chairman of the Meeting.
5. When the Chairman of the Meeting request that the speech be stopped, then the member speaking should stop speaking. If he refuses to abide by the instruction, he will not be allowed to partake in the meeting any further.
6. No member is allowed to speak on the same issue unless allowed by the Chairman of the meeting.
7. The decision of the Meeting Chairman with regards to the topics discussed is final.
8. The Meeting Chairman has the authority not to entertain any issue not reflected in the Agenda and is against the Standing Instructions.
9. If there are any errors or misunderstandings as a result of miscommunication, members present can raise the issues with the approval of the Meeting Chairman.
10. If there are proposals to postpone an issue for discussion, it will be prioritised based on majority decision.
11. Members wanting to leave the Meeting Hall must seek the approval of the Meeting Chairman.
12. Members who hold shares (or Senior Members) are allowed to be in the meeting hall as observers only.

## AGENDA 3: ACCEPT, APPROVE AND DISCUSS 84th MINUTES OF THE AGM

### MINUTES OF THE 84th Annual General Meeting (AGM)

**Venue:** ELECTRONIC/VIRTUAL/ONLINE  
**Time:** 1030hr-1100hr  
**Day/Date:** Saturday,10 July 2021  
**Meeting Chairman** En Johari Mohd Rais

Agenda	No	Matters Discussed	Action Taken
1.0	1.1	<b>Address by the Chairman</b> The Meeting Commenced with the Address of Chairman, SGM, Mr Johari Rais (1997)	
3.0		<b>Confirming the minutes of the 83rd AGM on Saturday. 29 August 2020</b>	
	3.1	<b>Minutes of the 83rd AGM was Confirmed</b> According to proxy received from 30 members (30x agree), the Chairman, SGM, confirmed the Minutes of the 83rd AGM dated Sat, 29 August 2020.	
4.0		<b>To Accept and to Approve the Annual Report of the BODs 2020/2021.</b>	
	4.1	According to the proxy received from 31 members (31 x agree), the Chairman, SGM accept and approve the Annual Report of the BODs 2020/2021.	
5.0		<b>To Accept and to Approve the Report by the Internal Audit Committee 2020/2021</b>	
	5.1	According to the proxy received from 30 members (30 x agree), Chairman, SGM, accepts and approve the Report by the Internal Audit Committee 2020/2021.	

Agenda	No	Matters Discussed	Action Taken
6.0		<b>To accept and to approve the Report by the External Audit Messrs Rohan.Mah and the Statement of Accounts dated 31 Dec 2020.</b>	
	6.1	According to the proxy received from 31 members (31 x agree), the Chairman, SGM, accepted and approved the Report by the External Audit, Messrs Rohan.Mah and the Statement of Accounts dated 31 Dec 2020.	
7.0		<b>To Accept and to Approve the Surplus</b>	
	7.1	According to the proxy received from 30 members (30 x agree), Chairman, SGM, accepted and approved the surplus.	
8.0		<b>To Approve the Report of the Management Committee of Common Welfare Fund and the Statement of Account Dated 31 Dec 2020</b>	
	8.1	According to the proxy received from 31 members (31 x agree), the Chairman, SGM, accepted and approved the Report by the Management Of Common Welfare Fund and the Statement of Accounts dated 31 Dec 2020.	
9.0		<b>To accept and to Approve the Budget of Expenditure 2021</b>	

Agenda	No	Matters Discussed	Action Taken
10.0		<p><b>To appoint 5 members of the BOD for the Term 2021/2024</b></p> <p><b>Nominees</b></p> <p><b>10.1 : En Hamsani Bin Raoh</b>  <b>10.2 : En Abdullah Bin Sardi</b>  <b>10.3 : En Mohd Faizal Bin Ismail</b>  <b>10.4 : En Mazli Mahmood</b>  <b>10.5 : En Muhd Ariff Mohd Noor</b></p>	
	10.1	According to proxy received from 29 members (29 x agree), Chairman, SGM, accept and approve the nomination of the 5 members as BOD for the Term 2021/2024.	
11.0		<b>To Appoint External Auditors</b>	
	11.1	According to proxy received form 29 members (29 x agree),the Chairman, SGM, appoints Messrs Rohan. Mah as External Auditor.	
12.0		<b>To discuss written suggestions received by the Chairman, SGM, at least 7 days before the AGM.</b>	
	12.1	<p>SGM receive suggestions from 2 members. SGM applaud the Interest and concern of the 2 members.</p> <p>Masturah binte Ashaari #2943: Please see appendix  Nur Azean Jumahat #3956: Please see appendix</p>	

The minutes above is accepted and approved at the 85th AGM on Saturday, 20th Aug 2022.

	NAME	SIGNATURE
PROPOSED BY		
SECONDER		
CHAIRMAN		

Minutes recorded by: Mdm Norliza Bte Ripin

Minutes vetted by : En Idris Aziz Mattar (General Manager, SGM)

## AGENDA 4: TO ACCEPT THE BOARD OF DIRECTORS' ANNUAL REPORT 2021/2022

### Board of directors' Meeting term 2021-2022: (May 2021- May 2022)

No	Name	Designation	Monthly Meeting
			<b>Total Online Meeting</b>
1	En Johari Mohd Rais	Chairman	13
2	En Mohd Faizal Fadzillah	Dep Chairman 3	13
3	En Mohd Faizal Ismail	Dep Chairman 1	12
4	A/P Kamsiah Abdullah	Member	12
5	En Syed Mohammad Alsagoff	Member	12
6	En Hamsani Bin Raoh	Member	12
7	En Mazli Mahmood	Member	12
8	A/P Rokhana Bibi Abdullah	Dep Chairman 2	13
9	En Muhd Ariff Mohd Noor	Member	13
10	En Abdullah Sardi	Member	12
11	En Kamiti Nahim	Member	10
12	En A Rahman Ibrahim	Member	12
13	En Moen Bin Kasir	Member	13
14	Dr Hirman Bin Khamis	Member	13
15	En Idris Aziz Mattar	Member	13

**External Auditor:** Messrs Rohan. Mah & Partners

**Main Bank:** MAYBANK  
OCBC BANK  
UOB

## NUMBER OF MEMBERS

Gender	Ordinary	Associate	Shareholders
<b>Total Membership on 1st Jan 2021</b>			
Gentlemen	373	94	07
Ladies	419	100	08
<b>Total</b>	<b>792</b>	<b>194</b>	<b>15</b>
<b>NEW MEMBERSHIP APPLICATIONS</b>			
Gentlemen	01	01	00
Ladies	16	00	02
<b>Total</b>	<b>17</b>	<b>01</b>	<b>01</b>
<b>MEMBERS RESIGNED</b>			
Gentlemen	03	04	03
Ladies	15	01	01
<b>Total</b>	<b>18</b>	<b>05</b>	<b>04</b>
<b>TOTAL MEMBERSHIP ON 31 DEC 2021</b>			
Gentlemen	371	91	04
Ladies	420	99	09
<b>Total</b>	<b>791</b>	<b>190</b>	<b>13</b>
<b>TOTAL MEMBERS: 994</b>			

## PRUDENTIAL RATIOS 2021

MLA(Minimum Liquid Assets)	27%
CAR (Capital Adequacy Ratio)	9.3%
Restricted Investments	-

## **AGENDA 4.1: REPORT BY PUBLICATION/MEMBERSHIP SUB- COMMITTEE 2021**

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**Chairman:** Mr Mohd Faizal Ismail

**Secretary:** Mdm Harniza Abdull Rahim

**Members:** Mr Johari Bin Mohd Rais  
Dr Hirman Bin Mohd Khamis  
A/P Kamsiah Bte Abdullah  
Mr Hamsani Bin Raoh  
Mr Abdul Rahman Bin Ibrahim  
Mr Mazli Bin Mahmood  
Mr Kamiti Bin Nahim  
Mr Idris Aziz Mattar (ex-officio)

### **DUTIES AND SCOPE OF WORK:**

The Membership and Publications sub-committee was set up with the intention to provide excellent service in meeting members' needs. Activities and initiatives embarked by the committee throughout the year were as follows:

1. To update and review membership forms and brochures.

The committee has been actively involved in reviewing SGM's membership forms/brochures to include the latest information and also to ease application process (es).

2. To formulate strategies to increase and retain membership.

The committee has been actively involved in coming up with innovative ways to increase and retain members.

The committee introduced the following strategies:

2.1. To encourage members to take up loans via i) Notifications towards the end of existing loans  
ii) Notifications on eligibility to take up loans  
iii) Updates on loans provided

2.2. To gather feedback from members: surveys and ground up feedbacks were gathered by the committee with the objective of improving products and services.

3. To value-add SGM's membership via working with business entities to provide discounts and promotions for SGM members with the re-introduction of SGM's official VIP membership cards.

SGM has successfully partnered with the following business entities:

- a) Golden Chance
- b) First Lady
- c) Merpati Creation- The Wedding Gallery

4. To update and to upgrade SGM's website so as to provide members with accurate and latest information on SGM's products.

Members can expect timely updates on SGM's products and services via the newly upgraded SGM website which has been put in place along with SGM's digitalisation efforts. Members will also be able to access SGM's digital publication, e-Titian, which will feature articles both in Malay Language and English Language. In the pipeline will be to give members access to their membership matters and also to allow members to perform online requests/ transactions.

5. To create awareness amongst members on the local cooperative movements and SGM's activities through SGM's publication, Titian and e-Titian.

E-Titian, SGM's website and WhatsApp will be a few of the platforms to be used by SGM in communicating updates on SGM's products and services, information on cooperative movements, and SGM's activities.

6. To digitalise past printed issues of Titian for future reference.

The committee embarked on the digitalisation of previous published Titian. The project completion would see valuable resources saved for future generations' references into the Malay teaching fraternity and its involvement in social endeavours.

Reported by: **Mohammad Faizal Bin Ismail**

Chairman

Membership and Publication Sub-Committee

## AGENDA 4.2: FINANCE AND LOANS SUB-COMMITTEE REPORT 2021

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<b>Chairman:</b>	Mr Mohd Faizal Fadzillah
<b>Secretary:</b>	Madam Harniza
<b>Members</b>	A/P Rokhana Bibi Abdullah Mr Syed Mohammed Ali Alsagoff Mr Idris S A Aziz Mattar (ex-officio) Mr Mohd Faizal Ismail Mr Muhd Ariff Mohd Noor Mr Moen Bin Kasir Mr Johari Bin Mohd Rais

The objective of this committee is to ensure the well-being of SGM financially, compliance with regulatory requirements and prudent oversight over members' savings. Initially, the committee's main tasks were the monitoring and approval of loans and the supervision of the list of defaulters. Savings were on the increase but the loans were decreasing.

There were several challenges over the past few years that have impacted the financial performance of SGM as a loan and thrift cooperative. These included the declining membership, reluctance of members to take up loans, ease of loans from banks, and of course the pandemic. Incomes from members' loans were declining even though there were ad-hoc promotions to drive the loans' attractiveness. Even the incomes from the Childcare Centres were unstable and cyclical. The committee had to relook at how to make the money work for SGM.

In view of this, several initiatives were developed to diversify the income and make it more sustainable. These initiatives came from the strategic retreat conducted by Suhaimi Salleh Academy in December. These include the following:

- Structure 3 investment-linked loan products
- Formulate revenue-generating activities from property
- Conceptualize 3 additional periodic loans
- Enhance product awareness through social media

### **Investment-linked loan products**

Talks were initiated with Maybank officers to discuss about their investment products that were Syariah-compliant and low risk. Two products MAMG Global Sukuk and Maybank Asian Growth & Income were identified as having attractive returns of between 4-5%. Members are encouraged to take loans from SGM so that they can invest and increase their wealth accordingly.

### **Revenue-generating from property**

SGM premises have been recognized as an asset that could generate positive returns. There were discussions with a property agent to seek the potential of renting out the whole premises or partial. Currently the fourth floor is unused and vacant.

### **Additional periodic loans**

There are 10 types of loan products that offer interest from 3% to 5.25% over a term of 36 to 60 months. These include short term and mid-term loans also education, renovation, medical and marriage loans. A review of the loans attractiveness and performance as compared to others offered by other financial institutions was planned. An external financial advisor was invited to review and assess the financial health of SGM as a loan & thrift cooperative. There are plans to make it easier and attractive to members. Amongst it is to develop Syariah-compliant loan products with assistance from Pergas and to systemize the loan processes through digitalisation efforts by Applivon IT vendor.

### **Product awareness through social media**

The use of IT and social media to curate information that is investment-related, loans and savings, increase awareness of loan products and enhance financial literacy of members are some of the processes under this action plan. It is still in progress.

In conclusion, SGM has investments in transportation, REIT, other cooperatives and fixed deposits of which the majority are in Fixed Deposits amount to a total of \$2,000,000. Loans taken by members' amount to \$3,700,000; and SGM has a total asset of more than \$12,000,000.

The long term goals of this committee are to improve the CAR to more than 10% to build a sustainable and diversified income and to enhance members' experience. SGM faces a long journey ahead but with these plans, it is hoped that SGM will emerge successful and revitalised in the post-pandemic area.

Reported by:

**Mohd Faizal Fadzillah**

Chairman

Finance and Loans Sub-Committee

## **AGENDA 4.3: GENERAL WELFARE FUND (DKB) SUB-COMMITTEE REPORT 2021**

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### **Committee Members**

**Chairman:** Mr Abdullah Sardi

**Secretary:** Mdm Faridah Ahmad

**Member:** Mr Syed Mohd Alsagoff  
Mr Mohd Faizal Fadzlillah  
Dr Kamsiah Abdullah

### **DUTIES AND FIELD OF WORK**

1. Enhance the welfare of SGM members, who are members of DKB since before 2018 with a monthly subscription of \$3/-  
New DKB members who joined this fund from 2018 are charged a monthly fee of \$5/-
2. Assist DKB members and their family financially in the event of a disaster such as deaths, hospitalizations and an unforeseen circumstances.
3. On the advice of the ROCS, DKB activities will be discontinued; however DKB will continue assisting its members until a final decision is agreed upon by the DKB members at the forthcoming AGM.
4. Letter of notification to all members of DKB dated 3rd June 2021, has been sent to explain the current status of DKB. Starting from June 2021 deduction of DKB subscriptions through "Central Pay Office/(CPO)" will be channelled to members general savings/(S3 )with SGM.

### **ACHIEVEMENTS**

1. As at 31 Dec 2021, the DKB committee has held 8 meetings and has issued welfare grants of \$10,950/-
  - Death grant of \$8,000/-
  - Hospitalisation grant of \$2,950/-
2. As at 31 Dec 2021, DKB had accumulated \$144035.50
3. The total number of DKB members for the whole year 2021 is 301.

