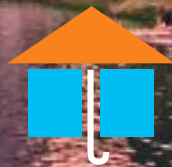


# ANNUAL REPORT 2024

*Singapore Mercantile  
Co-operative Society Ltd*



SAVE WITH YOUR TRUE FRIENDS

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

Block 86 Marine Parade Central #03-216,  
Singapore 440086

What You As A Member Should Know !!!

1. Registration of Society : The Society was registered on 18 December 1926.
2. Membership : is open to employees of commercial firms in Singapore. There should be a minimum of five employees from a commercial house before applications for membership is considered pending approval of check-off from the employer.
3. Management Committee : comprises of 13 members who serve on an honorary basis. Their collective decision is final in all matters.
4. Committee Meetings : are held regularly.
5. Capital : Subscription capital is \$29.2 million as at 31.12.2024.
6. Savings : are 2 types - one known as the subscription credit which represents a saving of a member that can be withdrawn upon cessation of membership and the other known as Specific Deposit Account which can be withdrawn at any time.
7. Loan : The maximum loan is \$20,000/- or 4 months' salary plus subscription credit whichever is the lower. Loans are governed by loan policies and based on necessities and merits.
8. Interest on Loans : is 1% on the balance outstanding monthly.
9. Repayment of Loan : are usually over a period of 24 months and this period is sometimes extended depending on the circumstances of each case and at the discretion of the Management Committee.
10. Termination of Membership : shall be on 6 months notice but this can be waived under extenuating circumstances at the sole discretion of the Management Committee.
11. Information : Channel any inquiries pertaining to the society at telephone 6348 5167 / 6348 5176. Such information will be sent by post to the member concerned. A Statement of Accounts as at 31 December each year is also forwarded to every member.

**Do Your Duty and Encourage Your Fellow  
Working Colleagues To Join The Society  
There Is Much To Gain And Nothing To Lose**

## **NOMINATION FOR MANAGEMENT COMMITTEE**

Nomination Forms to serve in the Management Committee are available at the Society's office Block 86, Marine Parade Central, #03-216, Singapore 440086. Any member desirous to be a candidate may request for a form from the Hon Secretary which, duly completed, should be forwarded to the Society in a sealed envelope marked:

## **NOMINATION FOR MANAGEMENT COMMITTEE**

The closing date for receiving nomination forms will not be later than 11.00am Thursday, 12 June 2025.

All nomination papers received will be opened at 11.30am on the same day at Block 86, Marine Parade Central, #03-216, Singapore 440086 in the presence of all members present.

# **SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED**

## **NOTICE OF 94<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE NINETY-FOURTH (94<sup>TH</sup>) ANNUAL GENERAL MEETING** of the Members of Singapore Mercantile Co-operative Society Limited will be held **at the Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard Suntec City, Room: Summit 1, Level 3, Singapore 039593 on Wednesday, June 25, 2025 at 6.45pm for the following purposes: -**

1. To confirm the Minutes of the 93<sup>rd</sup> Annual General Meeting held on 24 June 2024 – Pages 73 to 83
2. To receive the Report of the Committee of Management for the year ended 31 December 2024 – Pages 4 to 13
3. To adopt the Audited Financial Statements for the financial year ended 31 December 2024 – Pages 14 to 72
4. (i) To approve the appropriation of net surplus recommended in the Committee’s Report – Page 8  
(ii) To approve the payment of Honoraria (from January 2024 – June 2024) to Chairman, Vice-Chairman, Hon Secretary, Asst Hon Secretary, Hon Treasurer, Asst Hon Treasurer and Committee Members as shown in accordance with Section 64 (1) of the Co-operative Societies Act, (Cap 62)  
(iii) To approve the payment of \$13,200/- as allowances per month to the Committee of Management (Appendix 1) - Page 84
5. To consider and if approved, to adopt the Estimated Expenditure for 2026 (Appendix 1) – Page 84
6. To approve a borrowing limit of \$50 million from members’ deposit in accordance with Section 68 (2) of the Co-operative Societies Act, (Cap 62).
7. To write-off bad debts amounting to \$16,259.45
8. To adopt and approve, the following Resolution: -  
“That this General Meeting authorises the Society to deduct the sum of \$6/- from each member’s entitlement to the 2024 Dividend of which \$5/- is to be credited to the Common Good Fund (Benefit), and \$1/- to the Common General Purpose Fund in order to augment the financial position of the funds and that all members are bound by this resolution.”
9. To report the Restricted Investments and the Performance for the year ending 31 December 2024 (Appendix A1) – Page 85 to 87
10. To authorise the Committee of Management to appoint professional firms as Internal & External Auditors for the year 2025
11. To elect 4 members to serve on the Committee of Management.
12. To transact any other business of which at least three days’ notice in writing shall have been given to the Hon Secretary.

**By Order Of The Committee Of Management**

**Rathakrishnan s/o Sinnappan**  
**Hon Secretary**  
**Date: 04 June 2025**

## **COMMITTEE OF MANAGEMENT FOR 2024/2025**

<b>PRESIDENT</b>	:	Prof. Dr. Maurice Teo
<b>CHAIRMAN</b>	:	Mr Victor Pang Koon Seah PBM
<b>VICE CHAIRMAN</b>	:	Mr Chua Tian Teck
<b>HON SECRETARY</b>	:	Mr Rathakrishnan s/o Sinnappan
<b>ASST HON SECRETARY</b>	:	Mr Goviden Sathasivam (Appointed on 06/01/2025)
<b>HON TREASURER</b>	:	Mr Paul Ng Kim Seng
<b>ASST HON TREASURER</b>	:	Ms Joyce Goh Chui Buay
<b>COMMITTEE MEMBERS</b>	:	Mr Richard Kho Hock Guan
	:	Mr Vincent s/o Nallusamy
	:	Mr Haleem Khan Surattee
	:	Ms Aileen Chong Hui Yong
	:	Mr Ayub Khan Bin Malik Khan Surattee
	:	Mr Jumadi Bin Abdullah (Co-opted on 08/07/2024)
	:	Mr S Devendiran (Co-opted on 06/01/2025)
	:	Mr Gregory D' Silva (Deceased on 07/09/2024)
	:	Mr Poul Vincent s/o Perianayagam (Resigned on 01/07/2024)

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

Block 86 Marine Parade Central #03-216  
Singapore 440086

Dear Members

**Ninety-Fourth Annual Report**

Your Committee of Management takes pleasure in presenting its 94<sup>th</sup> Annual Report and the duly Audited Financial Statements for the year ending 31 December 2024.

The office bearers up to 23 June 2024 were as follows:-

President	:	Prof. Dr. Maurice Teo
Chairman	:	Mr Victor Pang Koon Seah PBM
Vice Chairman	:	Mr Chua Tian Teck
Hon Secretary	:	Mr Rathakrishnan s/o Sinnappan
Asst Hon Secretary	:	Mr Gregory D' Silva (Deceased on 07/09/2024)
Hon Treasurer	:	Mr Paul Ng Kim Seng
Asst Hon Treasurer	:	Ms Joyce Goh Chui Buay
Committee Members	:	Mr Richard Kho Hock Guan
	:	Mr Vincent s/o Nallusamy
	:	Mr Haleem Khan Suratee
	:	Mr Poul Vincent s/o Perianayagam (Resigned on 01/07/2024)
	:	Ms Aileen Chong Hui Yong
	:	Mr Goviden Sathasivam
	:	Mr Ayub Khan Bin Malik Khan Suratee

On the day of election held on 24 June 2024 the following were elected into the Management Committee for 2024/2025

Chairman	:	Mr Victor Pang Koon Seah PBM
Vice Chairman	:	Mr Chua Tian Teck
Hon Secretary	:	Mr Rathakrishnan s/o Sinnappan
Asst Hon Secretary	:	Mr Gregory D' Silva (Deceased on 07/09/2024)
Hon Treasurer	:	Mr Paul Ng Kim Seng
Asst Hon Treasurer	:	Ms Joyce Goh Chui Buay
Committee Members	:	Mr Richard Kho Hock Guan
	:	Mr Vincent s/o Nallusamy
	:	Mr Haleem Khan Suratee
	:	Ms Aileen Chong Hui Yong
	:	Mr Goviden Sathasivam
	:	Mr Ayub Khan Bin Malik Khan Suratee