Prepared by: **Mdm Faridah bte Ahmad**

Reviewed by: **En Abdullah Sardi**

## **AGENDA 4.4: GENERAL WELFARE FUND (DKA) SUB-COMMITTEE REPORT 2021**

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### **Committee Members**

**Chairman:** Mr Abdullah Sardi

**Secretary:** Mdm Faridah Ahmad

**Member:** Mr Syed Mohd Alsagoff  
Mr Mohd Faizal Fadzlillah  
Dr Kamsiah Abdullah

### **DUTIES AND FIELDS OF WORK:**

1. The General Welfare Fund (DKA) is established by SGM to look after the financial wellbeing of SGM members. It is different from DKB in that all SGM members are entitled to a grant as long as the fund is still available.  
DKA funds are accumulated from the surplus of SGM funds during the year, not exceeding 10%
2. This money will be used for the general donations and grants for members of SGM, also to the general public.

### **ACHIEVEMENT**

1. As at 31 Dec 2021, the DKA Fund (general welfare) has issued death grants to the amount of \$900.00\_
2. As at 31 Dec 2021, DKA funds had accumulated \$61,946.00

Prepared by: **Mdm Faridah bte Ahmad**

Reviewed by: **En Abdullah Sardi**

## AGENDA 4.5: SOP SUB-COMMITTEE Report 2021

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- Chairman:** Mohd Faizal Ismail
- Secretary:** Mdm Norliza Ripin
- Member:** A/P Roksana Bibi Abdullah  
Mr Idris S A Aziz Mattar (ex- officio)  
Mr Muhd Ariff Mohd Noor  
Mr Moen Bin Kasir

This new committee was formed in 2020 to focus primarily on the Standard Operating Procedures (SOP) of SGM and the assessments and benefits for SGM staff.

The first meeting of this new JKK was held on 22 September 2020. There were 7 meetings conducted online. There were two objectives for this newly formed committee.

The first objective of this committee was to review and to update the Standard Operating Procedures (SOP) of the SGM is Operations, Loan Management, Accounting System and Human Resources, so that they are in compliance with current cooperative regulatory rules and policies.

The second objective of this committee is to assist the Board in ensuring the delivery of an optimal employee experience within the SGM organisation. It is to ensure that sound human resources policies are set and implemented. It is also to oversee the evaluation and compensation process for SGM employees.

### Achievements

1. Reviewed the SOPs prepared by SSA before the setting up of this committee. There are three sets of SOP documents, Accounting System, Loan Management & Practices and Human Resources.
2. Cikgu Moen had retired from his position as the manager with Cikgu Idris replacing him. This transition was carried out smoothly and amicably.
3. SOP for DKB was developed based on the By-Laws and staff inputs. It began on 15 December 2021 and was completed on 22 Feb 2022.
4. SOP for the election of leadership posts, Chairman and Deputy Chairmen, was created to ensure a smooth and fair transition for the leadership positions.
5. Applivon IT project began in Mar 2021 to bring the different applications such as finance, HR, website, members' information and savings onto a single platform. The goal is to enhance staff productivity, minimise errors, save costs and to encourage members' connectedness to SGM. Existing procedures were scrutinized, reviewed and updated during meetings between vendor and staff. With the new streamlined and shorter procedures, this project will definitely be a game changer to SGM as a loans cooperative. Furthermore, the new website is more interactive, engaging and useful to members.
6. Pergas Investment Holdings (PIH) project began as an effort to attract and encourage more members to participate in the loans and savings of the co-operative. It is to ensure the loan products and savings are Syariah-compliant. SGM procedures were reviewed to ensure that it is compatible with the Syariah expectations and SGM By-Laws. The loan documents were sent to a legal firm to ensure that it is legally sound. It is still in progress.

7. SOPs that are still in progress include:
  - PDPA
  - Conflict of Interest
  - Ex-gratia allocation
  
8. A staff survey was carried out in the Childcare Centres on 26-30 April to find out the needs and issues that the staff is facing. Research was carried out to compare the employees' benefits of different childcare centres. Findings were presented to the BODs and the following actions were carried out. They included:
  - Hari Raya Festive cash token of \$100 were given to every staff member.
  - Review the compassionate leave to include elder care.
  - Formalize the Staff Excellence Award and Long Service Award with appropriate criteria and cash awards.
  
9. Staff matters that were discussed included:
  - Staff training roadmap (in progress)
  - Framework for Staff Welfare Budget Allocation (completed)
  - Staff job scope (completed)

## AGENDA 4.6: CHILDCARE CENTRES SUB-COMMITTEE REPORT 2021

No	Name	Position
1.	Mr Johari Md Rais	Chairman (SGM Licensee)
2.	A/P Roksana Bibi Abdullah	Vice Chairman
3.	Ms Naseem Sultanah Gaffoor	Secretary
4.	Ms Siti Maryam Lim Zulkifli	Secretary
5.	Ms Siti Nazurah Binte Mohd Yunos	Member
6.	A/P Kamsiah Abdullah	Member
7.	Mr Hamsani Raoh	Member
8.	Mr Abdul Rahman Ibrahim	Member
9.	Mr Kamiti Nahim	Member
10	Mr Idris Mattar	Ex-officio

### DUTIES & SCOPE OF WORK:

This committee is responsible for ensuring that the two Childcare Centres owned by SGM are managed well. Both centre principals reported on the centres' development in virtual meetings held every month. In addition to following developments, members also reviewed the financial reports for expenses and incomes of both centres. The challenges faced were also discussed to find the best solution(s), especially to ensure the welfare of the children as well as the staff.

### CHILDCARE DEVELOPMENT:

#### 1. Project Joy

Both of the Childcare Centres completed Project Joy last year. The Joy project aimed to improve HR practices related to recruitment and retention and organizational culture. Principals under the guidance of consultants from EON Consulting and Training Pte Ltd in collaboration with the Early Childhood Development Agency (ECDA) and the Association for Early Childhood Services & Training (ASSETS), created career paths in line with the Skillsfuture framework for the Education sector of Early Childhood. The principals also drafted different job scopes that aligned with different teacher categories to enhance better job proficiency in teachers and progressive career advancement. The principals also reconstructed the vision, mission and core values of the two Childcare Centres to align with each other. The principals also organized Award Ceremony for the staff entitled, "Ambassadors of Excellence Award" to express appreciation to staff who displays the centre's core values consistently so as to increase employee satisfaction. Principals need to submit a post-project report to measure the effectiveness of the project. A grant of \$5000 will be given to the organization upon completion of the project.

2. The reconstruction of the Malay Language Curriculum was completed in the first quarter of the year and was implemented by Malay language teachers in both Childcare Centres. Modifications were made to improve the curriculum further upon the sub-committee receiving feedback from the Malay Language teachers.

3. SGM Murni Nursery has received the approval of a 36-month license renewal certificate from ECDA.

4. The “Staff Alive” event was held by the childcare staff as a way to introduce the new mission, vision and core values as well as promote teambuilding. Principals organized exciting, hands-on activities such as games and role-plays to engage staff so that they can internalize the core values. In addition, the centres also engaged Fun Works Pte Ltd to conduct team bonding and team building activities such as virtual game “Amazing Race” as well as creating a personalized Tote bag. Overall, the staff displayed much satisfaction.

## CHALLENGES

1. Both Childcare Centres are facing difficulty employing teachers to replace the employees who have resigned. Many of the teachers interviewed rejected the offer because they accepted offers from other organizations that pay better. There are also some of them who have accepted our job offers but did not show up even through a medical examination was done. This is a big challenge for both Childcare Centres, especially the Little Kidz, where staff turnover rates are higher compared to the rate of teachers interested to join. The principals suggested that the Board review the incentives and benefits for employees in order to make the employment package more attractive and also to increase the retention rate of existing staff.
2. SGM Little Kidz is experiencing the challenge of hiring Chinese teachers to teach Kindergarten 1, 2 and Nursery 2 students. The teachers interviewed expressed concerns upon hearing that they should teach 3 classes, make learning plans and portfolio reports. The principal of SGM Little Kidz suggested hiring one officer to prepare the Chinese Language Curriculum so that the quality of learning activities will be consistent. This will also increase the probability of getting a Chinese teacher.

Reported by: **Ms Maryam Lim & Ms Naseem Sultanah**

Vetted by: **A/P Rokzana Bibi Abdullah**

# AGENDA 5: TO ACCEPT REPORT BY INTERNAL AUDIT COMMITTEE 2021

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## INTERNAL AUDIT REPORT

**Chairman:** Cikgu Abdullah Sardi

**Members:** (1) Cikgu Moen Bin Kasir  
(2) Cikgu Muhammad Ariff Bin Mohd Noor  
(3) Cikgu Mazli Bin Mahmood

### DUTIES & FIELD OF WORK

1. Examine and control of cash flow
2. Monitor the development of SGM and the two Childcare Centres
3. Ensuring that SGM cash outflow is in- line with registrar's guideline

### ACHIEVEMENT

1. Findings during internal audit is documented and shared during Monthly BOD meetings to ensure that the BOD is aware of the findings and that the staff is able to clarify, amend and get back to the Internal Audit to confirm that amendments have been made.
2. Recommend to have a logbook to allow staff who made calls to members to be documented.
3. Recommend that an alternative electricity retailer be engaged to reduce electricity cost.
4. Recommend that an alternative telecommunication company is engaged to reduce telecommunication cost.
5. Recommend to the BOD to increase infant care fees to reduce the financial burden faced by SGM Little Kidz.

### Meeting with Auditor Rohan. Mah in which a recommendation was suggested:

Creation of an investment committee and invite members of the public (who are not members of the organization) with investment and business expertise to sit in to recommend on investing or expanding the services provided by the cooperative, voluntarily which is practised by other charities or non-governmental organization (NGOs)

Report Prepared By:

**Mr Muhd Ariff**

Vetted By:

**Mr Abdullah Sardi**



**AGENDA 6: TO ACCEPT AND TO APPROVE THE REPORT AND  
STATEMENT OF EXTERNAL AUDITOR MESSRS ROHAN.  
MAH AND THE SGM STATEMENT OF ACCOUNTS FOR  
THE FINANCIAL YEAR 31 DEC 2021/2022**

**SGM SINGAPURA KOPERATIF BERHAD  
(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**

Registered in the Republic of Singapore)

(Unique Entity Number: S31CS0008K)

**AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS  
YEAR ENDED  
31 DECEMBER 2021**

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
(Registered in the Republic of Singapore)  
**AND ITS SUBSIDIARIES**

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**Directors**

Johari Mohd Rais - Chairman  
Mohd Faizal bin Ismail - Deputy Chairman 1  
Prof Roksana Bibi Abdullah - Deputy Chairman 2  
Mohd Faizal bin Fadzlillah - Deputy Chairman 3  
Abdullah bin Sardi - Chairman, Audit Committee  
Abdul Rahman bin Ibrahim  
Hamsani bin Roah  
Kamiti bin Nahim  
Mazli bin Mahmood  
Moen bin Kasir  
Muhd Ariff Mohd Noor  
Syed Mohammad Ali Alsagoff  
Dr. Hirman Mohd Khamis  
Dr. Kamsiah Abdullah

**Registered Office**

785 Geylang Road  
Singapore 389673

**Auditor**

Rohan & Mah & Partners LLP

**Bankers**

United Overseas Bank Limited  
Malayan Banking Berhad  
Oversea-Chinese Banking Corporation

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**SGM SINGAPURA KOPERATIF BERHAD  
(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)  
AND ITS SUBSIDIARIES**

**DIRECTORS' STATEMENT**

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The directors are pleased to present their statement to the members together with the audited consolidated financial statements of SGM Singapura Koperatif Berhad (the Co-operative) and its activities centres and subsidiaries (collectively the Group) for the financial year ended 31 December 2021.

**1 OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) the accompanying consolidated financial statements together with the notes thereto are properly drawn up in accordance with the provisions of the Co-operative Societies Act Chapter 62 (the Act), the Co-operative Societies Rules (the Rules) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the financial position of the Group and the Co-operative as at 31 December 2021 and of the financial performance, appropriation of funds of the Group and the Co-operative and consolidated statement of cash flows of the Group for the year ended on that date;
- (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 receipts, expenditure, investment of money and the acquisition and disposal of assets by the Co-operative during the financial year ended 31 December 2021 have been made in accordance with the provisions of the Act and the By-laws of the Co-operative.

**2 DIRECTORS**

The directors of the Co-operative in office at the date of this statement are:

Johari Mohd Rais - Chairman  
Mohd Faizal bin Ismail - Deputy Chairman 1  
Prof Rokhana Bibi Abdullah - Deputy Chairman 2  
Mohd Faizal bin Fadzlillah - Deputy Chairman 3  
Abdullah bin Sardi - Chairman, Audit Committee  
Abdul Rahman bin Ibrahim  
Hamsani bin Roah  
Kamiti bin Nahim  
Mazli bin Mahmood  
Moen bin Kasir  
Muhd Ariff Mohd Noor  
Syed Mohammad Ali Alsagoff  
Dr. Hirman Mohd Khamis  
Dr Kamsiah Abdullah

**SGM SINGAPURA KOPERATIF BERHAD  
(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)  
AND ITS SUBSIDIARIES**

**DIRECTORS' STATEMENT**

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**3 AUDITOR**

The auditor, Messrs. Rohan • Mah & Partners LLP, has expressed its willingness to accept re-appointment as auditor.

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

**ON BEHALF OF THE BOARD OF DIRECTORS**



.....  
**JOHARI MOHD RAIS**  
Chairman



.....  
**MOHD FAIZAL BIN FADZLILLAH**  
Deputy Chairman 3



.....  
**MOHD FAIZAL BIN ISMAIL**  
Deputy Chairman 1

Singapore,  
28 July 2022

## INDEPENDENT OF AUDITOR'S REPORT TO THE MEMBERS OF

### **SGM SINGAPURA KOPERATIF BERHAD (SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**

(Registered in the Republic of Singapore)

#### **AND ITS SUBSIDIARIES**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of SGM Singapura Koperatif Berhad (the Co-operative) and its activities centres and subsidiaries (collectively the Group), which comprise the consolidated statements of financial position of the Group and the statements of financial position of the Co-operative as at 31 December 2021, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of appropriation of funds of the Group and the Co-operative and consolidated statement of cash flows of the Group for the year ended 31 December 2021, and to the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act Chapter 62 (the Act), the Co-operative Societies Rules (the Rules) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view, in all material respects, of the consolidated financial position of the Group and financial position of the Co-operative as at 31 December 2021 and the consolidated financial performance, consolidated appropriation of funds and consolidated cash flows of the Group for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.

## INDEPENDENT OF AUDITOR'S REPORT TO THE MEMBERS OF

### **SGM SINGAPURA KOPERATIF BERHAD (SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)** (Registered in the Republic of Singapore) **AND ITS SUBSIDIARIES**

#### **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, the Rules and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group and 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 Group and the Co-operative or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group and the Co-operative's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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.

## INDEPENDENT OF AUDITOR'S REPORT TO THE MEMBERS OF

### **SGM SINGAPURA KOPERATIF BERHAD (SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**

(Registered in the Republic of Singapore)

#### **AND ITS SUBSIDIARIES**

#### **Auditor's Responsibilities for the Audit of the Financial Statements - cont'd**

- 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 and 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 Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Co-operative 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records including the register of members required by the Act and the Rules to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act and the Rules.

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Co-operative during the financial year ended 31 December 2021 have not been made in accordance with the provisions of the Act and the Rules.

#### **Responsibility of Management and Directors for Compliance with Legal and Regulatory Requirements**

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

#### **Auditor's Responsibility for the Compliance Audit**



## INDEPENDENT OF AUDITOR'S REPORT TO THE MEMBERS OF

### **SGM SINGAPURA KOPERATIF BERHAD (SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**

(Registered in the Republic of Singapore)

#### **AND ITS SUBSIDIARIES**

Our responsibility is to express an opinion on the management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act and the Rules.

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

*Rohan. Mah, PAs LLP*

**ROHAN MAH & PARTNERS LLP**  
**Public Accountants and**  
**Chartered Accountants**

Singapore  
28 July 2022  
(RK/MA/SR/DR/AT/IJ/GR/ccy)

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
(Registered in the Republic of Singapore)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Notes	The Group		The Co-operative	
		2021	2020	2021	2020
		S\$	S\$	S\$	S\$
<b>ASSETS LESS LIABILITIES</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	16	4,974,466	4,996,748	4,405,923	4,379,321
Investment securities	17	62,000	62,000	62,000	62,000
Investments in childcare centre/subsidiary	18	-	-	1,301,310	1,301,310
Ordinary loans to members	19	2,432,709	2,726,354	2,432,709	2,726,354
Renovation loan to members	22	-	-	-	-
		<u>7,469,175</u>	<u>7,785,102</u>	<u>8,201,942</u>	<u>8,468,985</u>
<b>Current Assets</b>					
Investment securities	24	11,894	12,041	11,894	12,041
Interest receivable from loans		17,250	17,250	17,250	17,250
Advances for childcare centre/subsidiary	25	-	-	372,463	291,989
Other receivables	26	88,997	58,074	24,048	10,684
Ordinary loans to members	19	1,359,721	1,130,860	1,359,721	1,130,860
Purchasing loans to members	20	24,228	24,228	24,228	24,228
Education loans to members	21	6,384	5,344	6,384	5,344
Renovation loan to members	22	-	4,883	-	4,883
Staff loan	23	7,367	4,937	7,367	4,937
Cash and cash equivalents	27	<u>3,663,246</u>	<u>3,427,228</u>	<u>2,182,788</u>	<u>1,971,575</u>
		<u>5,179,087</u>	<u>4,684,845</u>	<u>4,006,143</u>	<u>3,473,791</u>

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

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
(Registered in the Republic of Singapore)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Notes	The Group		The Co-operative	
		2021	2020	2021	2020
		S\$	S\$	S\$	S\$
<b>Current Liabilities</b>					
Central co-operative fund	28	-	18,768	-	18,768
Deposits received		176,136	158,784	-	-
Other payables	29	166,093	131,885	82,167	169,741
Honorarium	30	3,639	49,112	3,639	49,112
Share capital	3	1,103,432	1,134,002	1,103,432	1,134,002
Subscription capital	4	5,123,066	5,065,112	5,123,066	5,065,112
General savings	5	2,426,609	2,128,204	2,426,609	2,128,204
General savings - hajj	6	193,440	168,130	193,440	168,130
General savings - education	7	33,741	27,580	33,741	27,580
		<u>9,226,155</u>	<u>8,881,577</u>	<u>8,966,094</u>	<u>8,760,649</u>
<b>Net Current Liabilities</b>		<u>(4,047,068)</u>	<u>(4,196,732)</u>	<u>(4,959,951)</u>	<u>(5,286,858)</u>
<b>Net Assets</b>		<u>3,422,107</u>	<u>3,588,370</u>	<u>3,241,991</u>	<u>3,182,127</u>
<b>ACCUMULATED FUND</b>					
Common good fund	8	61,946	62,846	61,946	62,846
Staff welfare fund	9	22,807	32,078	22,807	32,078
Donation fund	10	22,832	23,832	22,832	23,832
Building repair fund	11	62,188	62,188	62,188	62,188
Staff ex-gratia fund	12	4,849	49,784	4,849	49,783
SGM reserve fund	43	189,290	39,290	189,290	39,290
Subscription received	13	144,036	150,252	-	-
Childcare development fund	14	-	-	-	-
Property revaluation reserve	15	1,935,521	1,935,521	1,935,521	1,935,521
Accumulated surplus		978,638	1,232,579	942,558	976,589
		<u>3,422,107</u>	<u>3,588,370</u>	<u>3,241,991</u>	<u>3,182,127</u>
<b>TOTAL SAVINGS</b>		<u>3,422,107</u>	<u>3,588,370</u>	<u>3,241,991</u>	<u>3,182,127</u>

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

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**

(Registered in the Republic of Singapore)

**AND ITS SUBSIDIARIES**

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR  
THE YEAR ENDED 31 DECEMBER 2021**

	Notes	The Group		The Co-operative	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>INCOME</b>					
Interest on loans granted to members		274,158	289,479	274,158	289,479
Interest on purchasing loans granted to members		9,719	7,670	9,719	7,670
Interest on fixed deposits		6,341	11,322	5,032	9,156
Grants and subsidies received		1,183,211	1,096,173	-	-
School fees received		468,310	439,747	-	-
Financial assets at fair value through profit and loss - fair value loss		(147)	(2,196)	(147)	(2,196)
Dividends from investments		5,000	3,325	5,000	3,325
Reinsurance commission income		8,688	5,919	8,688	5,919
Other income		377,059	224,054	46,969	85,677
<b>TOTAL INCOME</b>		<u>2,332,339</u>	<u>2,075,493</u>	<u>349,419</u>	<u>399,030</u>
<b>LESS: EXPENDITURE</b>					
Administrative and general expenses	32	<u>(2,045,786)</u>	<u>(1,752,919)</u>	<u>(407,787)</u>	<u>(432,916)</u>
		286,553	322,574	(58,368)	(33,886)
Fund transfer (from)/to					
- SGM Murni	33	(281,695)	-	281,695	(29,430)
- SGM Rivervale	33	-	-	-	29,430
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		<u>4,858</u>	<u>322,574</u>	<u>223,327</u>	<u>(33,886)</u>
<b>ADD/(LESS): CONTRIBUTION</b>					
Central co-operative fund	28	-	(16,129)	-	(16,129)
<b>TOTAL CONTRIBUTION</b>		<u>-</u>	<u>(16,129)</u>	<u>-</u>	<u>(16,129)</u>
<b>SURPLUS/(DEFICIT) AVAILABLE FOR APPROPRIATION</b>		<u>4,858</u>	<u>306,445</u>	<u>223,327</u>	<u>(50,015)</u>

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

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
(Registered in the Republic of Singapore)  
**AND ITS SUBSIDIARIES**

**STATEMENTS OF APPROPRIATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	The Group		The Co-operative	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>SURPLUS/(DEFICIT) AVAILABLE FOR APPROPRIATION</b>		<u>4,858</u>	<u>306,445</u>	<u>223,327</u>	<u>(50,015)</u>
<b>LESS: APPROPRIATIONS</b>					
SGM reserve fund	43	-	(39,290)	-	(39,290)
Common good fund	8	-	(19,645)	-	(19,645)
Staff welfare fund	9	-	(9,822)	-	(9,822)
Donation fund	10	-	(9,822)	-	(9,822)
Building repair fund	11	-	-	-	-
Staff ex-gratia fund	12	-	(49,112)	-	(49,112)
Childcare fund	14	-	-	-	-
Honorarium	30	-	(49,112)	-	(49,112)
<b>TOTAL APPROPRIATIONS</b>		<u>-</u>	<u>(176,803)</u>	<u>-</u>	<u>(176,803)</u>
<b>SURPLUS/(DEFICIT) AFTER APPROPRIATIONS</b>		<u>4,858</u>	<u>129,642</u>	<u>223,327</u>	<u>(226,818)</u>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO MEMBERS</b>		4,858	129,642	223,327	(226,818)
<b>ACCUMULATED SURPLUS AT BEGINNING OF THE FINANCIAL YEAR</b>		1,232,579	1,102,865	976,589	1,203,407
<b>LESS: ADJUSTMENTS DURING THE YEAR</b>		<u>(148,802)</u>	<u>72</u>	<u>(147,361)</u>	<u>-</u>
		<u>1,088,635</u>	<u>1,232,579</u>	<u>1,052,555</u>	<u>976,589</u>
<b>LESS: DIVIDENDS/BONUS SHARES</b>					
Dividends	35	<u>(109,997)</u>	<u>-</u>	<u>(109,997)</u>	<u>-</u>
<b>ACCUMULATED SURPLUS BEFORE FUND TRANSFER</b>		<u>978,638</u>	<u>1,232,579</u>	<u>942,558</u>	<u>976,589</u>
<b>ACCUMULATED SURPLUS AT END OF THE FINANCIAL YEAR</b>		<u>978,638</u>	<u>1,232,579</u>	<u>942,558</u>	<u>976,589</u>

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

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**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Surplus for the financial year	4,858	322,574
Adjustments for:		
Depreciation	71,893	73,631
Financial assets at fair value through profit and loss - fair value loss	147	2,196
Operating cash surplus before working capital changes	<u>76,898</u>	<u>398,401</u>
Working capital changes, excluding changes related to cash:		
Loans to member	68,627	532,079
Loans to staff	(2,430)	14,417
Deposits received	17,352	19,709
Other receivables	(30,923)	(260,163)
Other payables	34,208	567,263
Others	(66,822)	(316,157)
Net cash generated from operating activities	<u>96,910</u>	<u>955,549</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	<u>(98,805)</u>	<u>(108,868)</u>
Net cash used in investment activity	<u>(98,805)</u>	<u>(108,868)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions to share capital, subscription, general savings, haji savings, education savings	993,411	942,839
Contributions to Dana kebajikan bersama (net)	-	(7,717)
Disbursements - Common good fund	(900)	19,045
Disbursements - Building fund	-	(6,117)
Disbursements - Donation fund (net)	-	9,622
Disbursements - Staff welfare fund	(9,271)	9,172
Disbursements - Central co-operative fund	(18,768)	-
Disbursements - Staff ex-gratia fund	(44,935)	49,112
Disbursements - Honorarium	(45,473)	-
Dividend paid (Note 34)	-	-
Withdrawals from share capital, subscription, general savings, haji savings, education savings	<u>(636,151)</u>	<u>(1,033,771)</u>
Net cash generated from/(used in) financing activities	<u>237,913</u>	<u>(17,815)</u>
<b>Net increase in cash and cash equivalents</b>	236,018	828,866
<b>Cash and cash equivalents at beginning of financial year</b>	<u>3,104,369</u>	<u>2,275,503</u>
<b>Cash and cash equivalents at the end of the financial year (Note 27)</b>	<u><u>3,340,387</u></u>	<u><u>3,104,369</u></u>

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

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

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

**1 CORPORATE INFORMATION**

SGM Singapura Koperatif Berhad (Singapore Malay Teachers' Co-Operative Ltd) is domiciled and registered in the Republic of Singapore under the Co-operative Societies Act, Chapter 62. The registered office of the Co-operative is at 785 Geylang Road, Singapore 389673.

The principal activities of the Co-operative are that of providing loans to its members, acting as investment organisation and providing educational and welfare related services. The principal activity of the subsidiary in the Group and the Co-operative is shown in Note 18 of the financial statements. The activities centres of the Co-operative refer to the 2 childcare operations of SGM Murni and SGM Little Kidz @ Rivervale (SGM Rivervale) and Dana Kebajikan Bersama (DKB).

The financial statements of the Group and the Co-operative were authorised for issue in accordance with a resolution of the Directors on 28 July 2022.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The financial statements are prepared in accordance with the provision of the Singapore Co-operative Societies Act Chapter 62, the Co-operative Societies Rules and the Singapore Financial Reporting Standards. The financial statements, expressed in Singapore Dollar (SGD or S\$) which is also the functional currency of the Group and the Co-operative, are prepared on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group and the Co-operative's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 37.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Co-operative has adopted all the new and revised standards which are relevant to the Group and the Co-operative and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.1 Basis of Preparation - cont'd**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning on or after 1 January 2022, and have not been applied in preparing these financial statements. The group does not plan to early adopt these standards.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to FRS 116 <i>Leases: Covid-19-Related Rent Concessions</i> beyond 30 June 2021	1 April 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
Amendments to FRS 103 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
FRS 117 <i>Insurance Contracts</i>	1 January 2023

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.2 Group Accounting**

**2.2.1 Subsidiary**

*(i) Consolidation*

Subsidiary is entity (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Co-operative. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

*(ii) Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.2 Group Accounting - cont'd**

**2.2.1 *Subsidiary* - cont'd**

*(ii) Acquisitions - cont'd*

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill.

*(iii) Disposals*

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to note 2.3 for the accounting policy on investment in subsidiary.

**2.2.2 *Transactions with Non-Controlling Interests***

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Co-operative. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Co-operative.

**2.3 Investments in Subsidiary**

Investments in subsidiary is stated at cost less accumulated impairment losses in the Co-operative's statement of financial position. On disposal of an investment in subsidiary, the difference between net disposal proceeds and its carrying amount is taken to the profit or loss.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.4 Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal of 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.

Freehold property is stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are carried out by an independent professional valuer, with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

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>Years</u>
Freehold building	50
Equipment and fittings	5
Computer equipment	1 to 4
General renovations	5

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

Freehold land has an unlimited useful life and therefore is not depreciated.

**2.5 Impairment of Non-Financial Assets**

The Group and the Co-operative assess 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 Group and the Co-operative make an estimate of the asset's recoverable amount.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.5 Impairment of Non-Financial Assets - cont'd**

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.

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.

**2.6 Financial Instruments**

**2.6.1 Financial Assets**

**Initial recognition and measurement**

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

At initial recognition, the Group and the Co-operative measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

**Subsequent measurement**

*Investments In Debt Instruments*

Subsequent measurement of debt instruments depends on the Group and the Co-operative's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Group and the Co-operative only has debt instruments at amortised cost.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.6 Financial Instruments - cont'd**

**2.6.1 Financial Assets - cont'd**

**Subsequent measurement - cont'd**

*Investments In Debt Instruments - cont'd*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

*Investments in Equity Instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Co-operative may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group and the Co-operative's right to receive payments is established. For investments in equity instruments which the Group and the Co-operative have not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

**Derecognition**

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

**2.6.2 Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group and the Co-operative becomes a party to the contractual provisions of the financial instrument. The Group and 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.6 Financial Instruments - cont'd**

**2.6.2 Financial Liabilities - cont'd**

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**2.7 Impairment of Financial Assets**

The Group and the Co-operative recognised an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Co-operative expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group and the Co-operative applies a simplified approach in calculating ECLs. Therefore, the Group and the Co-operative does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Co-operative has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group and the Co-operative considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group and the Co-operative may also consider a financial asset to be in default when internal or external information indicates that the Group and the Co-operative is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Co-operative. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.8 Share Capital and Subscription Capital**

All paid-up share and subscription capital are participating shares and classified as current liabilities. All shareholders are entitled to redeem their shares at the par value. Dividends on participating shares are recognised in the year in which they are approved at the general meeting.