## MEETINGS

1 Annual General Meeting and 22 Committee Meetings were held during 2024.

Attendance of Committee of Management:

Name	Position	No of Meeting	
		Held	Attended
Victor Pang Koon Seah	Chairman	22	18
Chua Tian Teck	Vice Chairman	22	21
Rathakrishnan s/o Sinnappan	Hon Secretary	22	16
Gregory D' Silva (Deceased on 07/09/2024)	Asst Hon Secretary	22	13
Paul Ng Kim Seng	Hon Treasurer	22	20
Joyce Goh Chui Buay	Asst Hon Treasurer	22	19
Richard Kho Hock Guan	Committee Member	22	18
Vincent s/o Nallusamy	Committee Member	22	20
Haleem Khan Suratee	Committee Member	22	18
Poul Vincent s/o Perianayagam (Resigned on 01/07/2024)	Committee Member	22	03
Aileen Chong Hui Yong	Committee Member	22	15
Goviden Sathasivam	Committee Member	22	16
Ayub Khan Bin Malik Khan Suratee	Committee Member	22	15
Jumadi Bin Abdullah (Appointed on 08/07/2024)	Committee Member	22	07

### Attendance of Investment Sub Committee Meeting

Name	Position	No of Meeting	
		Held	Attended
Victor Pang Koon Seah	Chairman	2	2
Chua Tian Teck	Member	2	1
Rathakrishnan s/o Sinnappan	Member	2	2
Gregory D' Silva (Deceased on 07/09/2024)	Member	2	2
Paul Ng Kim Seng	Member	2	2
Richard Kho Hock Guan	Member	2	2
Vincent s/o Nallusamy	Member	2	2
Haleem Khan Suratee	Member	2	2
Joyce Goh Chui Buay	Member	2	2

### Attendance of Audit Sub Committee Meeting

Name	Position	No of Meeting	
		Held	Attended
Goviden Sathasivam	Chairman	1	1
Aileen Chong Hui Yong	Member	1	-
Joyce Goh Chui Buay	Member	1	1
John Tham Ming Cheong	Member	1	-

During the year, the Audit Sub Committee suggest to have 2-level authentication in the system for the update of member's bank details.

## MEMBERSHIP

The total number of members as at 31.12.2024 is 3104.

## SUBSCRIPTION CAPITAL AND SPECIFIC DEPOSIT

The Subscription Capital of the Society standing as at 31.12.24 as compared with the previous years are as follows:

	2024	2023	2022
Subscription	\$29,204,458	\$28,898,686	\$29,072,176
Specific Deposit	13,037,569	13,051,013	13,763,484

## LOANS

Loan during the year totalled \$5,244,341 on 31 December 2024 as against \$5,315,447 on 31 December 2023.

Schedule of Loans	No	2024	No	2023
		Amount S\$		Amount S\$
Funeral	-	-	-	-
Education	1	10,000	2	9,500
Maternity	-	-	-	-
Dental	-	-	-	-
Medical	-	-	1	2,000
Housing	-	-	-	-
Household Effects	494	2,432,850	531	2,512,400
Leave & Passage	31	160,100	50	268,970
Marriage	-	-	2	22,000
Removal	-	-	-	-
Miscellaneous	5	59,000	6	23,500
	<u>531</u>	<u>2,661,950</u>	<u>592</u>	<u>2,838,370</u>
Old Loans		5,315,447		5,325,180
adjusted by new loan	531	7,977,397	592	8,163,550
	<u>531</u>	<u>5,244,341</u>	<u>592</u>	<u>5,315,447</u>

## INVESTMENTS

Fixed deposits with various Banks and other investments as at 31 December 2024 amounted to \$42,391,462/-

## **MLA & CAR**

In 2024, Our Co-op maintained a Minimum Liquid Asset of 42.9% and Capital Adequacy Ratio of 13.9%.

## **GENERAL RESERVE FUND**

The general reserve fund as at 31 December 2024 stood at \$5,153,548/-

## **NET SURPLUS**

The net surplus for the year ending 31 December 2024 was \$2,134,285/- compared with \$3,066,270/- for the previous year. The Committee recommends the appropriation of the surplus as follows: -

Payment of Dividend at 4.25% on Subscription @ Dec '24      \$ 1,241,200

Transfer to:

1. Common Good Fund (Benefits)	150,000
2. Scholarship Fund	80,000
3. Contingency Fund	150,000
4. Central Co-operative Fund	245,417
5. Centenary Fund	100,000
6. Honorarium (January 2024 – June 2024)	70,000
7. Surplus after appropriations	97,668

## **DIVIDEND**

The Dividend shall be paid to all members within three months from the date of declaration. All dividend not claimed shall be transferred to Sundry Account. Such amounts standing to the credit of members in the Sundry Account shall not accrue interests. Prescribed application forms for dividend will be available at the Society's office. Dividend payment will be paid via Interbank GIRO.

## **SOCIETY'S SCHOLARSHIP AWARD**

Presentation of Society's Scholarship was made by the Guest-of-Honour Prof. Dr. Maurice Teo at the Society's office on 28/09/2024.

The Breakdown of the awards is listed below:-

	<u>No of Grants</u>	<u>S\$ Amount Paid</u>
University	6	3,600
GCE 'A' Level	4	1,000
GCE 'O' Level	3	600
PSLE	27	2,700
	<hr/> <u>40</u>	<hr/> <u>7,900</u>

## **BENEFITS**

A total of 256 members benefited from the Common Good Fund (Benefits) Scheme. The breakdown of the claims is as follows: -

<u>Benefit Scheme</u>	<u>No of Claims</u>	<u>S\$ Total Amount Paid</u>
Funeral	51	7,650
Member's Death	05	2,500
Hospitalisation	28	1,120
Retirement	172	164,000
	<hr/> <u>256</u>	<hr/> <u>175,270</u>

## **SUB – COMMITTEES**

Various Sub-Committees with specific duties served during the year 2024/2025.

1. Loan Sub-Committee comprises five members as follows:

Chairman: Mr Chua Tian Teck  
Members: Mr Victor Pang Koon Seah PBM  
Mr Paul Ng Kim Seng  
Mr Vincent s/o Nallusamy  
Mr Haleem Khan Suratee

Loan Sub-Committee whose functions are to carefully scrutinize the loan papers before approving them subject to the concurrence of the Management Committee.

2. Communication and Publicity Sub-Committee comprises as follows:

Chairman: Mr Gregory D' Silva (Deceased on 07/09/2024)  
Chairman: Mr Jumadi Bin Abdullah (Appointed on 07/04/2025)

Communication and Publicity Sub-Committee whose functions are to issue the Society's newsletter periodically concerning the Society's activities. As a result, members are aware of the Society's activities and benefits, etc.

3. Welfare Sub-Committee comprises three members as follows:

Chairman: Mr Haleem Khan Suratee  
Members: Mr Chua Tian Teck  
Mr Vincent s/o Nallusamy

Welfare Sub-Committee whose functions are to review the administrative policy and rules governing grants made under the Common Good Fund which is to provide reliefs and grants to the members of the Society.

4. Education Sub-Committee comprises five members as follows:

Chairman: Mr Paul Ng Kim Seng  
Members: Mr Chua Tian Teck  
Mr Gregory D' Silva (Deceased on 07/09/2024)  
Mr Govinden Sathasivam  
Mr Ayub Khan Bin Malik Khan Suratee

Education Sub-Committee whose functions are to scrutinize application for scholarship grants and to determine their eligibility.

## SUB – COMMITTEES

5. Disciplinary Sub-Committee comprises of three members as follows:

Chairman: Mr Govinden Sathasivam  
Members: Mr Rathakrishnan s/o Sinnappan  
Mr Paul Ng Kim Seng

Disciplinary Sub-Committee whose functions are to conduct disciplinary inquiries and to make recommendations to the Management Committee.