**2.9 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

**2.10 Funds**

The Co-operative maintains Reserve Fund and other Specific Funds. Specific Funds are set up for specific purposes. The income and expenses are recorded in the Specific Funds if they are attributable to Specific Funds. If the Co-operative has surplus from the operations during the financial year, it then appropriates to Specific Funds.

**2.11 Revenue**

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

**2.11.1 Rendering of Services**

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group and the Co-operative satisfies a performance obligation ("PO") by transferring control of a promised goods and services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling price of the promised goods and services. The individual standalone selling price of a goods and services that has not previously been sold on a standalone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and services with observable standalone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligation.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.11 Revenue - cont'd**

**2.11.1 Rendering of Services - cont'd**

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

**2.11.2 Interest Income on Loan**

Interest income earned on loans is charged on monthly rest basis and credited to profit or loss in the period to which it relates.

**2.11.3 Insurance**

Insurance commission income is recognised as revenue on a basis that is consistent with the recognition of the costs incurred on the acquisition of underlying insurance contracts.

**2.11.4 Interest Income from Fixed Deposits**

Interest income from fixed deposits is recognised using the effective interest method.

**2.11.5 Interest Income from Current Accounts**

Interest income from current accounts is recognised as revenue on receipt basis.

**2.11.6 School fees**

School fees are recognised in profit or loss on accrual basis.

**2.11.7 Rental Income**

Rental income from investment is recognised as revenue on an accrual basis.

**2.11.8 Dividend**

Dividends from quoted and unquoted investments are recognised when received.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.12 Government Grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

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

**2.12.1 Property Tax Rebate**

The Singapore Government had given remission of property tax (property tax rebates) under section 6(8) of the Property Tax Act (Cap. 254) to qualifying non-residential properties in response to the COVID-19 pandemic.

For the portion of a non-residential property leased out to a lessee (tenant), the owner of the property (landlord) must transfer the benefit from the property tax rebate under section 29 of the COVID-19 (Temporary Measures) Act 2020. For the vacant portion of the property, the landlord itself will benefit from the property tax rebate.

**2.12.2 Jobs Support Scheme**

The Jobs Support Scheme provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

**2.12.3 Rental Relief**

Qualifying property owners received support via a Government cash grant and they must in turn provide the necessary rental relief to their eligible Small and Medium Enterprises (SMEs) and Non-Profit organisations (NPOs) tenant - occupiers of the prescribed properties under the Rental Relief Framework.

**2.12.4 Foreign Worker Levy Waiver and Rebate**

The Singapore Government provided business employers who hire foreign workers on work permits and S-passes with Foreign Worker Levy (FWL) and FWL rebates to ease the labour costs of such firms.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.13 Provisions**

Provisions are recognised when the Group and the Co-operative have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.14 Employee Benefits**

**2.14.1 Defined contribution plans**

The Group and the Co-operative make 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.

**2.14.2 Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group and 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.

**2.15 Leases**

The Group and the Co-operative assess at contract inception whether a contract is, or contains, a leases. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**2.15.1 As Lessee**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.15 Leases - cont'd**

**2.15.1 As Lessee – cont'd**

**Right-of-Use Assets**

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

If ownership of the leased asset transfers to the Group and the Co-operative at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

**Lease Liabilities**

At the commencement date of the lease, the Group and the Co-operative recognised lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Co-operative and payments of penalties for terminating the lease if the lease term reflects The Group and the Co-operative exercising the option to terminate the lease, if the lease term reflects the Group and the Co-operative exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.15 Leases - cont'd**

**2.15.1 As Lessee – cont'd**

**Lease Liabilities – cont'd**

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

**Short-Term Leases and Leases of Low-Value Assets**

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

**2.15.2 As Lessor**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd**

**2.16 Related Parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Co-operative if that person:
  - (i) Has control or joint control over the Co-operative;
  - (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 Group and 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 and associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third 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) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

**2.17 Foreign Currency Transaction and Balances**

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

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

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**3 SHARE CAPITAL**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	1,134,002	1,176,752
Add: Issue of shares	-	19,350
Less: Redemption of shares	(30,570)	(62,100)
End of the financial year	<u>1,103,432</u>	<u>1,134,002</u>

**The Co-operative members and their rights**

Members of the Co-operative consist of the following:

- i) Holds minimum 100 participating shares in the Co-operative for Ordinary and Associate members and minimum 1,000 participating shares for senior members;
- ii) Trade Unions and Registered Societies as may be accepted by the Board of Directors, and the Singapore Labour Foundation, which are designated Institutional Members;
- iii) All members over the age of 18 years who are Muslim professional staff or teachers who have retired or not retired or Muslim students of the National Institute of Education who are undergoing courses that qualify them to teach.

Any member of the Co-operative may vote at any General Meeting of the Cooperative. Ordinary and Associate members have the right to exercise one vote for irrespective of the number of shares held by them.

Any member may withdraw his/her shares, subject to a notice period of one year, or such other limitation as the Board of Directors may decide in accordance with the Rules and By-Laws. The member withdrawing shall be entitled on the expiry of his notice to receive for his shares, neither more than what he paid for them nor more than their values as disclosed by the last Statement of financial position prepared by the Co-operative or the last actuarial valuation of the Co-operative, whichever is later.

In the event of the winding up of the Co-operative, the assets, including the reserve fund, 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.

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

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**3 SHARE CAPITAL - cont'd**

**Co-operative members and their rights - cont'd**

Members of the Co-operative consist of the following:

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 Cooperative principles in such manner, as the Minister may determine from time to time.

The share capital is presented as current liabilities on the reporting. The redemption rights of the participating shareholders, and the requirements of FRS 32, are described in Note 2.8.

**4 SUBSCRIPTION CAPITAL**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	5,065,112	5,121,212
Add: Subscriptions from members	274,402	281,630
Less: Withdrawals	<u>(216,448)</u>	<u>(337,730)</u>
End of the financial year	<u><u>5,123,066</u></u>	<u><u>5,065,112</u></u>

The subscription capital is presented as liability on the statement of financial position. The redemption rights of the participating shareholders, and the requirements of FRS 32, are described in Note 2.8.

Every ordinary member must subscribe to a minimum of S\$30 per month of subscription capital.

**5 GENERAL SAVINGS**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	2,128,204	2,065,632
Add: Subscriptions from members	678,648	600,359
Less: Withdrawals	<u>(380,243)</u>	<u>(537,787)</u>
End of the financial year	<u><u>2,426,609</u></u>	<u><u>2,128,204</u></u>

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**6 GENERAL SAVINGS - HAJJ**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	168,130	193,550
Add: Subscriptions from members	34,080	35,220
Less: Withdrawals	(8,770)	(60,640)
End of the financial year	<u>193,440</u>	<u>168,130</u>

**7 GENERAL SAVINGS - EDUCATION**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	27,580	22,800
Add: Subscriptions from members	6,281	6,280
Less: Withdrawals	(120)	(1,500)
End of the financial year	<u>33,741</u>	<u>27,580</u>

**8 COMMON GOOD FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	62,846	43,801
Add: Transfer from appropriation of funds	-	19,645
Less: Disbursements	(900)	(600)
End of the financial year	<u>61,946</u>	<u>62,846</u>

The Board will be requesting the members to approve the above transfer at the forthcoming annual general meeting.

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

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**9 STAFF WELFARE FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	32,078	22,906
Add: Transfer from appropriation of funds	-	9,822
Less: Disbursements	<u>(9,271)</u>	<u>(650)</u>
End of the financial year	<u><u>22,807</u></u>	<u><u>32,078</u></u>

The Board will be requesting the members to approve the above transfer at the forthcoming annual general meeting.

The prior year's transfer had been approved at the annual general meeting held during the year.

**10 DONATION FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	23,832	14,210
Add: Transfer from appropriation of funds	-	9,822
Less: Disbursements	<u>-</u>	<u>(200)</u>
End of the financial year	<u><u>22,832</u></u>	<u><u>23,832</u></u>

The Board will be requesting the members to approve the above transfer at the forthcoming annual general meeting.

The prior year's transfer had been approved at the annual general meeting held during the year.

**11 BUILDING REPAIR FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	62,188	68,305
Add: Transfer from appropriation of funds	-	-
Less: Disbursements	<u>-</u>	<u>(6,117)</u>
End of the financial year	<u><u>62,188</u></u>	<u><u>62,188</u></u>

The Board will be requesting the members to approve the above transfer at the forthcoming annual general meeting.

The prior year's transfer had been approved at the annual general meeting held during the year.

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**12 STAFF EX-GRATIA FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	49,784	672
Add: Transfer from appropriation of funds	-	49,112
Less: Disbursements	<u>(44,935)</u>	<u>-</u>
End of the financial year	<u>4,849</u>	<u>49,784</u>

The Board will be requesting the members to approve the above transfer at the forthcoming annual general meeting.

The prior year's transfer had been approved at the annual general meeting held during the year.

**13 SUBSCRIPTION RECEIVED**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	150,252	142,535
Add: Subscriptions from members	4,734	7,717
Less: Death grants	(8,000)	-
Sickness benefits	<u>(2,950)</u>	<u>-</u>
End of the financial year	<u>144,036</u>	<u>150,252</u>

**14 CHILDCARE DEVELOPMENT FUND**

During the year 2010, one of the childcare centre, SGM Little Kidz @ Rivervale, received donation amounting to S\$100,000 from Lee Foundation for its new childcare centre. The Co-operative has decided to set aside this amount as a childcare development fund. The fund was fully disbursed in 2019.

**15 PROPERTY REVALUATION RESERVE**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning and end of financial year	<u>1,935,521</u>	<u>1,935,521</u>

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**16 PROPERTY, PLANT AND EQUIPMENT**

The Group	Valuation		Cost			Total S\$
	Freehold building S\$	Freehold land S\$	Equipment and fittings S\$	Computer equipment S\$	General renovation S\$	
<b>2021</b>						
<b>Cost</b>						
At beginning of year	1,643,636	3,163,591	293,815	156,100	1,037,463	6,294,605
Additions	-	-	18,035	63,094	17,676	98,805
Maintenance grant*	-	-	-	-	(49,194)	(49,194)
At end of year	<u>1,643,636</u>	<u>3,163,591</u>	<u>311,850</u>	<u>219,194</u>	<u>1,005,945</u>	<u>6,344,216</u>
<b>Accumulated Depreciation</b>						
At beginning of year	450,095	-	251,248	137,401	459,113	1,297,857
Depreciation	21,434	-	11,887	10,616	27,956	71,893
At end of year	<u>471,529</u>	<u>-</u>	<u>263,135</u>	<u>148,017</u>	<u>487,069</u>	<u>1,369,750</u>
<b>Carrying Amount</b>						
At end of year	<u>1,172,107</u>	<u>3,163,591</u>	<u>48,715</u>	<u>71,177</u>	<u>518,876</u>	<u>4,974,466</u>

\*Maintenance Grant pertains to Cyclical Maintenance Grant provided by the Ministry of Social and Family Development (MSF) for social service agencies which includes repainting and repair works, as well as replacement of fixed fitting and equipment to meet with current building authorities' requirements.

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**16 PROPERTY, PLANT AND EQUIPMENT - cont'd**

**The Group - cont'd**

2020 Cost	Valuation		Cost		Total S\$
	Freehold building S\$	Freehold land S\$	Equipment and fittings S\$	Computer equipment S\$	
At beginning of year	1,643,636	3,163,591	282,201	151,437	6,185,737
Additions	-	-	11,614	4,663	108,868
At end of year	<u>1,643,636</u>	<u>3,163,591</u>	<u>293,815</u>	<u>156,100</u>	<u>6,294,605</u>
<b>Accumulated Depreciation</b>					
At beginning of year	428,661	-	240,808	126,224	1,224,226
Depreciation	21,434	-	10,440	11,177	73,631
At end of year	<u>450,095</u>	<u>-</u>	<u>251,248</u>	<u>137,401</u>	<u>1,297,857</u>
<b>Carrying Amount</b>					
At end of year	<u>1,193,541</u>	<u>3,163,591</u>	<u>42,567</u>	<u>18,699</u>	<u>4,996,748</u>

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**16 PROPERTY, PLANT AND EQUIPMENT - cont'd**

	Valuation		Freehold land S\$	Cost		Total S\$
	Freehold building S\$	Freehold building S\$		Equipment and fittings S\$	Computer equipment S\$	
<b>The Co-operative</b>						
<b>2021</b>						
<b>Cost</b>						
At beginning of year	1,643,636	-	3,163,591	46,342	64,772	4,918,341
Additions	-	-	-	5,190	51,449	56,639
At end of year	<u>1,643,636</u>	<u>-</u>	<u>3,163,591</u>	<u>51,532</u>	<u>116,221</u>	<u>4,974,980</u>
<b>Accumulated Depreciation</b>						
At beginning of year	450,095	-	-	27,695	61,230	539,020
Depreciation	21,434	-	-	5,544	3,059	30,037
At end of year	<u>471,529</u>	<u>-</u>	<u>-</u>	<u>33,239</u>	<u>64,289</u>	<u>569,057</u>
<b>Carrying Amount</b>						
At end of year	<u>1,172,107</u>	<u>-</u>	<u>3,163,591</u>	<u>18,293</u>	<u>51,932</u>	<u>4,405,923</u>

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**16 PROPERTY, PLANT AND EQUIPMENT - cont'd**

**The Co-operative - cont'd**

2020 Cost	Valuation		Cost		Total S\$
	Freehold building S\$	Freehold land S\$	Equipment and fittings S\$	Computer equipment S\$	
At beginning of year	1,643,636	3,163,591	43,266	64,772	4,915,265
Additions	-	-	3,076	-	3,076
At end of year	<u>1,643,636</u>	<u>3,163,591</u>	<u>46,342</u>	<u>64,772</u>	<u>4,918,341</u>
<b>Accumulated Depreciation</b>					
At beginning of year	428,661	-	22,254	57,507	508,422
Depreciation	21,434	-	5,441	3,723	30,598
At end of year	<u>450,095</u>	-	<u>27,695</u>	<u>61,230</u>	<u>539,020</u>
<b>Carrying Amount</b>					
At end of year	<u>1,193,541</u>	<u>3,163,591</u>	<u>18,647</u>	<u>3,542</u>	<u>4,379,321</u>

The Group and the Co-operative adopted the revaluation model for the freehold building and freehold land. Revaluations are carried out by an independent professional valuer once every two to three financial years. The Group and the Co-operative is expected to complete another revaluation in 2022.

A desk-top valuation for the premises at 785 Geylang Road Singapore 389673 was performed by Knight Frank Pte Ltd. The valuation report dated 17 January 2019 indicated a market value of S\$4,400,000. The market value was derived based on an open market value. Leasehold land and building were stated at fair value based on the independent professional valuation.

If the revalued freehold land and building had been carried at cost, the carrying amount for the property would be S\$2,421,611 (2020: S\$2,421,611).

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**17 INVESTMENT SECURITIES**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Fair value through other comprehensive income:		
Unquoted investments at cost	<u>62,000</u>	<u>62,000</u>

**18 INVESTMENT IN CHILDCARE CENTRE/SUBSIDIARY**

	<b>The Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
SGM Educational Institution Pte. Ltd.*		
Cost	150,002	150,002
Less: Impairment loss	<u>(109,490)</u>	<u>(109,490)</u>
Net carrying value of investments in subsidiary	<u>40,512</u>	<u>40,512</u>
Movement in provision for impairment:		
Beginning and end of the financial year	<u>109,490</u>	<u>109,490</u>
SGM Little Kidz @ Rivervale ^		
Cost	<u>1,260,798</u>	<u>1,260,798</u>
End of the financial year	<u>1,301,310</u>	<u>1,301,310</u>

\* The subsidiary has been dormant since the end of 2016 and is not required to be audited by local jurisdiction.

SGM Educational Institution Pte. Ltd., which is fully owned by the Co-operative, is incorporated in the Republic of Singapore. The principal activity is those of conducting counselling advice.

^ During the financial year 2018, the Co-operative capitalised some of the advances made to the childcare as cost of investment in the childcare.

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**19 ORDINARY LOANS TO MEMBERS**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	4,132,914	4,644,794
Add: Loans granted	1,160,076	802,575
Less: Repayments	<u>(1,229,360)</u>	<u>(1,314,455)</u>
	4,063,630	4,132,914
Less: Allowance for doubtful debts	<u>(271,200)</u>	<u>(275,700)</u>
End of the financial year	<u><u>3,792,430</u></u>	<u><u>3,857,214</u></u>
As disclosed in the statement of financial position:		
Amount due within one year (current assets)	1,359,721	1,130,860
Amount due more than one year (non-current assets)	<u>2,432,709</u>	<u>2,726,354</u>
	<u><u>3,792,430</u></u>	<u><u>3,857,214</u></u>
Movement in the allowance for doubtful debts		
Beginning and end of the financial year	<u><u>271,200</u></u>	<u><u>275,700</u></u>

Each ordinary loan is secured by up to the total amount of paid-up shares and subscription capital of the borrowing member. If the loan amount exceeds the shares and subscription capital, the loan is additionally secured by a guarantee given by two members of the Co-operative or a guarantee by third parties under the loan default insurance. Loans together with interest are repayable in not more than sixty monthly installments commencing from the month following that in which the loan was granted. Maximum interest is charged at 6% (2020: 6%) per annum.

As at year-end, the outstanding amount of ordinary loans together with accrued interest after netting off their general savings, owed by members who had defaulted their repayments, are S\$106,970 (2020: S\$143,796).

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**20 PURCHASING LOANS TO MEMBERS**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	26,466	30,466
Add: Loans granted	-	4,000
Less: Repayments	-	(8,000)
	<u>26,466</u>	<u>26,466</u>
Less: Allowance for doubtful debts	(2,238)	(2,238)
End of the financial year	<u><u>24,228</u></u>	<u><u>24,228</u></u>
 Movement in the allowance for doubtful debts:		
Beginning and end of the financial year	<u><u>2,238</u></u>	<u><u>2,238</u></u>

Each purchasing loan secured by a guarantee given by one or two members of the Co-operative or a guarantee given by third parties under the loan default insurance. The loan is to be paid direct to the service provider when members acquired the product and/or services. Loans together with interest are repayable in not more than twenty-four monthly installments commencing from the month following that in which the loan was granted. Interest is charged at NIL (2020: NIL) per annum.

**21 EDUCATION LOANS TO MEMBERS**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	5,344	13,672
Add: Loans granted	5,000	-
Less: Repayments	(3,960)	(8,328)
End of the financial year	<u><u>6,384</u></u>	<u><u>5,344</u></u>

Each education loan is interest-free and repayable in twelve monthly installments.

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**22 RENOVATION LOAN TO MEMBERS**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	4,883	11,104
Less: Repayments	<u>(4,883)</u>	<u>(6,221)</u>
End of the financial year	<u><u>-</u></u>	<u><u>4,883</u></u>
As disclosed in the statement of financial position:		
Amount due within one year (current assets)	-	4,883
Amount due more than one year (non-current assets)	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>4,883</u></u>

Each renovation loan is secured by a guarantee given by one or two members of the Co-operative or a guarantee given by third parties under the loan default insurance. Loans together with interest are repayable in not more than sixty monthly installments commencing from the month following that in which the loan was granted. Interest is charged at NIL (2020: 5.25%) per annum.

**23 STAFF LOAN**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	4,937	19,354
Add: Loans granted	9,825	-
Less: Repayments	<u>(7,395)</u>	<u>(14,417)</u>
End of the financial year	<u><u>7,367</u></u>	<u><u>4,937</u></u>

Each staff loan is secured by a guarantee given by one or two or more members who are also employees of the society. Loans together with interest are repayable in not more than twenty-four monthly installments commencing from the month following that in which the loan was granted. Interest is charged at 5% (2020: 5%) per annum.

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**24 INVESTMENT SECURITIES**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Financial assets at fair value through profit and loss:		
Quoted investments at cost	455	455
Add: Movement in fair value	11,439	11,586
At fair value	<u>11,894</u>	<u>12,041</u>
Movement in fair value:		
Beginning of the financial year	11,586	13,782
Fair value loss	(147)	(2,196)
End of the financial year	<u>11,439</u>	<u>11,586</u>

**25 ADVANCES FOR CHILDCARE CENTRE/SUBSIDIARY**

	<b>The Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
SGM Educational Institution Pte. Ltd.	4,683	3,243
SGM Murni	87,838	11,614
SGM Little Kidz @ Rivervale	279,942	277,132
	<u>372,463</u>	<u>291,989</u>

The Co-operative is the licensee of 2 childcare centres namely SGM Murni and SGM Little Kidz @ Rivervale. The advances are made to provide for capital and operational expenditures.

**26 OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Co-operative</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Deposits	7,016	7,575	1,235	1,580
Grant receivables*	9,552	-	7,026	-
GST receivables	27,499	-	-	-
Prepayments	16,755	8,504	14,289	8,504
Other receivables	28,175	41,995	1,498	600
	<u>88,997</u>	<u>58,074</u>	<u>24,048</u>	<u>10,684</u>

\*Grants receivables pertains to amounts receivable from Ministry of Education (MOE) for the variation in Co-Operative Teacher salaries due to the change in new system. These grants are expected to be received in the current year.

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**27 CASH AND CASH EQUIVALENTS**

	The Group		The Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Cash and bank balances	1,689,197	1,604,237	781,008	570,853
Fixed deposits	1,974,049	1,822,991	1,401,780	1,400,722
	<u>3,663,246</u>	<u>3,427,228</u>	<u>2,182,788</u>	<u>1,971,575</u>

For the purposes of the consolidated statement of cash flows, fixed deposit pledged are excluded as part of the consolidated cash and cash equivalents:

	The Group	
	2021 S\$	2020 S\$
Cash and bank balances (as above)	3,663,246	3,427,228
Less: Fixed deposit pledged	<u>(322,859)</u>	<u>(322,859)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>3,340,387</u>	<u>3,104,369</u>

Fixed deposits for the Group and the Co-operative amounting to S\$322,859 (2020: S\$322,859) are held as collateral for overdraft facilities granted by a bank.

Fixed deposits at the reporting date have an average maturity of 3 to 24 months (2020: 3 to 24 months) from the end of the financial year with the weighted average effective interest rates of 0.75% (2020: 0.67%) per annum for the both the Group and the Co-operative, respectively.

**28 CENTRAL CO-OPERATIVE FUND**

	The Group and the Co-operative	
	2021 S\$	2020 S\$
Beginning of the financial year	18,768	2,639
Add: Transfer from appropriation funds	-	16,129
Less: Contribution	<u>(18,768)</u>	<u>-</u>
End of the financial year	<u>-</u>	<u>18,768</u>

Section 71 (2) of the Co-operative Societies Act, Chapter 62 stipulates that every Co-operative Society shall contribute 5% of the first S\$500,000 of the surplus resulting from the operations of the Co-operative during the preceding financial year to the Central Co-operative Fund and 20% of any surplus in excess of S\$500,000 from the operations of the Co-operative during the preceding financial year either to the Central Co-operative Fund or to the Singapore Labour Foundation as the Co-operative may opt.

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**29 OTHER PAYABLES**

	The Group		The Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Amount due to DKB	-	-	2,454	1,125
Amount due to Murni	-	-	36,003	136,809
Amount owing to members and ex-members	3,845	3,845	3,845	3,845
Children welfare fund*	-	179	-	179
CPF payable	-	18,826	-	-
Deposit received	1,400	1,400	1,400	1,400
GST payables	8,078	11,256	2,661	568
Insurance control account	11,960	986	11,960	986
Other payables and accruals	140,810	95,393	23,844	24,829
	<u>166,093</u>	<u>131,885</u>	<u>82,167</u>	<u>169,741</u>

\* The children welfare fund was set up to assist needy children attending the childcare centres.

**30 HONORARIUM**

	The Group and the Co-operative	
	2021 S\$	2020 S\$
Beginning of the financial year	49,112	-
Honorarium proposed in respect of the financial year	-	49,112
Disbursements	<u>(45,473)</u>	<u>-</u>
End of the financial year	<u>3,639</u>	<u>49,112</u>

The honorarium relates to fees paid/payable to some or all of the members of the Board of Directors and Audit Committee in consideration of their services which would not otherwise be remunerated.

The Board will be requesting the members to approve the proposed amount at the forthcoming annual general meeting.

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**31 TAXATION**

The Co-operative is exempt from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Cap.134.

As at 31 December 2021, the subsidiary has no unabsorbed tax losses and unutilised capital allowances available for offset against future taxable profits.

**32 ADMINISTRATIVE AND GENERAL EXPENSES**

	The Group		The Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Advertising and publicity	1,772	2,763	769	1,943
Affiliation fees	251	250	251	250
AGM	11,057	11,990	11,057	11,990
Auditors' remuneration	29,400	29,400	18,000	18,000
Bank charges	6,892	7,197	1,783	2,119
Books purchased	5,197	2,705	-	-
Check-off charges	1,175	1,235	1,175	1,235
Childcare accessories, upkeep and fittings	53,275	14,811	-	-
Children uniform and mattress cover	3,730	1,451	-	-
Conservancy charges	14,808	14,777	-	-
Copier charges	4,041	5,282	1,289	2,286
Course fees	8,377	4,685	-	-
Depreciation	71,893	76,013	30,037	30,598
Donation	164	229	-	-
Dry goods and beverages	1,830	2,873	-	-
Expensed equipment	2,860	1,080	-	-
General maintenance	4,894	5,238	-	-
General expenses	9,707	9,994	-	3,050
Gifts and donation	-	342	-	-
GST expenses	-	-	-	-
Incentive for meetings	27,620	15,990	27,620	15,990
Insurance	18,240	25,311	5,814	13,639
Kitchen's foods, beverage and utensils	2,658	735	-	-
Leasing charges	4,874	4,533	2,354	2,388
Legal and professional fees	-	1,605	-	1,605
Licenses and permits	1,160	650	150	150
Maintenance charges - website	-	746	-	-
Medical fees	7,202	6,943	1,351	1,013
Marketing and groceries	38,138	36,254	3,270	550
Miscellaneous expenses	3,470	3,347	3,289	3,011
<i>Balance carried forward</i>	<u>334,685</u>	<u>288,429</u>	<u>108,209</u>	<u>109,817</u>

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**32 ADMINISTRATIVE AND GENERAL EXPENSES - cont'd**

	The Group		The Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>Balance brought forward</b>	<b>334,685</b>	<b>288,429</b>	<b>108,209</b>	<b>109,817</b>
Newspapers and periodicals	285	3,772	285	3,772
Office maintenance	14,206	4,823	1,064	1,381
Other activities and functions	13,680	1,681	13,680	1,681
Other fees	2,016	3,142	500	1,948
Postage and periodic	1,935	1,656	1,794	1,629
Printing and stationery	10,562	10,671	4,617	5,811
Professional fees	4,367	11,200	3,900	10,000
Property tax	7,910	5,569	7,910	5,569
Recruiting	8,801	225	-	-
Refreshments	2,520	3,356	198	1,409
Rental of childcare premises	17,049	14,329	-	-
Repair and maintenance and expensed equipment	54,257	21,233	3,537	2,957
Salaries, allowances and CPF *	1,471,546	1,267,974	226,419	246,158
Software maintenance fees	6,641	15,364	6,236	14,618
Speech and drama	7,937	1,403	-	-
Staff benefits	4,346	4,306	-	700
Teaching materials and books	4,975	9,039	-	-
Telephone, internet and facsimile charges	9,875	14,029	3,720	5,908
Temporary staff	24,044	24,456	10,196	952
Transport	11,655	15,159	8,043	11,280
Travelling	-	-	-	-
Training and courses	642	165	642	165
Utilities	31,852	30,938	6,837	7,161
<b>Total</b>	<b>2,045,786</b>	<b>1,752,919</b>	<b>407,787</b>	<b>432,916</b>

\* Salaries, allowances and CPF are as follows:

	Group		Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Salaries and allowances	1,074,385	1,100,794	169,429	218,827
Central provident fund (CPF)	397,161	167,180	56,990	27,331
<b>Total</b>	<b>1,471,546</b>	<b>1,267,974</b>	<b>226,419</b>	<b>246,158</b>

\*\* During the financial year, the Group and Co-operative has received government grants for Job Support Scheme amounting to S\$35,027 (2020: S\$177,671) and S\$13,915 (2020: S\$51,208) respectively, received from Singapore government to help businesses deal with the impact from COVID-19.

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**33 FUND TRANSFERS**

The Board of Directors decided that with effect from the financial year 2006, if SGM Murni and SGM Little Kidz @ Rivervale Child Development Centre's accumulated fund exceeds S\$500,000, the excess amount will be transferred to the Co-operative.