6. Investment Sub-Committee comprises ten members as follows:

Chairman: Mr Victor Pang Koon Seah PBM  
Members: Prof. Dr. Maurice Teo  
Mr Chua Tian Teck  
Mr Rathakrishnan s/o Sinnappan  
Mr Gregory D' Silva (Deceased on 07/09/2024)  
Mr Paul Ng Kim Seng  
Mr Richard Kho Hock Guan  
Mr Vincent s/o Nallusamy  
Mr Haleem Khan Suratee  
Ms Joyce Goh Chui Buay

Investment Sub-Committee whose functions are to assist the Management Committee in reviewing investment policies, strategies, transactions and performance of the Society's investments and capital expenditure.

7. Amendment of By-Laws Sub-Committee comprises four members as follows:

Chairman: Mr Rathakrishnan s/o Sinnappan  
Members: Mr Gregory D' Silva (Deceased on 07/09/2024)  
Mr Paul Ng Kim Seng  
Mr Govinden Sathasivam

Amendment of By-Laws Sub-Committee whose functions are to propose on the amendment of administrative policies and rules of the Society subject to the approval of the Registry of Co-operative Societies and general members of the Society.

8. Chairman Remuneration Sub-Committee comprises of three members as follows:

Chairman: Mr Rathakrishnan s/o Sinnappan  
Members: Mr Chua Tian Teck  
Mr Paul Ng Kim Seng

Remuneration Sub-Committee whose functions are to review the appropriateness, transparency and accountability related to Society's matters in accordance to address key aspects of Corporate Governance.

## SUB – COMMITTEES

9. Chairman Audit Sub Committee comprises of four members as follows:

Chairman: Mr Goviden Sathasivam  
Members: Ms Aileen Chong Hui Yong  
Ms Joyce Goh Chui Buay  
Mr John Tham Ming Cheong

Audit Sub Committee whose functions are to review the financial statements, the internal and external audit plans and audit reports, the external auditors' evaluation of the system of internal accounting controls, the scope and results of the internal audit procedures, independence and objectivity of the external auditors and interested person transactions in consistent with the Code of Corporate Governance.

10. Chairman Loan Default Sub-Committee comprises of ten members as follows:

Chairman: Mr Paul Ng Kim Seng  
Members: Mr Victor Pang Koon Seah (Adviser)  
Mr Chua Tian Teck  
Mr Gregory D' Silva (Deceased on 07/09/2024)  
Mr Goviden Sathasivam  
Ms Joyce Goh Chui Buay  
Ms Cheng Siew Juan  
Ms Wu Jie  
Ms R Usha Rani  
Ms Jeslyn Goh Kwee Moi

Loan Default Sub Committee whose functions are to recommend to the Management Committee on matters relating to recovery of loans, give borrowers notification of loan status from time to time, monitor repayment of loan of borrowers and in case of defaulters to consider and take appropriate action.

11. Membership Recruitment Sub-Committee comprises of five members as follows:

Chairman: Mr Goviden Sathasivam  
Members: Mr Haleem Khan Suratee  
Ms Aileen Chong Hui Yong  
Mr Ayub Khan Bin Malik Khan Suratee  
Mr Muthan Selvam (Co-op Rep)

Membership Recruitment Sub-Committee whose functions are to recruit members through recruitment exercise. Promoting awareness of the resources, services and membership benefits.

## **APPRECIATION**

The Management Committee wishes to record its appreciation to:

1. All Employers for assisting in the collection of monthly dues.
2. The Registrar of Co-operative Societies and members of his staff for their advice.
3. Fellow Co-operative Societies for their support.
4. Our President for his guidance.
5. Members of the respective Sub-Committees and Co-operative Representatives for their voluntary services.
6. Members of the staff for their loyalty and devotion to work.

**For and on behalf of the  
Committee of Management**

**(Signed)  
Rathakrishnan s/o Sinnappan  
Hon Secretary**

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**STATEMENT BY MANAGEMENT COMMITTEE**

On behalf of Management Committee, we, Victor Pang Koon Seah, Rathakrishnan s/o Sinnappan and Paul Ng Kim Seng, being the Chairman, Honorary Secretary and Honorary Treasurer of Singapore Mercantile Co-operative Society Limited (the “Society”) respectively, do hereby state that in our opinion:

- (a) the financial statements of the Society as set out on pages 21 to 72 are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979 (the “Act”) and Financial Reporting Standards in Singapore (“FRS”) so as to give a true and fair view of the financial position of the Society as at 31 December 2024 and of the financial performance, changes in members’ funds and cash flows of the Society for the financial year then ended;
- (b) proper accounting and other records have been kept by the Society;
- (c) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due; and
- (d) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Society have been carried out in accordance with the By-laws of the Society and the provisions of the Co-operative Societies Act 1979.

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Victor Pang Koon Seah PBM  
Chairman

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Rathakrishnan s/o Sinnappan  
Honorary Secretary

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Paul Ng Kim Seng  
Honorary Treasurer

2 June 2025

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED**

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

***Qualified Opinion***

We have audited the accompanying financial statements of Singapore Mercantile Co-operative Society Limited (the "Society") as set out on pages 6 to 39, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements of the Society are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as give a true and fair view of the financial position of the Society as at 31 December 2024 and of the financial performance, changes in members' funds and cash flows of the Society for the year ended on that date.

***Basis for Qualified Opinion***

Included in financial assets, at fair value through profit or loss ("FVTPL") as at 31 December 2024 is an investment in unquoted equity instrument which is stated at cost of \$2,140,350 (2023: \$2,140,350) (Note 8). This is not in accordance with the requirements of *Financial Reporting Standard ("FRS") 109 Financial Instruments* which requires financial assets, at FVTPL to be measured at their fair values. In the absence of further information, we were unable to determine whether any adjustment is required in respect of the carrying value of the financial assets, at FVTPL and the related elements in the financial statements, including the contribution to the Central Co-operative Fund (Note 16) for the financial year ended 31 December 2024.

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 Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics*

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED (cont’d)**

**Report on the Audit of the Financial Statements (cont’d)**

*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 qualified opinion.

***Other Information***

The Management Committee is responsible for the other information. The other information obtained at the date of the auditor’s report is the Statement by Management Committee as set out on page 14.

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 identified above 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 on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

*Responsibilities of Management Committee and Those Charged with Governance  
for the Financial Statements (cont'd)*

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

Those charged with governance are responsible for overseeing the Society'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.

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

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

- 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee'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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED (cont'd)**

**Report on Other Legal and Regulatory Requirements**

***Qualified Opinion***

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report,

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

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

***Responsibilities of the Management Committee for Compliance with Legal and Regulatory Requirements***

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
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**(Registered under the Co-operative Societies Act, Cap. 62)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED (cont'd)**

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

*Auditor's Responsibilities for the Compliance Audit*

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

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

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

2 June 2025

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
(Registered under the Co-operative Societies Act, Cap. 62)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	General fund 2024 \$	Other funds 2024 \$	Total funds 2024 \$	Total funds 2023 \$
<b>Income</b>					
Dividend income		349,534	-	349,534	362,341
Donation		-	4,320	4,320	4,000
Entrance fee		720	-	720	461
Interest income from financial assets		449,816	-	449,816	408,622
Interest income from fixed deposits		607,807	-	607,807	445,609
Interest income from loans to members		647,457	-	647,457	662,842
Rental income		115,447	-	115,447	121,100
Sundry income		21,743	-	21,743	94,825
Amortisation of premium on loans to members	18	77,031	-	77,031	80,571
Government grants		7,464	-	7,464	6,294
Gain on disposal of financial assets at fair value through profit or loss		-	-	-	2,036,000
Fair value gain with respect to financial assets at FVTPL	8	651,180	-	651,180	190,178
Bad debts recovered		948	-	948	2,509
Gain on termination of lease		2,067	-	2,067	-
Overprovision of Central Co-operative Fund Contribution	16	443,267	-	443,267	-
<b>Total income</b>		<b>3,374,481</b>	<b>4,320</b>	<b>3,378,801</b>	<b>4,415,352</b>

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

**SINGAPORE MERCANTILE CO-OPERATIVE SOCIETY LIMITED**  
(Registered under the Co-operative Societies Act, Cap. 62)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (cont'd)**

	Note	General fund 2024 \$	Other funds 2024 \$	Total funds 2024 \$	Total funds 2023 \$
<b>Expenditure</b>					
Depreciation expenses	4	(144,107)	-	(144,107)	(146,133)
Net impairment losses on receivables	4 (a)	(16,259)	-	(16,259)	(27,435)
Finance costs	4 (b)	(258,907)	-	(258,907)	(133,767)
Employees benefit expenses	4 (c)	(320,342)	-	(320,342)	(269,264)
Other expenditure	4 (d)	(500,581)	(209,938)	(710,519)	(952,820)
	4 (e)				
<b>Surplus/(deficit) before contributions</b>		<b>2,134,285</b>	<b>(205,618)</b>	<b>1,928,667</b>	<b>2,885,933</b>
<b>Contributions to:</b>					
Proposed honorarium	15	(8,982)	-	(8,982)	-
- provision in prior year		(61,018)	-	(61,018)	(140,000)
- current year		(245,417)	-	(245,417)	(538,254)
Central Co-operative Fund	16	(315,417)	-	(315,417)	(678,254)
		<b>1,818,868</b>	<b>(205,618)</b>	<b>1,613,250</b>	<b>2,207,679</b>
<b>Surplus/(deficit) for the financial year</b>					
<b>Other comprehensive income:</b>					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Financial assets at fair value through other comprehensive income					
- Fair value (loss)/gain	22	(18,475)	-	(18,475)	886,384
- Reclassifications	22	22,057	-	22,057	351,132
		<b>3,582</b>	<b>-</b>	<b>3,582</b>	<b>1,237,516</b>
<b>Total comprehensive income/(loss) for the financial year</b>		<b>1,822,450</b>	<b>(205,618)</b>	<b>1,616,832</b>	<b>3,445,195</b>

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
(Registered under the Co-operative Societies Act, Cap. 62)

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
<b>Non-current assets</b>			
Investment property	5	3,919,174	4,014,763
Plant and equipment	6	5,800	7,638
Right-of-use assets	7	137,916	35,952
Financial assets at fair value through profit or loss	8	9,825,205	11,985,396
Financial assets at fair value through other comprehensive income	9	16,165,092	15,719,667
Loans made to members	10	2,933,036	2,970,428
Intangible asset	11	-	-
<b>Total non-current assets</b>		<b>32,986,223</b>	<b>34,733,844</b>
<b>Current assets</b>			
Financial assets at fair value through other comprehensive income	9	1,348,313	747,113
Loans made to members	10	2,311,305	2,345,019
Other receivables	12	482,714	310,874
Amounts due from members	13	16,381	24,711
Cash and cash equivalents	14	15,979,110	14,288,025
Central Co-operative Fund	16	161,783	-
<b>Total current assets</b>		<b>20,299,606</b>	<b>17,715,742</b>
<b>Total assets</b>		<b>53,285,829</b>	<b>52,449,586</b>
<b>Non-current liabilities</b>			
Lease liabilities	7	94,010	3,113
<b>Current liabilities</b>			
Other payables	15	2,176,698	1,660,657
Lease liabilities	7	44,127	36,691
Central Co-operative Fund	16	-	538,254
Specific deposits account	17	13,037,569	13,051,013
Deferred income	18	348,774	338,897
<b>Total current liabilities</b>		<b>15,607,168</b>	<b>15,625,512</b>
<b>Total liabilities</b>		<b>15,701,178</b>	<b>15,628,625</b>
<b>Net assets</b>		<b>37,584,651</b>	<b>36,820,961</b>
<b>Members' funds and reserve</b>			
Subscription capital	19	29,204,458	28,898,686
General reserve fund	20	5,153,548	5,153,548
Other funds	21	2,060,412	1,757,638
Unappropriated surplus		2,226,776	2,075,214
Fair value reserve	22	(1,060,543)	(1,064,125)
<b>Total funds</b>		<b>37,584,651</b>	<b>36,820,961</b>

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
(Registered under the Co-operative Societies Act, Cap. 62)

**STATEMENT OF CHANGES IN MEMBERS' FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Subscription capital \$	General reserve fund \$	Other funds \$	Unappropriated surplus \$	Fair value reserve \$	Total funds \$
<b>2024</b>						
Balance at 1 January 2024	28,898,686	5,153,548	1,757,638	2,075,214	(1,064,125)	36,820,961
Subscriptions received and receivable	2,135,680	-	-	-	-	2,135,680
Withdrawals	(1,829,908)	-	-	-	-	(1,829,908)
Surplus/(deficit) for the financial year before contributions	-	-	(205,618)	2,134,285	-	1,928,667
Other comprehensive income: Fair value loss on financial assets at FVOCI (Note 9)	-	-	-	-	(18,475)	(18,475)
Reclassification adjustment on financial assets at FVOCI (Note 4)	-	-	-	-	22,057	22,057
Other comprehensive income for the financial year, net of tax	-	-	-	-	3,582	3,582
Total comprehensive (loss)/income for the financial year	-	-	(205,618)	2,134,285	3,582	1,932,249
Appropriation of fund	-	-	488,982	(795,417)	-	(306,435)
Dividend paid (Note 23)	-	-	19,410	(1,187,306)	-	(1,167,896)
<b>Balance at 31 December 2024</b>	<b>29,204,458</b>	<b>5,153,548</b>	<b>2,060,412</b>	<b>2,226,776</b>	<b>(1,060,543)</b>	<b>37,584,651</b>

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
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**(Registered under the Co-operative Societies Act, Cap. 62)**

**STATEMENT OF CHANGES IN MEMBERS' FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Subscription capital \$	General reserve fund \$	Other funds \$	Unappropriated surplus \$	Fair value reserve \$	Total funds \$
2023						
Balance at 1 January 2023	29,072,176	5,153,548	1,037,975	587,198	(2,301,641)	33,549,256
Subscriptions received and receivable	2,196,607	-	-	-	-	2,196,607
Withdrawals	(2,370,097)	-	-	-	-	(2,370,097)
Surplus/(deficit) for the financial year before contributions	-	-	(180,337)	3,066,270	-	2,885,933
Other comprehensive income: Fair value gain on financial assets at FVOCI (Note 9)	-	-	-	-	886,384	886,384
Reclassification adjustment on financial assets at FVOCI (Note 4)	-	-	-	-	351,132	351,132
Other comprehensive income for the financial year, net of tax	-	-	-	-	1,237,516	1,237,516
Total comprehensive (loss)/income for the financial year	-	-	(180,337)	3,066,270	1,237,516	4,123,449
Appropriation of fund	-	-	900,000	(1,578,254)	-	(678,254)
Balance at 31 December 2023	28,898,686	5,153,548	1,757,638	2,075,214	(1,064,125)	36,820,961