As at financial year-end:

- S\$281,695 was transferred from SGM Co-operative to SGM Murni.

**34 DIVIDENDS/PATRONAGE REBATE**

There are no dividends and patronage rebate in respect of prior year's accounts which was approved and paid during the financial year (2020: NIL).

**35 DIVIDENDS**

For the financial year 2020, the Board of Directors has proposed dividends as follows:

- a) Dividend of 3% of the financial year-end balances of share capital amounting to \$34,020.
- b) Dividend of 1.5% of the year-end balances of subscription capital amounting \$75,977.

The Board has unanimously approved the following distribution during the special Board of Directors' meeting held on Tuesday, 18 May 2021. These dividends is reflected as an appropriation of surplus for the year ending 31 December 2021.

For the current financial year, the Board of Directors has not made any proposed dividends. The Co-operative will conduct their Annual General Meeting (AGM) on 20 August 2022 to confirm the dividend payout for the current financial year.

**36 COMMITMENTS**

**Operating Lease Commitment - As Lessee**

Rental expenses are principally for childcare premises and lease of equipment. Most leases contain renewable options. Lease terms do not contain restrictions on the Group and Co-operative's activities concerning dividends, additional debts or further leasing. The leases have varying terms and renewal rights and their lease terms is 5 years.

Future minimum rental under non-cancellable leases are as follows as at 31 December:

	The Group		The Co-operative	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
<b>Payable:</b>				
Within 1 year	4,380	4,380	2,400	2,400
After 1 year but within 5 years	8,572	11,828	6,600	9,600
	<u>12,952</u>	<u>16,208</u>	<u>9,000</u>	<u>12,000</u>

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**36 COMMITMENTS - cont'd**

**Operating Lease Commitment - As Lessee – cont'd**

Details of rental of childcare premises and equipment are as follows:

	The Group		The Co-operative	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Leasing charges	4,874	4,533	2,354	2,388
Rental of childcare premises	17,049	14,329	-	-
	<u>21,923</u>	<u>18,862</u>	<u>2,400</u>	<u>2,388</u>

**37 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES**

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

**37.1 Judgement made in Applying Accounting Policies**

**Fair Value of Loans and Receivables Financial Assets**

For loans to members amounting to S\$3,830,409 (2020: S\$3,896,606) (Note 19 - 23), the Co-operative management is of the opinion that it is not practicable to estimate the fair values of the loans to members without incurring excessive time and costs as required under FRS 109 and also does not anticipate that the carrying amounts recorded at reporting date would be significantly different from the values that would be eventually received or settled.

**Valuation of Leasehold Land and Building**

The apportionment of the fair value leasehold land and building is based on the directors' estimate. The estimate is based on the proportion of the carrying amount of the leasehold land and building as at year end. Valuation of leasehold land and building is carried out by an independent professional with sufficient regularity. In carrying out the valuation, leasehold land and building are valued collectively as it is impractical for them to be valued individually.

**Impairment of Investment and Financial Instrument**

The Co-operative follows the guidance of FRS 36 and FRS 109 in determining when an investment or financial assets is other-than-temporary impaired. This assessment requires significant judgement. The Group and the Co-operative evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

**37 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES - cont'd**

**37.2 Key Sources of Estimation Uncertainty**

**Provision of Expected Credit Losses of Trade Receivables**

The Co-operative uses a provision matrix to calculate ECLs for ordinary loans to members. The provision rates are based on days past due for groupings or various customer segments that have similar loss patterns

The provision matrix is initially based on the Co-operative's historical observed default rates. The Group and the Co-operative will calibrate that matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Co-operative's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Co-operative's ordinary loans to members is disclosed in Note 19.

The carrying amount of the Chamber's ordinary loans to members as at 31 December 2021 was S\$3,792,430 (2020: S\$3,857,214).

**38 RELATED PARTY TRANSACTIONS**

Except for the significant related parties transactions on terms agreed between the Co-operative and its related parties as disclosed below, there are no other transaction and arrangements between the Co-operative and related parties:

Honorarium for Board of Directors and Audit Committee are disclosed in Note 30.

Since the end of the previous financial year, no director of the Co-operative or any corporation in the Group and the Co-operative has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**39 FINANCIAL RISK MANAGEMENT**

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

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

**39 FINANCIAL RISK MANAGEMENT - cont'd**

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

**39.1 Credit Risk**

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

The Group and the Co-operative has adopted a policy of only dealing with creditworthy counterparties. The Group and the Co-operative performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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

The Group and the Co-operative has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.1 Credit Risk - cont'd**

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

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

The Group and the Co-operative categories a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group and the Co-operative's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL

*Exposure to Credit Risk*

The Group and the Co-operative has no significant concentration of credit risk. The Group and the Co-operative has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.1 Credit Risk - cont'd**

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

The Group	Note	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
<b>2021</b>					
Ordinary loans to members	19	Lifetime ECL (simplified)	4,063,630	(271,200)	3,792,430
Other receivables	26	12-month ECL	62,320	-	62,320
				<u>(271,200)</u>	
<b>2020</b>					
Ordinary loans to members	19	Lifetime ECL (simplified)	4,132,914	(275,700)	3,857,214
Other receivables	26	12-month ECL	49,570	-	49,570
				<u>(275,700)</u>	
<b>The Co-operative</b>					
<b>2021</b>					
Ordinary loans to members	19	Lifetime ECL (simplified)	4,063,630	(271,200)	3,792,430
Other receivables	26	12-month ECL	24,048	-	24,048
				<u>(271,200)</u>	
<b>2020</b>					
Ordinary loans to members	19	Lifetime ECL (simplified)	4,132,914	(275,700)	3,857,214
Other receivables	26	12-month ECL	2,180	-	2,180
				<u>(275,700)</u>	

**Ordinary Loans to Members**

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

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.2 Liquidity Risk**

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

*Analysis of Financial Instruments by Remaining Contractual Maturities*

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

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

**The Group**

2021	Within 1 year S\$	Within 2 to 5 years S\$	Total S\$
<b>Financial Assets</b>			
Investment securities – non current	-	62,000	62,000
Investment securities - current	11,894	-	11,894
Interest receivable from loans	17,250	-	17,250
Other receivables	44,743	-	44,743
Ordinary loans to members	1,359,721	2,432,709	3,792,430
Purchasing loans to members	24,228	-	24,228
Education loans to members	6,384	-	6,384
Staff loans	7,367	-	7,367
Cash and cash equivalents	<u>3,663,246</u>	<u>-</u>	<u>3,663,246</u>
Total undiscounted financial assets	<u>5,134,833</u>	<u>2,494,709</u>	<u>7,629,542</u>

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.2 Liquidity Risk - cont'd**

**The Group - cont'd**

2021	Within 1 year S\$	Within 2 to 5 years S\$	Total S\$
<b>Financial Liabilities</b>			
Central co-operative fund	-	-	-
Deposits received	176,136	-	176,136
Share capital	1,103,432	-	1,103,432
Subscription capital	5,123,066	-	5,123,066
General savings	2,426,609	-	2,426,609
General savings - hajj	193,440	-	193,440
General savings - education	33,741	-	33,741
Honorarium	3,639	-	3,639
Other payables	158,014	-	158,014
Total undiscounted financial liabilities	<u>9,218,077</u>	<u>-</u>	<u>9,218,077</u>
Total net undiscounted financial (liabilities)/assets	<u>(4,083,244)</u>	<u>2,494,709</u>	<u>(1,588,535)</u>
2020	S\$	S\$	S\$
<b>Financial Assets</b>			
Investment securities – non current	-	62,000	62,000
Investment securities - current	12,041	-	12,041
Interest receivable from loans	17,250	-	17,250
Other receivables	49,570	-	49,570
Ordinary loans to members	1,130,860	2,726,354	3,857,214
Purchasing loans to members	24,228	-	24,228
Education loans to members	5,344	-	5,344
Renovation loans to members	-	4,883	4,883
Staff loans	4,937	-	4,937
Cash and cash equivalents	3,427,228	-	3,427,228
Total undiscounted financial assets	<u>4,671,458</u>	<u>2,793,237</u>	<u>7,464,695</u>

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.2 Liquidity Risk - cont'd**

**The Group - cont'd**

2020	Within 1 year S\$	Within 2 to 5 years S\$	Total S\$
<b>Financial Liabilities</b>			
Central co-operative fund	2,639	-	2,639
Deposits received	158,784	-	158,784
Share capital	1,134,002	-	1,134,002
Subscription capital	5,065,112	-	5,065,112
General savings	2,128,204	-	2,128,204
General savings - hajj	168,130	-	168,130
General savings - education	27,580	-	27,580
Other payables	158,015	-	158,015
Total undiscounted financial liabilities	<u>8,842,466</u>	<u>-</u>	<u>8,842,466</u>
Total net undiscounted financial (liabilities)/assets	<u>(4,171,008)</u>	<u>2,793,237</u>	<u>(1,377,771)</u>

**The Co-operative**

**2021**

<b>Financial Assets</b>			
Investment securities – non current	-	62,000	62,000
Investment securities – current	11,894	-	11,894
Interest receivable from loans	17,250	-	17,250
Other receivables	9,759	-	9,759
Ordinary loans to members	1,359,721	2,432,709	3,792,430
Purchasing loans to members	24,228	-	24,228
Education loans to members	6,384	-	6,384
Renovation loans to members	-	-	-
Staff loans	7,367	-	-
Cash and cash equivalents	<u>2,182,788</u>	<u>-</u>	<u>2,182,788</u>
Total undiscounted financial assets	<u>3,619,391</u>	<u>2,494,709</u>	<u>6,114,100</u>

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.2 Liquidity Risk - cont'd**

**The Co-operative - cont'd**

2021	Within 1 year S\$	Within 2 to 5 years S\$	Total S\$
<b>Financial Liabilities</b>			
Central co-operative fund	-	-	-
Share capital	1,103,432	-	1,103,432
Subscription capital	5,123,066	-	5,123,066
General savings	2,426,609	-	2,426,609
General savings - hajj	193,440	-	193,440
General savings - education	33,741	-	33,741
Honorarium	3,639	-	3,639
Other payables	79,506	-	79,506
Total undiscounted financial liabilities	<u>8,963,433</u>	<u>-</u>	<u>8,963,433</u>
Total net undiscounted financial (liabilities)/assets	<u>(5,344,042)</u>	<u>2,494,709</u>	<u>(2,849,333)</u>
<b>2020</b>			
<b>Financial Assets</b>			
Investment securities – non current	-	62,000	62,000
Investment securities – current	12,041	-	12,041
Interest receivable from loans	17,250	-	17,250
Other receivables	2,180	-	2,180
Ordinary loans to members	1,130,860	2,726,354	3,857,214
Purchasing loans to members	24,228	-	24,228
Education loans to members	5,344	-	5,344
Renovation loans to members	-	4,883	4,883
Staff loans	4,937	-	4,937
Cash and cash equivalents	1,971,575	-	1,971,575
Total undiscounted financial assets	<u>3,168,415</u>	<u>2,793,237</u>	<u>5,961,652</u>

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**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.2 Liquidity Risk - cont'd**

**The Co-operative - cont'd**

2020	Within 1 year S\$	Within 2 to 5 years S\$	Total S\$
<b>Financial Liabilities</b>			
Central co-operative fund	2,639	-	2,640
Share capital	1,134,002	-	1,134,002
Subscription capital	5,065,112	-	5,065,112
General savings	2,128,204	-	2,128,204
General savings - hajj	168,130	-	168,130
General savings - education	27,580	-	27,580
Other payables	169,173	-	169,740
Total undiscounted financial liabilities	<u>8,694,840</u>	<u>-</u>	<u>8,695,408</u>
Total net undiscounted financial (liabilities)/assets	<u>(5,526,425)</u>	<u>2,793,237</u>	<u>(2,733,756)</u>

**39.3 Market Risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group and 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.

**39.3.1 Interest Rate Risk**

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

The Group and the Co-operative is not exposed to interest rate risk as it does not have any financial instruments bearing variable interest rate as at the reporting date.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

**39 FINANCIAL RISK MANAGEMENT - cont'd**

**39.3 Market Risk - cont'd**

**39.3.2 Foreign Currency Risk**

The Group and the Co-operative's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Group and the Co-operative does not have any formal policy for hedging against currency risk. The Group and 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 Group and the Co-operative's exposure to foreign currency risk is minimal as all transactions are dealt with in local currency.

**40 FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	<b>The Group</b>		<b>The Co-operative</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Financial Assets</b>				
Loans and receivables:				
Investment securities -				
Available-for-sale financial assets	62,000	62,000	62,000	62,000
Investment securities -				
Financial assets at fair value through profit and loss	11,894	12,041	11,894	12,041
Interest receivable from loans	17,250	17,250	17,250	17,250
Other receivables	44,743	49,570	9,759	2,180
Ordinary loans to members	3,792,430	3,857,214	3,792,430	3,857,214
Purchasing loans to members	24,228	24,228	24,228	24,228
Education loans to members	6,384	5,344	6,384	5,344
Renovation loan to members	-	4,883	-	4,883
Staff loan	7,367	4,937	-	4,937
Cash and cash equivalents	3,663,246	3,427,228	2,182,788	1,971,575
	<u>7,629,542</u>	<u>7,464,695</u>	<u>6,114,100</u>	<u>5,961,652</u>

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

**40 FINANCIAL INSTRUMENTS BY CATEGORY - cont'd**

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities: - cont'd

	The Group		The Co-operative	
	2021	2020	2021	2020
	S\$	S\$	S\$	S\$
<b>Financial Liabilities</b>				
Financial liabilities measured at amortised cost:				
Central co-operative fund	-	2,639	-	2,639
Share capital	1,103,432	1,134,002	1,103,432	1,134,002
Subscription capital	5,123,066	5,065,112	5,123,066	5,065,112
General savings	2,426,609	2,128,204	2,426,609	2,128,204
General savings - hajj	193,440	168,130	193,440	168,130
General savings - education	33,741	27,580	33,741	27,580
Deposits received	3,639	158,784	3,639	-
Other payables	158,014	120,629	79,506	169,741
	<u>9,041,941</u>	<u>8,805,080</u>	<u>8,963,433</u>	<u>8,695,408</u>

**41 FAIR VALUE**

*Cash and cash equivalents, Other Receivables and Other Payables*

The carrying amounts of financial assets and financial liabilities of the Group and the Co-operative recorded at amortised cost in the financial statements approximate their fair values due to their short-term nature.

**42 CAPITAL MANAGEMENT**

The primary objective of the Co-operative's capital management is to maximise member's value.

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

The Group and the Co-operative do not have any externally imposed capital requirements for the financial year ended 31 December 2021 and 31 December 2020 except as stipulated by the Registry of Co-operative Societies.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

**42 CAPITAL MANAGEMENT – cont'd**

A credit society which holds deposits should maintain capital adequacy ratio ('CAR') of not less than 8% of its total assets. In addition, a credit society with less than 5% CAR as at financial year end and intends to distribute dividends from that year's surplus shall seek the Registry's written approval for the proposed dividends.