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
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**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Surplus before contributions		1,928,667	2,885,933
Adjustments for:			
Amortisation of premium on loans to members	18	(77,031)	(80,571)
Bad debts written off for loan to members	4 (b)	16,259	27,435
Depreciation of investment property	5	95,589	95,590
Depreciation of plant and equipment	6	2,336	4,443
Depreciation of right-of-use assets	7	46,182	46,100
Gain on termination of lease	7	(2,067)	–
Plant and equipment written off	6	–	21
Dividend income		(349,534)	(362,341)
Fair value gain with respect to financial assets at FVTPL	8	(651,180)	(190,178)
Gain on disposal of financial assets at fair value through profit or loss		–	(2,036,000)
Loss on disposal of financial assets at FVOCI	4 (e)	22,057	351,132
Interest income		(1,705,080)	(1,517,073)
Interest on specific deposits	17	256,158	130,556
Interest on lease liabilities	7	2,749	3,211
Overprovision of Central Co-operative Fund contribution		(443,267)	–
Deficit before movements in working capital		(858,162)	(641,742)
Amounts due from members		7,053	2,471
Other receivables		3,822	(22)
Other payables		23,158	(83,825)
Deferred income		70,649	70,011
Specific deposits account		(13,444)	(712,471)
Cash used in operations		(766,924)	(1,365,578)
Interest received		1,530,695	1,310,344
Interest on specific deposits paid		(256,158)	(130,556)
Payments to Central Co-operative Fund	16	(502,187)	–
<b>Net cash generated from/(used in) operating activities</b>		<b>5,426</b>	<b>(185,790)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of financial assets at FVTPL		7,435,031	7,412,298
Proceeds from redemption of financial assets at FVOCI		740,700	5,735,976
Purchase of plant and equipment		(498)	(6,909)
Purchase of financial assets at FVTPL	8	(4,623,660)	(5,051,875)
Purchase of financial assets at FVOCI	9	(1,805,800)	(4,050,900)
Repayment from members on loans granted	10	2,609,844	2,850,966
Loans made to members	10	(2,538,738)	(2,841,233)
Dividend received		349,534	362,341
<b>Net cash generated from investing activities</b>		<b>2,166,413</b>	<b>4,410,664</b>

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
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**STATEMENT OF CASH FLOWS (cont'd)**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 \$	2023 \$
<b>Cash flows from financing activities</b>			
Dividend paid to members	23	(736,031)	(237,457)
Repayment of lease liabilities	7	(47,746)	(46,659)
Interest on lease liabilities paid	7	(2,749)	(3,211)
Net increase/(decrease) in subscription capital		<b>305,772</b>	(173,490)
<b>Net cash used in financing activities</b>		<b>(480,754)</b>	(460,817)
<b>Net increase in cash and cash equivalents</b>			
		<b>1,691,085</b>	3,764,057
Cash and cash equivalents at beginning of the financial year		<b>14,288,025</b>	10,523,968
<b>Cash and cash equivalents at end of the financial year</b>	14	<b>15,979,110</b>	14,288,025

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

**SINGAPORE MERCANTILE CO-OPERATIVE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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

**1 General information**

Singapore Mercantile Co-operative Society Limited (the “Society”) is incorporated and domiciled in Singapore. The registered office is located at Block 86 Marine Parade Central, #03-216, Singapore 440086.

The principal activities of the Society are to promote co-operation and self help, to encourage thrift, to receive deposits from members, to prevent permanent indebtedness of its members by enabling them to obtain loans at reasonable terms, to assist members in reducing the cost of living and improving their economic position; and to undertake any co-operative venture or project subject to the approval of the registrar and members of the Society.

**2 Material accounting policies**

**(a) Basis of preparation**

The financial statements, expressed in Singapore dollar (“\$”), which is the Society’s functional currency, have been prepared in accordance with the provisions of the Co-operative Societies Act 1979 (the “Act”) and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the following accounting policies.

The preparation of financial statements in conformity with FRSs requires the use of 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 Committee’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(a) Basis of preparation (cont'd)**

*Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

*New and revised standards that are adopted*

In the current financial year, the Society has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Society.

*New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the date of the statement of financial position but are not yet effective for the financial year ended 31 December 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society except as disclosed below:

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(a) Basis of preparation (cont'd)**

**FRS 118 Presentation and Disclosure in Financial Statements**

FRS 118 will replace FRS 1 *Presentation of Financial Statements* for annual reporting period beginning on or after 1 January 2027, with earlier application permitted. It requires retrospective application with specific transition provisions.

The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present subtotals and totals for “operating profit”, “profit or loss before financing and income taxes”, and “profit or loss” in the statement of profit or loss.
- Management-defined performance measures (“MPMs”) are disclosed in a single note within the financial statements. This note includes details on how the measure is calculated, the relevance of the information provided to users, and a reconciliation to the most comparable subtotal specified by the FRSs.
- Enhanced guidance on aggregating and disaggregating information in financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Society is in the process of assessing the impact of the new standard on the primary financial statements and notes to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(b) Plant and equipment**

Depreciation is calculated on a straight-line basis to allocate the depreciable amount of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	<b>Years</b>
Computer equipment	3
Office equipment	5
Furniture and fittings	10
Air-conditioners	5

**(c) Investment property**

Investment property is property that is owned by the Society that is held to earn rentals or for capital appreciation, or both. Investment property comprised completed investment property.

Investment properties are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis to allocate the depreciable amount of investment property over the estimated useful life of 50 years.

**(d) Financial assets**

***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(d) Financial assets (cont'd)**

*Recognition and derecognition (cont'd)*

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition.

Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

*Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Society classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVTPL”).

The classification is based on the Society’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Society reclassifies financial assets when and only when its business model for managing those assets changes.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(d) Financial assets (cont'd)**

*Classification and measurement (cont'd)*

The Society's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

*Subsequent measurement*

Debt instruments

Debt instruments include cash and cash equivalents, loans made to members, other receivables (excluding prepayments) and amounts due from members. These are subsequently measured at amortised cost based on the Society's business model for managing the asset and cash flow characteristics of the asset.

The Society measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(d) Financial assets (cont'd)**

*Subsequent measurement (cont'd)*

*Debt instruments (cont'd)*

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

*Fair value through other comprehensive income (“FVOCI”)*

The Society measures debts instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in fair values for debts instruments at FVOCI are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and presented in “income/expenditure”. Interest income from these financial assets is recognised in profit or loss using the EIR method.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**2 Material accounting policies (cont'd)**

**(d) Financial assets (cont'd)**

*Subsequent measurement (cont'd)*

*Fair value through other comprehensive income ("FVOCI") (cont'd)*

Equity instruments

The Society subsequently measures all its equity investment at their fair values. Equity investments are classified at FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "statement of comprehensive income". For equity investments which are not held for trading, the Society has not make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

Collective Investment Fund

The Society classifies its investment in co-operative fund that does not meet the definition of an equity instrument and does not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding as financial asset measured at fair value through profit or loss ("FVTPL") with movements in their fair values and dividend income recognised in profit or loss in the period in which they arise. On disposal, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss

***Impairment***

The Society recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost and debt instruments at FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

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**2 Material accounting policies (cont'd)**

**(d) Financial assets (cont'd)**

*Impairment (cont'd)*

The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a “lifetime ECL”).

The Society recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**(e) Financial liabilities**

Financial liabilities include other payables, Central Co-operative Fund and specific deposits account which are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

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**2 Material accounting policies (cont'd)**

**(f) Revenue recognition**

The Society provides both secured loan and unsecured loan to its members at a reasonable interest rates to its members with a repayment period of 18 to 40 months. Interest income from loans to members is computed at 1.00% per month payable on the amount of principal sum that remains unpaid. Interest on loans granted after the 15th day of each month is computed at 0.5% for that month. Loan premium will be collected in advance and amortised over the repayment period.

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

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

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Income and expenditure relating to the various reserve funds specifically set up are taken directly to these funds.

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**3 Key sources of estimation uncertainty**

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

*Fair value estimation of unquoted investment in co-operative funds*

As disclosed in Note 8, the investments in co-operative funds of S\$209,543 (2023: \$2,349,893), that are not quoted in an active market are recorded at par value in the statement of financial position as at 31 December 2024. The Society, as a shareholder was only entitled to redeem their shares at the par value of each investment or the net asset value (“NAV”) based on the last audited financial statements, whichever is lower. NAV was computed in accordance with the Act.

The management determined the par value of the investment in co-operative fund at its initial recognition as its fair value.

*Expected credit loss on loans to members*

Management Committee establishes impairment loss on loans to members on a case-by-case basis when it believes that payment of amounts owed is unlikely to occur. In establishing these allowances, Management Committee considers its historical experience and changes to its members’ financial positions. If the financial conditions of loans to members were to deteriorate, resulting in impairment of their ability to make the required payments, allowances may be required. The carrying amount of loans to members as at 31 December 2024 and 31 December 2023 is disclosed in Note 10.

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**4 Expenditure**

**(a) Depreciation expenses**

	<b>General fund 2024 \$</b>	<b>Other funds 2024 \$</b>	<b>Total funds 2024 \$</b>	<b>Total fund 2023 \$</b>
Depreciation expenses of				
- Investment property (Note 5)	<b>95,589</b>	-	<b>95,589</b>	95,590
- Plant and equipment (Note 6)	<b>2,336</b>	-	<b>2,336</b>	4,443
- Right-of-use assets (Note 7)	<b>46,182</b>	-	<b>46,182</b>	46,100
	<b>144,107</b>	-	<b>144,107</b>	146,133

**(b) Net impairment losses on receivables**

	<b>General fund 2024 \$</b>	<b>Other funds 2024 \$</b>	<b>Total funds 2024 \$</b>	<b>Total fund 2023 \$</b>
Bad debts written off for loan to members (Note 18)	<b>16,259</b>	-	<b>16,259</b>	27,435

**(c) Finance costs**

	<b>General fund 2024 \$</b>	<b>Other funds 2024 \$</b>	<b>Total funds 2024 \$</b>	<b>Total fund 2023 \$</b>
Interest expenses:				
- Lease liabilities (Note 7)	<b>2,749</b>	-	<b>2,749</b>	3,211
- Specific deposits (Note 17)	<b>256,158</b>	-	<b>256,158</b>	130,556
	<b>258,907</b>	-	<b>258,907</b>	133,767

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**4 Expenditure (cont'd)**

**(d) Employees benefit expenses**

	<b>General fund 2024 \$</b>	<b>Other funds 2024 \$</b>	<b>Total funds 2024 \$</b>	<b>Total fund 2023 \$</b>
Salaries and bonus	271,017	–	271,017	229,921
CPF	35,423	–	35,423	28,188
Skill development levy	529	–	529	469
Staff function	13,373	–	13,373	10,686
	<b>320,342</b>	<b>–</b>	<b>320,342</b>	<b>269,264</b>

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**4 Expenditure (cont'd)**

**(e) Other expenditure**

	<b>General fund 2024 \$</b>	<b>Other funds 2024 \$</b>	<b>Total funds 2024 \$</b>	<b>Total fund 2023 \$</b>
Affiliation fee	605	–	605	857
Annual general meeting expenses	41,001	–	41,001	11,038
Auditor's remuneration	17,000	–	17,000	17,000
Benefit claims	–	174,970	174,970	151,800
Committee fixed allowance	74,500	–	74,500	–
Co-operative seminar expenses	30,748	–	30,748	11,191
Co-operative education & training fund	–	1,785	1,785	240
General expenses	59,141	–	59,141	70,788
Insurance	9,546	–	9,546	13,261
Internal audit fee				
- Current year	7,920	–	7,920	7,920
- Overprovision in prior years	(30,000)	–	(30,000)	–
Internet expenses	1,962	–	1,962	809
IT expenses	115,764	661	116,425	114,048
Loss on disposal of financial assets at FVOCI (Note 22)	22,057	–	22,057	351,132
Medical fee	746	–	746	677
Office cleaning expenses	3,420	–	3,420	4,380
Office rental	5,860	–	5,860	5,483
Overseas seminar and expenses	43,520	–	43,520	54,915
Professional & legal fees	–	–	–	242
Postage and telephone charges	3,993	–	3,993	2,588
Printing and stationery	4,685	–	4,685	7,263
Property tax	12,697	–	12,697	14,832
Refreshment	4,075	–	4,075	4,997
Repairs and maintenance	2,146	4,142	6,288	2,038
Scholarship expenses	–	24,980	24,980	32,297
Service charges	10,856	–	10,856	10,751
Staff long service award	–	3,400	3,400	–
Transport expenses	53,130	–	53,130	57,500
Water and electricity	5,209	–	5,209	4,773
	<b>500,581</b>	<b>209,938</b>	<b>710,519</b>	<b>952,820</b>

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**5 Investment property**

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Cost</b>		
At beginning and end of the year	<b>4,779,480</b>	4,779,480
<b>Accumulated depreciation</b>		
At beginning of the year	<b>764,717</b>	669,127
Depreciation charge	<b>95,589</b>	95,590
At end of the year	<b>860,306</b>	764,717
<b>Net carrying value</b>		
At end of the year	<b>3,919,174</b>	4,014,763

The property rental income earned by the Society from its investment property, which is leased out under operating lease, amounted to \$115,447 (2023: \$121,100). Direct operating expenses arising from the investment property for the financial year amounted to \$13,570 (2023: \$15,696).

Based on the property valuation performed by Newmark Real Estate Singapore Pte Ltd (2023: Roma Appraisals Limited), an external professional valuer, the fair value of the investment property is \$6,200,000 (2023: \$4,400,000). The fair value was determined based on the direct sale comparison with recent transactions of similar properties around the vicinity and elsewhere with appropriate adjustments made between the comparable and subject properties to reflect the differences in size, tenure, location, condition, zoning, prevailing market conditions and all other relevant factors affecting its value. The fair value measurement is categorised in the Level 3 of the fair value hierarchy (Note 26). The significant unobservable inputs used in the valuation model is the selling price per square foot of \$2,399 (2023: \$1,928). Any significant isolated increases/(decreases) in the selling price per square foot will result in a significantly higher/(lower) fair value measurement.

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**6 Plant and equipment**

	Computer equipment \$	Office equipment \$	Furniture and fittings \$	Air- conditioners \$	Total \$
<b>2024</b>					
<b>Cost</b>					
At 1 January 2024	23,902	3,535	93,518	11,520	132,475
Additions	498	–	–	–	498
As 31 December 2024	<b>24,400</b>	<b>3,535</b>	<b>93,518</b>	<b>11,520</b>	<b>132,973</b>
<b>Accumulated depreciation</b>					
At 1 January 2024	23,894	1,791	90,770	8,382	124,837
Depreciation charge	69	361	1,196	710	2,336
At 31 December 2024	<b>23,963</b>	<b>2,152</b>	<b>91,966</b>	<b>9,092</b>	<b>127,173</b>
<b>Net carrying amount</b> At 31 December 2024	<b>437</b>	<b>1,383</b>	<b>1,552</b>	<b>2,428</b>	<b>5,800</b>
<b>2023</b>					
<b>Cost</b>					
At 1 January 2023	36,569	11,497	93,891	12,464	154,421
Additions	–	1,798	1,561	3,550	6,909
Write-offs	(12,667)	(9,760)	(1,934)	(4,494)	(28,855)
As 31 December 2023	23,902	3,535	93,518	11,520	132,475
<b>Accumulated depreciation</b>					
At 1 January 2023	34,079	11,486	91,203	12,460	149,228
Depreciation charge	2,474	60	1,495	414	4,443
Write-offs	(12,659)	(9,755)	(1,928)	(4,492)	(28,834)
At 31 December 2023	23,894	1,791	90,770	8,382	124,837
<b>Net carrying amount</b> At 31 December 2023	8	1,744	2,748	3,138	7,638

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**7 Right-of-use assets and lease liabilities**

*Nature of the Society's leasing activities*

The Society leases its office premise and office equipment from non-related parties. The leases have a tenure of three to five (2023: three to five) years.

The maturity analysis of the lease liabilities is disclosed in Note 25(b).

Information about leases for which the Society is a lessee is presented below:

*Amounts recognised in statement of financial position*

	2024	2023
	\$	\$
<i>Carrying amount of right-of-use assets</i>		
Office premise	<b>119,818</b>	31,360
Office equipment	<b>18,098</b>	4,592
	<b>137,916</b>	35,952
Additions to right-of-use assets	<b>150,685</b>	–
Termination of right-of-use asset	<b>(2,539)</b>	–
	<b>148,146</b>	–
<i>Carrying amount of lease liabilities</i>		
Current	<b>44,127</b>	36,691
Non-current	<b>94,010</b>	3,113
	<b>138,137</b>	39,804

*Amounts recognised in statement of comprehensive income*

	2024	2023
	\$	\$
<i>Depreciation charge for the financial year</i>		
Office premise	<b>42,219</b>	42,164
Office equipment	<b>3,963</b>	3,936
	<b>46,182</b>	46,100
Interest expense on lease liabilities	<b>2,749</b>	3,211

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**7 Right-of-use assets and lease liabilities (cont'd)**

Information about leases for which the Society is a lessee is presented below:

*Amounts recognised in statement of comprehensive income (cont'd)*

During the financial year, total cash flow for leases amounted to \$50,495 (2023: \$49,870).