Capital adequacy ratio means the credit society's institutional capital expressed as a percentage of its total assets. Institutional capital means the credit society's accumulated surplus/deficit or unappropriated surplus, statutory reserve, and general reserves or general funds. Reserves and funds established for specific purposes such as common good, scholarship, fair value or revaluation, loan default, provisions for bad and doubtful loans etc. are not counted as institutional capital.

	<b>The Group</b>		<b>The Co-operative</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Institutional capital	<u>978,638</u>	<u>1,232,579</u>	<u>942,558</u>	<u>976,589</u>
Total assets	<u>12,648,262</u>	<u>12,469,947</u>	<u>12,208,085</u>	<u>11,942,776</u>
Capital adequacy ratio	<u>7.7%</u>	<u>9.9%</u>	<u>7.7%</u>	<u>8.2%</u>

**43 SGM RESERVE FUND**

	<b>The Group and the Co-operative</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Beginning of the financial year	39,290	-
Add: Transfer from retained earnings	150,000	39,290
Less: Disbursements	<u>-</u>	<u>-</u>
End of the financial year	<u>189,290</u>	<u>39,290</u>

In July 2020, the Co-operative set up a new fund - SGM Reserve Fund (Note 43). It was initiated in order for the Co-operative to meet and maintain the Capital Adequacy Ratio (CAR) of 10%.

**44 OTHER MATTER**

An outbreak of the COVID-19 had been reported to the World Health Organisation in China on 31 December 2019. On 31 January 2020, the World Health Organisation announced then COVID-19 outbreak as a global health emergency. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

Management has reviewed the possible impact of the COVID-19 outbreak on the following matters:

- (1) Changes in economic and market conditions that affect the fair values of the Co-operative's financial and non-financial assets and liabilities.
- (2) Additional expected credit losses due to a decline in the repayment ability of debtors.

Management assessment requires the exercise of judgement and careful consideration of Co-operative's specific facts and circumstances. The Co-operative operates in business segments that have remain relatively stable or unaffected by the outbreak and there may not be a significant increase in loss allowance as the Co-operative's key customers are not in sectors severely affected by the outbreak, and they generally have good repayment history. The Co-operative will continue to monitor any material impact due to changes in future economic conditions.

**AGENDA 7: TO ACCEPT AND APPROVE THE REPORT OF  
SUB-COMMITTEE ON GENERAL WELFARE FUND(DKB)  
AND ITS FINANCIAL STATEMENT DATED 31 DECEMBER 2021**

**SGM SINGAPURA KOPERATIF BERHAD  
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**DANA KEBAJIKAN BERSAMA  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	2021 S\$	2020 S\$
<b>ASSETS LESS LIABILITIES</b>		
<b>Current Assets</b>		
Other receivables	2,954	-
Cash and cash equivalents	323,120	336,323
	<u>326,074</u>	<u>336,323</u>
<b>Current Liabilities</b>		
Amount due to SGM Singapura Koperatif Berhad	500	-
<b>Net Current Assets</b>	<u>325,574</u>	<u>336,323</u>
<b>Net Assets</b>	<u>325,574</u>	<u>336,323</u>
 <b>ACCUMULATED FUND</b>		
Beginning of the financial year	186,070	191,183
Deficit for the financial year	(4,532)	(5,113)
Subscriptions received	221,151	216,417
Hospitalisation	(34,665)	(31,715)
Death grants and sickness benefits paid	(42,450)	(34,450)
	<u>325,574</u>	<u>336,323</u>

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**DANA KEBAJIKAN BERSAMA**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>INCOME</b>		
Interest income	925	1,366
<b>Less: Other Operating expenses</b>		
Accounting fees to Co-operative	2,600	4,800
Annual General Meeting expense	-	-
Bank charges	3	-
Gifts and donation	-	342
Postage and periodic	122	-
Professional fees	467	-
Miscellaneous expense	215	337
Transport and meal allowances	2,050	1,000
	<u>5,457</u>	<u>6,479</u>
<b>Deficit for the financial year</b>	<u>(4,532)</u>	<u>(5,113)</u>

*The accompanying notes do not form an integral part of the audited financial statements.*

**SGM SINGAPURA KOPERATIF BERHAD**  
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**SGM MURNI**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>ASSETS LESS LIABILITIES</b>		
<b>Non-Current Asset</b>		
Plant and equipment	499,143	524,890
Less: Accumulated depreciation	<u>(423,536)</u>	<u>(410,217)</u>
	<u>75,607</u>	<u>114,673</u>
<b>Current Assets</b>		
Amount due from SGM Singapura Koperatif Berhad	36,003	125,195
Amount due from SGM Rivervale	65,052	-
Other receivables	33,389	34,203
Cash and cash equivalents	<u>806,215</u>	<u>769,586</u>
	<u>940,659</u>	<u>928,984</u>
<b>Current Liabilities</b>		
Deposits received	91,128	79,877
Amount due to SGM		
Singapura Koperatif Berhad	87,838	-
Other payables	<u>69,524</u>	<u>38,073</u>
	<u>248,490</u>	<u>117,950</u>
<b>Net Current Assets</b>	<u>692,169</u>	<u>811,034</u>
<b>Net Assets</b>	<u><u>767,776</u></u>	<u><u>925,707</u></u>
<b>ACCUMULATED FUND</b>		
Beginning of the financial year	925,707	644,012
Surplus for the financial year	<u>123,764</u>	<u>281,695</u>
	1,049,471	925,707
Fund transfer to		
SGM Singapura Koperatif Berhad	<u>281,695</u>	<u>-</u>
End of the financial year	<u><u>767,776</u></u>	<u><u>925,707</u></u>

*The accompanying notes do not form an integral part of the audited financial statements.*

**SGM SINGAPURA KOPERATIF BERHAD  
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**SGM MURNI  
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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	2021 S\$	2020 S\$
<b>INCOME</b>		
Fees received	232,972	230,886
Government grant and subsidies	668,447	679,919
Interest on fixed deposit	384	800
Other income	17,434	21,920
<b>TOTAL INCOME</b>	<u>919,237</u>	<u>933,525</u>
<b>LESS: EXPENDITURE</b>		
Other operating expenses	<u>795,473</u>	<u>651,830</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>	<u><u>123,764</u></u>	<u><u>281,695</u></u>

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**SGM SINGAPURA KOPERATIF BERHAD**  
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**SGM MURNI**  
**SCHEDULE OF OPERATING EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>Other operating expenses</b>		
Accounting fees to SGM Singapura Koperatif Berhad	6,000	6,000
Advertisement and publicity	724	230
Auditors' remuneration	5,700	5,700
Bank charges	2,538	2,865
Books purchases	3,554	1,843
Childcare accessories, upkeep and fittings, activities	18,165	2,026
Children's uniforms and mattress covers	3,730	1,451
Conservancy charges	624	593
Copier charges	2,752	2,996
Course fees	7,545	3,369
Depreciation	13,319	16,661
Donation	164	229
General expense	5,234	3,506
Insurance	5,843	5,162
Kitchen's foods, beverage and utensils	1,092	624
Licenses and permits	890	500
Marketing and groceries	18,637	20,412
Medical expenses	2,932	3,187
Printing and stationery	3,166	3,258
Recruitment	3,000	-
Refreshments	2,071	1,835
Rental of premises	9,300	7,440
Repairs and maintenance	50,315	14,501
Salaries and related costs	602,894	498,113
Software maintenance fees	-	746
Staff benefits	1,386	1,878
Temporary staff	8,005	23,042
Teaching materials and books purchased	2,309	8,390
Telephone and facsimile charges	2,156	2,167
Transport expenses	720	1,628
Utilities	10,708	11,478
	<u>795,473</u>	<u>651,830</u>

*The accompanying notes do not form an integral part of the audited financial statements.*

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
**AND ITS SUBSIDIARIES**

**SGM LITTLE KIDZ @ RIVERVALE**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	2021 S\$	2020 S\$
<b>ASSETS LESS LIABILITIES</b>		
<b>Non-Current Asset</b>		
Plant and equipment	868,628	849,930
Less: Accumulated depreciation	<u>(375,692)</u>	<u>(347,176)</u>
	<u>492,936</u>	<u>502,754</u>
<b>Current Assets</b>		
Other receivables	31,560	29,925
Cash and cash equivalents	307,834	307,580
Amount due from SGM Singapura Koperatif Berhad	<u>-</u>	<u>19,645</u>
	<u>339,394</u>	<u>357,150</u>
<b>Current Liabilities</b>		
Amount due to SGM Singapura Koperatif Berhad	279,942	277,204
Amount due to SGM Murni	65,052	35,564
Deposit received	85,007	78,906
Other payables	<u>52,859</u>	<u>43,180</u>
	<u>482,860</u>	<u>434,854</u>
<b>Net Current Liabilities</b>	<u>(143,466)</u>	<u>(77,704)</u>
<b>Net Assets</b>	<u>349,470</u>	<u>425,050</u>
<b>ACCUMULATED FUND</b>		
Beginning of the financial year	(835,748)	(905,840)
(Deficit)/Surplus for the financial year	(56,006)	79,877
(Reversal)/Transfer of surplus from SGM Singapura Koperatif Berhad	<u>(19,645)</u>	<u>19,645</u>
	(911,399)	(806,318)
Fund transfer to SGM Singapura Koperatif Berhad	<u>-</u>	<u>(29,430)</u>
	(911,399)	(835,748)
Childcare development fund	-	-
Childcare set-up capital fund	<u>1,260,798</u>	<u>1,260,798</u>
End of the financial year	<u>349,399</u>	<u>425,050</u>

*The accompanying notes do not form an integral part of the audited financial statements.*

**SGM SINGAPURA KOPERATIF BERHAD  
(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)  
AND ITS SUBSIDIARIES**

**SGM LITTLE KIDZ @ RIVERVALE  
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>INCOME</b>		
Fees received	235,338	208,861
Government grant and subsidies	514,764	416,254
Other income	45,561	133,257
<b>TOTAL INCOME</b>	<u>795,663</u>	<u>758,372</u>
<b>LESS: EXPENDITURE</b>		
Other operating expenses	851,669	678,495
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>	<u>(56,006)</u>	<u>79,877</u>

*The accompanying notes do not form an integral part of the audited financial statements.*

**SGM SINGAPURA KOPERATIF BERHAD**  
**(SINGAPORE MALAY TEACHERS' CO-OPERATIVE LTD)**  
**AND ITS SUBSIDIARIES**

**SGM LITTLE KIDZ @ RIVERVALE**  
**SCHEDULE OF OPERATING EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>Other operating expenses</b>		
Accounting fees to SGM Singapura Koperatif Berhad	6,000	6,000
Advertisement and publicity	279	590
Auditors' remuneration	5,700	5,700
Bank charges	2,568	2,213
Books and publications	1,643	862
Childcare accessories, upkeep and fittings, activities	35,110	12,785
Conservancy charges	14,184	14,184
Course fees	832	1,316
Depreciation	28,536	28,754
Dry goods and beverages	1,830	2,873
Expense equipment	2,860	1,080
General maintenance	4,894	5,238
General expense	4,473	3,438
Insurance	6,583	6,510
Leasing charges	2,520	2,145
Kitchen foods and utensils	1,566	111
Licenses and permits	120	-
Maintenance charges	-	746
Marketing and groceries	16,231	15,292
Medical fees	2,919	2,743
Postage and periodical	19	27
Printing and stationery	2,779	1,602
Professional Fees	-	1,200
Refreshments	251	112
Rental (childcare centre)	7,749	6,889
Repairs and maintenance	405	3,775
Recruiting	5,801	225
Salaries and related costs	642,233	523,703
Speech and drama	7,937	1,403
Staff benefits	2,960	1,728
Software maintenance fees	405	-
Teaching materials and books purchased	2,666	649
Telephone and facsimile charges	3,999	5,954
Temporary staff	5,843	462
Transport expenses	842	1,251
Office maintenance	13,142	3,442
Other fees	1,483	1,194
Utilities	14,307	12,299
<b>Total operating expenses</b>	<b>851,669</b>	<b>678,495</b>

*The accompanying notes do not form an integral part of the audited financial statements.*

## **AGENDA 8: TO ACCEPT AND APPROVE BUDGET ALLOCATIONS/ ESTIMATES FOR FINANCIAL YEAR 2022**

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- 8.1 SGM LITTLE KIDZ CHILDCARE CENTRE @ RIVERVALE
- 8.2 SGM MURNI CHILDCARE CENTRE @ TAMPINES
- 8.3 SGM SINGAPORE CO-OPERATIVE LTD

SGM LITTLEKIDZ@RIVERVALE

Report Estimation for Income & Expenses Year 2022/2023

Income	2021	2021	Surplus/ deficit	2022	2022	2023
	Estimation	Income		Estimation	Surplus	
School Fees	285,000	235,338	(49,662)	220,000	-	220,000
MCD Grant	350,000	514,764	164,764	600,000	-	600,000
Other Income	50,000	45,561	(4,439)	50,000	-	50,000
<b>Total Income</b>	<b>685,000</b>	<b>795,663</b>	<b>110,663</b>	<b>870,000</b>	<b>-</b>	<b>870,000</b>