*Reconciliation of movements of liabilities to cash flows arising from financing activities:*

	<b>Unclaimed dividends under other payables (Note 15) \$</b>	<b>Lease liabilities \$</b>	<b>Total \$</b>
At 1 January 2023	1,352,929	86,463	1,439,392
Changes from financing cash flows:			
- Repayments	-	(46,659)	(46,659)
- Payments of dividend	(237,457)	-	(237,457)
- Interest paid	-	(3,211)	(3,211)
Non-cash changes:			
- Interest expense	-	3,211	3,211
At 31 December 2023	1,115,472	39,804	1,155,276
Changes from financing cash flows:			
- Repayments	-	(47,746)	(47,746)
- Payments of dividend	(736,031)	-	(736,031)
- Interest paid	-	(2,749)	(2,749)
Non-cash changes:			
- Addition of lease	-	150,685	150,685
- Termination of lease	-	(4,606)	(4,606)
- Dividends declared (Note 23)	1,187,306	-	1,187,306
- Transfer to Common Good Fund (Note 23)	(16,175)	-	(16,175)
- Transfer to Common General Purpose Fund (Note 23)	(3,235)	-	(3,235)
- Interest expense	-	2,749	2,749
<b>At 31 December 2024</b>	<b>1,547,337</b>	<b>138,137</b>	<b>1,685,474</b>

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**8 Financial assets at fair value through profit or loss**

	<b>2024</b>	2023
	\$	\$
Balance at beginning of the year	<b>11,985,396</b>	12,119,641
Additions	<b>4,623,660</b>	5,051,875
Disposals	<b>(7,435,031)</b>	(5,376,298)
Fair value gain with respect to financial assets at FVTPL charged to profit or loss	<b>651,180</b>	190,178
Balance at end of the year	<b>9,825,205</b>	11,985,396

Financial assets at fair value through profit or loss are analysed as follows:

	<b>2024</b>	2023
	\$	\$
Unquoted investments at fair value:		
- Co-operative funds	<b>209,543</b>	2,349,893
- Equity Shares	<b>2,140,350</b>	-
Quoted investments at fair value:		
- Unit Trusts	<b>7,475,312</b>	9,635,503
	<b>9,825,205</b>	11,985,396

The above investment provides the Society the opportunity for returns through dividend income and fair value gains. The instruments are all mandatorily measured at fair value through profit or loss.

The fair values of the quoted unit trusts are determined based on the quoted market prices at the reporting date. These instruments are included in Level 1 of the fair value hierarchy.

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**8 Financial assets at fair value through profit or loss (cont'd)**

*Co-operative Funds*

The Society, as a shareholder are only entitled to redeem their shares at the par value of each investment or the net asset value (“NAV”) based on the last audited financial statements, whichever is lower. NAV is computed in accordance with the Co-operative Societies Act 1979. The Management Committee deemed that the fair value of the unquoted investments should equal to par value. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

*Equity Shares*

In the previous financial years, the Society has investment in a Co-operative (“The Co-operative”). On 6 April 2023, subsequent to the distribution of assets upon the winding up of The Co-operative, The Co-operative transferred its business to a public company limited by shares (“New Company”). The Society, as a shareholder, was issued shares on one-for-one basis in the New Company, and the Society’s Co-operative shares were cancelled consequently. The Society did not determine the fair value of the unquoted equity investment in the New Company as the Management Committee is of the view that the costs outweigh the benefits. Accordingly, the Society has measured the unquoted equity investment at historical cost.

**9 Financial assets at fair value through other comprehensive income**

	2024	2023
	\$	\$
Balance at beginning of the year	<b>16,466,780</b>	17,265,472
Additions	<b>1,805,800</b>	4,050,900
Redemption upon maturity	<b>(740,700)</b>	(5,735,976)
Fair value (loss)/gain on financial assets at FVOCI (Note 22)	<b>(18,475)</b>	886,384
Balance at end of the year	<b>17,513,405</b>	16,466,780

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**9 Financial assets at fair value through other comprehensive income (cont'd)**

Financial assets at fair value through other comprehensive income are analysed as follows:

	2024	2023
	\$	\$
<i>Current</i>		
Quoted investments at FVOCI:		
- SGD bonds due in the next twelve months	<b>1,348,313</b>	747,113
<hr/>		
<i>Non-current</i>		
Quoted investments at FVOCI:		
- SGD bonds due in 2025	–	1,321,380
- SGD bonds due in 2026	<b>984,290</b>	973,250
- SGD bonds due in 2027	<b>487,190</b>	481,930
- SGD bonds due in 2028	<b>979,480</b>	976,070
- SGD bonds due in 2030	<b>1,640,687</b>	1,632,212
- SGD bonds due in 2031	<b>4,385,390</b>	4,371,520
- SGD bonds due in 2032	<b>981,500</b>	993,000
- SGD bonds due in 2033	<b>1,807,380</b>	1,821,740
- SGD bonds due in 2034	<b>966,560</b>	–
- SGD bonds due in 2035	<b>2,278,815</b>	2,306,865
- SGD bonds due in 2050	<b>831,400</b>	841,700
- SGD bonds due in 2051	<b>822,400</b>	–
<hr/>		
	<b>16,165,092</b>	15,719,667
<hr/>		
Total financial assets at fair value through other comprehensive income	<b>17,513,405</b>	16,466,780
<hr/>		

The bonds earned interest rates ranging from 1.27% to 3.10% (2023: 1.27% to 3.63%) per annum.

The fair values of the quoted debt instruments are determined based on the quoted market prices at the reporting date. These instruments are included in Level 1 of the fair value hierarchy.

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**10 Loans made to members**

Loans made to members which are repayable as follows:

	<b>2024</b>	2023
	\$	\$
Due within one year	<b>2,311,305</b>	2,345,019
Due within 2 to 5 years	<b>2,933,036</b>	2,970,428
	<b>5,244,341</b>	5,315,447

The movement in loans made to members are as follows:

	<b>2024</b>	2023
	\$	\$
Balance at beginning of the year	<b>5,315,447</b>	5,325,180
Loans made to members	<b>2,538,738</b>	2,841,233
Repayment from members on loans granted	<b>(2,609,844)</b>	(2,850,966)
	<b>5,244,341</b>	5,315,447

Loans made to members of the Society carry an interest of 1.00% (2023: 1.00%) per month on reducing balance basis and are receivable by monthly instalments ranging from 12 to 49 (2023: 12 to 48) months. The amounts of the loans and the repayable terms are determined by Management Committee and are granted in accordance with the By-laws of the Society. In the event that the members default in their repayments, the Society has the right to claim against the subscription capital and specific deposits of the respective member.

Management Committee monitors overdue debts on a monthly basis

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**11 Intangible assets**

	<b>Computer software license</b>	
	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Cost</b>		
At beginning and end of the year	<b>256,800</b>	256,800
<b>Accumulated amortisation</b>		
At beginning and end of the year	<b>256,800</b>	256,800
<b>Net carrying amount</b>		
At end of the year	-	-

**12 Other receivables**

	<b>2024</b>	<b>2023</b>
	\$	\$
Interest receivables	<b>469,572</b>	293,910
Sundry deposits	<b>6,395</b>	6,395
Prepayments	<b>6,747</b>	10,569
	<b>482,714</b>	310,874

**13 Amounts due from members**

	<b>2024</b>	<b>2023</b>
	\$	\$
Subscription capital receivables	<b>7,100</b>	8,825
Specific deposit receivables	<b>5,860</b>	8,380
Loan interest receivables	<b>2,573</b>	3,850
Others	<b>848</b>	3,656
	<b>16,381</b>	24,711

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**14 Cash and cash equivalents**

	<b>2024</b>	2023
	\$	\$
Bank and cash balances	<b>926,258</b>	1,801,926
Fixed deposits	<b>15,052,852</b>	12,486,099
	<b>15,979,110</b>	14,288,025

The fixed deposits with licensed banks at the end of the reporting period bore interest rates ranging from 3.00% to 3.95% per annum (2023: 3.78% to 4.00%) and for a tenure of 30 days to 365 days (2023: 30 days to 365 days).