Expenditure	2021	2021	Surplus/ deficit	2022	2022	2023
	Estimation	Expenditure		Estimation	Surplus	
Accounts Service Fees	6,000	6000	-	6,000	0	6000
External Auditor Fees	6,500	5700	(800)	6,000	0	6,000
Bank Charges	3,500	2,568	(932)	3,500	0	3,500
School Stationeries	15,000	4,309	(10,691)	15,000	-5000	10,000
Uniforms and Bed Sheets	3,000		(3,000)	3,000	0	3,000
Maintenance costs	14,100	14,184	84	14,200	-	14,200
Rental of Photocopy Machines	2,000	2,520	520	2,150	400	2,550
Consultation Fees	-		-	-	0	
Course Fees	15,000	832	(14,168)	15,000	-10000	5,000
Depreciation cost	30,000	28,536	(1,464)	30,000	-	30,000
Extra Curricular activities, enrichment programme and concert <span style="float:right">Note1</span>	11,000	35,110	24,110	11,000	24,000	35,000
General Expenses/Advertisement/Agent fees	7,200	13,513	6,313	7,200	6800	14,000
Insurance	8,100	6,583	(1,517)	8,100	-	8,100
Human Resource Development	5,000		(5,000)	5,000	-	5,000
Study program	7,000	7,937	937	7,000	-	7,000
Kitchenware	7,000	1,566	(5,434)	7,000	-	7,000
Licence & Permit	800	120	(680)	1,200	-	1,200
Marketing Expenses & Groceries <span style="float:right">Note</span>	23,000	18,061	(4,939)	23,000	0	23,000
Medical Expenses	10,000	2,919	(7,081)	10,000	-	10,000
Printing and Stationery/ Postage Stamps	8,000	2,798	(5,202)	8,000	0	8,000
Employee Fees	2,500	1483	(1,017)	2,500	0	2,500
Meetings	700	251	(449)	700	0	700
Rental of Premises Fees	12,000	7,749	(4,251)	12,000	0	12,000
Maintenance and Repair Costs	13,000	5,299	(7,701)	13,000	(3,000)	10,000
Salary,bonus,CPF & Allowances	650,000	642,233	(7,767)	650,000	-	650,000
Part Time Worker	5,000	5,843	843	5,000	1,000	6,000
Computer equipment	3,000	3,265	265	3,500	0	3,500
Phone and Fax Charge	6,900	3,999	(2,901)	6,900	-	6,900
Toys Expenses for Children	13,500	13,142	(358)	13,500	-	13,500
Fares	2,200	842	(1,358)	2,200	0	2,200
Water and Electricity Fees	18,000	14,307	(3,693)	18,000	-	18,000
<b>Total Expenses</b>	<b>909,000</b>	<b>851,669</b>	<b>(57,331)</b>	<b>909,650</b>	<b>14,200</b>	<b>923,850</b>
					0	
SGM M @ Rivervale Sengkang	50,000	0	(50,000)	50,000	0	50,000
Website	5000		(5,000)	5000	0	5000
	<b>55,000</b>	<b>-</b>	<b>(55,000)</b>	<b>55,000</b>	<b>0</b>	<b>55,000</b>

Prepared by: \_\_\_\_\_

Verified by: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Check by: \_\_\_\_\_

**SGM MURNI CHILD DEVELOPMENT CENTRE**  
**Report Estimation for Income & Expenditure Year 2022/2023**

COME	2021	2021	Surplus/Deficit	2022	2022	2023
	Estimation	Income		Estimation	Surplus	Estimation
chool Fees	300,000	232,972	(67,028)	227,000	-	227,000
CD Grant	480,000	668,447	188,447	557,000	123000	680,000
her Income	30,000	17,434	(12,566)	30,000	0	30,000
D Interest	700	384		700	0	700
otal Income	810,700	919,237	108,853	814,700	123,000	937,700

XPENDITURE	2021	2021	Surplus/Deficit	2022	2022	2023
	Estimation	Expenditure		Estimation	Surplus	Estimation
ccounts Service Fees	6,000	6000	0	6,000	0	6,000
xternal Auditor Fees	6,500	5,700	-800	6,500	0	6,500
ank Charges	3,800	2,538	(1,262)	3,800	0	3,800
chool Stationeries	2,100	3,554	1,454	2,100	-	2,100
niforms and Bed Sheets	6,100	3,730	(2,370)	6,100	-	6,100
aintenance Fees	700	624	(76)	700	-	700
ental of Photocopy Machines	2,500	2,752	252	2,500	-	2,500
ourse Fees	18,000	7,545	(10,455)	18,000	-	18,000
epreciation Costs	25,000	13,319	(11,681)	20,000	-	20,000
xtra Curricular Activities, Enrichment programme and Concert Note1	12,000	18,165	6,165	12,000	-	12,000
eneral Expenses/Advertisement/ Agent Fees	7,000	10,508	3,508	7,000	4000	11,000
urance	5,150	5,843	693	5,200	-	5,200
tchenware	1,200	1,092	(108)	1,200	-	1,200
ence & Permit	800	890	90	800	0	800
arketing expenses and Groceries	25,500	18,637	(6,863)	25,500	-	25,500
edical Expenses	5,500	2,932	(2,568)	5,500	-	5,500
inting and Stationery/ Postage Stamps	12,500	3,166	(9,334)	12,500	-	12,500
mployee Fees	5,000		(5,000)	5,000	0	5,000
ettings	2,900	2,071	(829)	2,900	-	2,900
ental of Premises fees	13,300	9,300	(4,000)	13,300	0	13,300
aintenance and Repair Costs Note1	27,000	50,315	23,315	27,000	23,500	50,500
alary, Bonus, CPF and Allowances	510,000	602,894	92,894	510,000	110,000	620,000
art time Worker	11,000	8,005	(2,995)	25,000	-	25,000
arning tools	12,000	2,309	(9,691)	12,000	0	12,000
elephone and Fax Charge	3,000	2,156	(844)	3,000	-	3,000
oys Expenses for Children/S&D Program	25,000		(25,000)	25,000	(10,000)	15,000
ares	2,500	720	(1,780)	2,500	0	2,500
ater and Electricity Fees	18,000	10,708	(7,292)	15,000	-	15,000
	-					
otal Expenses	770,050	795,473	25,423	776,100	127,500	903,600
ppgrading of SGM Murni	-	0	-	50,000	0	50,000
ebpage	-	-	-	5000	0	5000
	-	-	-	55,000	0	55,000

SGM SINGAPORE CO-OPERATIVE LTD  
Budget Estimation Report 2022/2023  
Income and Expenses

A. (INCOME)		Estimated Income 2021(S\$)	Income (Actual) 2021(S\$)	Surplus/Deficit 2020(S\$)	Estimated Income 2022(S\$)	Additional Provisions 2021(S\$)	Estimated Income 2023(S\$)	Monthly Budget
A1	Income from Ordinary Members (Unsecured)	295,000	274,158	(20,842)	295,000	-	295,000	24,583
A1.1	Income from Ordinary Members (Secured)	29,000	9,719	(19,281)	29,000	-	29,000	2,417
A2	Loan Administration Income	11,000	8,688	(2,312)	11,000	-	11,000	917
A4	Fixed Deposit Savings	5,000	5,032	32	7,000	-	7,000	417
A5	Investments (Divident)	5,000	5,000	-	5,000	(2,000)	3,000	417
A6	Other Incomes (Grant)	40,000	46,969	6,969	50,000	-	50,000	3,333
A7	Value increase from Property/ Investmer ***	0		-	0	0	0	
A8	<b>Total Income</b>	<b>385,500</b>	<b>349,566</b>	<b>(35,934)</b>	<b>397,500</b>	<b>(2,000)</b>	<b>395,500</b>	<b>32,125</b>

-2%

B. (EXPENDITURE)		Estimated Expenses 2021(S\$)	Expenses 2021(S\$)	Surplus/Deficit 2020(S\$)	Estimated Expenses 2022(S\$)	Estimated Income 2021(S\$)	Estimated Expenses 2023(S\$)	Monthly Budget
<b>(GENERAL &amp; ADMINISTRATION)</b>								
B1	Property Tax	7,600	7,910	310	7,600	350	7,950	633
B2B	BODs Transport Allowances	13,000	27,620	14,620	15,000	0	15,000	1,083
B3	Water & Electricity	12,000	6,837	(5,163)	12,000	-	12,000	1,000
B4	Salary of Permanent Employees/CPF	250,000	236,615	(13,385)	250,000	-	250,000	20,833
B5	Insurance	9,800	5,814	(3,986)	13,500	0	13,500	817
B6	Commission CPO/GIRO	1,850	1,175	(675)	1,850	0	1,850	154
B7	Licence & Permit	700	650	(50)	700	0	700	58
B10	Rental of Photocopies Machine	2,200	2,354	154	2,400	0	2,400	183
B11	Telephone	8,000	3,720	(4,280)	7,000	-1000	6,000	667
B12	External Auditor's Fees	20,000	18,000	(2,000)	19,000	0	19,000	1,667
B13	Membership Fees of Other Organizations	700	251	(449)	700	0	700	58
	<b>Total Fixed Expenses(TOTAL Fixed C)</b>	<b>325,850</b>	<b>310,946</b>	<b>(14,904)</b>	<b>329,750</b>	<b>(650)</b>	<b>329,100</b>	<b>27,154</b>
<b>(VARIABLES COST)</b>								
B14	Printing and Common Equipment	17,000	5,906	(11,094)	15,000	3000	18,000	1,417
B15	Human Resource Development	3,000	642	(2,358)	3,000	0	3,000	250
B16	Cooperative Activities/Retreat/AGM	20,000	24,737	4,737	20,000	5000	25,000	1,667
B17	Professional Fees (Real Estate)	1200		(1,200)	2500	0	2500	100
B18	Meetings	3,600	3,468	(132)	3,600	-	3,600	300
B19	Marketing Promotion/ Titian	5,000	769	(4,231)	5,000	0	5,000	417
B20	General Repairs and Maintenance/Computer	17,000	10,837	(6,163)	17,000	-	17,000	1,417
B31	Dinner Party Expenses for Teachers Day	4,500		(4,500)	4,500	0	4,500	375
B22	Bank Service	5,000	1,783	(3,217)	5,000	0	5,000	417
B23	Medical Fees	2,500	1,351	(1,149)	2,500	0	2,500	208
B24	Postal Stamps	4,000	1,794	(2,206)	4,000	-1000	3,000	333
B25	Newspaper & Magazines	800	285	(515)	800	0	800	67
B26	Meeting Transport Allowances	19,000	8,043	(10,957)	15,000	0	15,000	1,583
B27	Lawyer's Fees	7,000		(7,000)	7,000	0	7,000	583
B28	Consultation Fees	10,000	3900	(6,100)	10,000	0	10,000	833
B29	Other Expenses	5,000	3,289	(1,711)	5,700	0	5,700	417
	<b>Total Variable Costs (Total VC)</b>	<b>124,600</b>	<b>66,804</b>	<b>(57,796)</b>	<b>120,600</b>	<b>7,000</b>	<b>127,600</b>	<b>10,383</b>
B31	<b>Total Admin &amp; General Expenses (Total)</b>	<b>450,450</b>	<b>377,750</b>	<b>(72,700)</b>	<b>450,350</b>		<b>456,700</b>	<b>37,538</b>
	% of Expenses over Income	117					115	117

**SGM SINGAPORE CO-OPERATIVE LTD**  
**Budget Estimation Report 2022/2023**  
**Income & Expenditure**

	C.Allocation Expenses	Estimation 2021(S\$)	Expenses 2021(S\$)	Surplus/(Deficit) 2020(S\$)	Estimated Expenses 2022(S\$)	Additional Provisions 2021(S\$)	Budget Expenditure 2023(S\$)
C3	Bad Debts	15,000		(15,000)	15,000	0	15,000
C4	Removal of Bad debts			0		0	
C5	Elimination of Investment	1,500		(1,500)	1,500	0	1,500
C6	Elimination of Investment in Subsidiaries	4,500		(4,500)	4,500	0	4,500
C7	Depreciation of Fixed Assets	30,000	30,037	37	30,000	5,000	35,000
				-		0	
C8	Honoraria Board of Directors	40,000			40,000		40,000
C9A	Depreciation of the investment prices	9,000	147	-8853	9,000	-	9,000
C9B	Depreciation of real estate market prices			0		-	
<b>C10</b>	<b>Total Allocation Expenses</b>	<b>100,000</b>	<b>30,184</b>	<b>(29,816)</b>	<b>100,000</b>	<b>5,000</b>	<b>105,000</b>

	D.Capital Expenditure	Budget Expenditure 2021(S\$)	Expenses 2021(S\$)	Surplus/(Deficit) 2020(S\$)	Estimated Expenses 2022(S\$)	Additional Provisions 2021(S\$)	Budget Expenditure 2023(S\$)
D1	Fixtures and Equipment	5,000		(5,000)	5,000	0	5,000
D2	Computer Systems and Maintenance	24,000		(24,000)	30,000	0	30,000
D3	Repairs	25,000		(25,000)	25,000	0	25,000
D4	Website	10,000		-10000	10,000	0	10,000
<b>D5</b>	<b>Total Capital Expenditure</b>	<b>64,000</b>	<b>0</b>	<b>-64000</b>	<b>70,000</b>	<b>0</b>	<b>70,000</b>

Prepared by: \_\_\_\_\_

Verified by: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Grand Total

407,934

## AGENDA 9: TO APPOINT 5 MEMBERS AS BOARD OF DIRECTORS FOR THE TERM 2022/2025

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The BODs who have ended their (3years) service are:

1. En A Rahman Bin Ibrahim (2019/2022)
2. A/P Rokzana Bibi Abdullah (2019/2022)
3. En Johari Mohd Rais (2019/2022)

NO	CANDIDATES	PROPOSER	SECONDER	TOTAL VOTES
1				
2				
3				
4				
5				

## **AGENDA 10: TO APPOINT EXTERNAL AUDITORS**

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**AGENDA 11: TO DISCUSS WRITTEN SUGGESTIONS RECEIVED  
BY SGM CHAIRMAN AT LEAST 7 DAYS BEFORE  
THE AGM**

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## 85<sup>TH</sup> AGM ENDS

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### APPRECIATION

Chairman, Members of the Board of Directors, Internal Audit Committee and all staff of Singapore Malay teachers' Co-operative Ltd wish to record sincere thanks to

- Mr Abdullah Tarmugi, Patron SGM Koperatif Berhad
- Mr Hawazi Daipi, President SGM Koperatif Berhad
- Registry of Co-operative Societies (ROCS)
- Singapore National Co-operative Federation (SNCF)
- Central Co-operative Fund (CCF)
- Members of SGM Koperatif Berhad and retired teachers who have been loyal to the organisation all these while.
- Central Pay office (CPO) and local banks
- National Institute of Education (NIE)
- External Auditors: Messrs Rohan. Mah & Partners
- All those who have given moral support, either individually or as an organisation to the Singapore Teachers' Co-operative Ltd.

# NOTICE OF SPECIAL BOARD OF DIRECTORS' MEETING 2022/2023

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To: Respected Members of the Board of Directors

Assalamualaikum Wr Wb

Sir/Madam

Please be informed that a Special Board of Directors Meeting for 2022/2023 will be made known after the 85<sup>th</sup> AGM.

## AGENDA

1. Speech by Chairman 2021/2022 and dissolutions of the Board of Directors/ Internal Audit Committee 2021/2022.
2. Appointment of Members of the Board of Directors 2022/2023
  - 2.1 One Chairman
  - 2.2 One Deputy Chairman 1
  - 2.3 One Deputy Chairman 2
  - 2.4 One Deputy Chairman 3
  - 2.5 One Chairman, Internal Audit Comm
  - 2.6 Two Members of the Internal Audit Committee 2022/2023
3. To appoint signatories to SGM, DKB, Murni & Little KidZ bank accounts
4. Any other Matters (if any)

Yours Sincerely

For and on behalf of

Board of Directors

Singapore Malay Teachers' Co-op Ltd

Idris Aziz Mattar

General Manager







**Syarikat Guru Melayu Singapura Koperatif Berhad**  
**SGM KOPERATIF BERHAD**

785, Geylang Road  
Singapore 389673

Tel: 6743 9595  
Fax: 6743 9559