**15 Other payables**

	<b>2024</b>	2023
	\$	\$
Unclaimed dividends transferred from dividend account (Note 23)	<b>1,547,337</b>	1,115,472
Unclaimed amounts due to members who had resigned	<b>338,638</b>	312,088
Accrued operating expenses	<b>193,223</b>	73,597
Proposed honorarium to management committee	<b>70,000</b>	140,000
Deposit received	<b>27,500</b>	19,500
	<b>2,176,698</b>	1,660,657

In accordance with Section 13.4(b) of the By-laws of the Society, all dividends declared shall be made available to all members and dividends not claimed shall be classified as unclaimed dividends under other payables.

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**16 Central Co-operative Fund**

	2024	2023
	\$	\$
Balance at beginning of the year	<b>538,254</b>	–
Payments made	<b>(502,187)</b>	–
Contribution to Central Co-operative Fund (“CCF”)		
- Current year provision for CCF	<b>245,417</b>	538,254
- Overprovision in previous year	<b>(36,067)</b>	–
- Overpayment of CCF contribution	<b>(407,200)</b>	–
	<b>(197,850)</b>	538,254
Balance (receivable)/payable at end of the year	<b>(161,783)</b>	538,254

In accordance with Section 71(2) of the Co-operative Societies Act 1979, the Society shall contribute 5% of the first \$500,000 of the surplus before contributions to the Central Co-operative Fund and 20% of the surplus before contributions in excess of \$500,000 either to the Central Co-operative Fund or the Singapore Labour Foundation as the Society may opt. The Society opts to contribute 20% of the surplus before contributions in excess of \$500,000 to the Central Co-operative Fund since 2014.

The Fund is used to further co-operative education, training, research, and audit and for the general development of the co-operative movement in Singapore.

With effect from 18 July 2024, pursuant to the Co-operative Societies (Amendment) Act 2024, Section 71 has been enacted to exclude any gains or profits from the surplus of a Society that arising from (i) the disposal of immovable property owned and used by a Society for its own operations, and; (ii) any shares (whether listed or unlisted) in any entity held by a Society.

On 11 March 2025, Ministry of Culture, Community and Youth (“MCCY”) Committee of Supply announced the waiver of the first-tier Central Co-operative Fund contributions for Co-operative’s financial year ending between 31 December 2024 and 30 September 2025.

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**17 Specific deposits account**

	<b>2024</b>	2023
	\$	\$
Balance at beginning of the year	<b>13,051,013</b>	13,763,484
Contributions received and receivable	<b>2,127,330</b>	2,203,998
Interest on specific deposits (Note 4)	<b>256,158</b>	130,556
Withdrawals	<b>(2,396,932)</b>	(3,047,025)
	<hr/>	<hr/>
Balance at end of the year	<b>13,037,569</b>	13,051,013

Specific deposits consist of the minimum monthly deposits of \$10 made by members. Withdrawals by members are permitted under specific circumstances:

- (a) illness, education, marriage of himself or any of his relative;
- (b) funeral expenses of his relatives;
- (c) payment of insurance premiums, holidays and festival expenses, purchase of land, purchase or renovation of his own residence; and
- (d) any other purpose approved by Management Committee.

Interest on specific deposits is credited every six months on 30 June and 31 December. It is calculated on the lowest balance not below fifty dollars standing to the members' specific deposits credit during the last six months at a rate of 2% (2023: 1.00%) per annum.

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**18 Deferred income**

	<b>2024</b>	<b>2023</b>
	\$	\$
Loan premium collected in advance from members	<b>348,774</b>	338,897

The movement in loan premium collected in advance from members are as follows:

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance at beginning of the year	<b>338,897</b>	322,022
Premium on loans to members received	<b>70,649</b>	70,011
Amortisation to profit or loss	<b>(77,031)</b>	(80,571)
Bad debts written off for loan to members (Note 4 (b))	<b>16,259</b>	27,435
Balance at end of the year	<b>348,774</b>	338,897

**19 Subscription Capital**

	<b>2024</b>	<b>2023</b>
	\$	\$
Balance at beginning of the year	<b>28,898,686</b>	29,072,176
Subscriptions received and receivable	<b>2,135,680</b>	2,196,607
Withdrawals	<b>(1,829,908)</b>	(2,370,097)
Balance at end of the year	<b>29,204,458</b>	28,898,686

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**19 Subscription Capital (cont'd)**

A minimum monthly subscription of \$10 is payable by every member except for any member admitted before 31 December 1981, the minimum monthly subscription is \$5.

The membership position is as follows:

	<b>Number of members</b>	
	<b>2024</b>	2023
Balance at beginning of the year	<b>3,226</b>	3,426
Admitted	<b>72</b>	46
Resignations	<b>(194)</b>	(246)
Balance at end of the year	<b>3,104</b>	3,226

**20 General reserve fund**

	<b>2024</b>	2023
	<b>\$</b>	\$
Balance at beginning and end of the year	<b>5,153,548</b>	5,153,548

Pursuant to Section 70(3) of the Co-operative Societies Act 1979, the Society shall pay into the statutory reserve fund at least 20% of the surplus before contributions during the financial year, provided that when the statutory reserve fund has reached an amount that is equal to 10% of its paid-up subscription capital, the Society may carry 5% of its surplus before contributions to the statutory reserve fund.

With effect from 17 October 2008, pursuant to the Co-operative Societies (Amendment) Act 2008, Section 70 has been repealed.

Based on amended By-laws of the Society approved by the Extraordinary General Meeting held on 21 January 2010, the statutory reserve fund is renamed as general reserve fund. The amount transfer into the general reserve fund for each financial year is decided by Management Committee.

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**21 Other funds – designated funds**

	Note	Balance at 1 January \$	Income \$	Net funds transfer from unappropriated surplus \$	Transfer from dividend account (Note 23) \$	With- drawals \$	Balance at 31 December \$
<b>2024</b>							
Contingency Fund	a	1,028,450	–	150,000	–	(4,803)	1,173,647
Common Good Fund	b	240,046	–	150,000	16,175	(174,970)	231,251
Common General Purpose Fund	c	331,821	–	–	3,235	(3,400)	331,656
Co-operative Education and Training Fund	d	67,538	320	–	–	(1,785)	66,073
Scholarship Fund	e	89,597	4,000	80,000	–	(24,980)	148,617
Learning Journey Fund	f	186	–	8,982	–	–	9,168
Centenary Fund	g	–	–	100,000	–	–	100,000
		<b>1,757,638</b>	<b>4,320</b>	<b>488,982</b>	<b>19,410</b>	<b>(209,938)</b>	<b>2,060,412</b>
<b>2023</b>							
Contingency Fund	a	528,450	–	500,000	–	–	1,028,450
Common Good Fund	b	41,846	–	350,000	–	(151,800)	240,046
Common General Purpose Fund	c	331,821	–	–	–	–	331,821
Co-operative Education and Training Fund	d	67,778	–	–	–	(240)	67,538
Scholarship Fund	e	67,894	4,000	50,000	–	(32,297)	89,597
Learning Journey Fund	f	186	–	–	–	–	186
		<b>1,037,975</b>	<b>4,000</b>	<b>900,000</b>	<b>–</b>	<b>(184,337)</b>	<b>1,757,638</b>

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**21 Other funds – designated funds (cont'd)**

- (a) Contingency Fund is used to finance extraordinary expenses such as the upgrading expansion and development programmes of the Society.
- (b) Common Good Fund is used to provide reliefs and grants to members of the Society and for other similar purposes.
- (c) Common General Purpose Fund is used to enable the Society to organise any social, recreational sporting, educational and other similar activities for members and their families.
- (d) Co-operative Education and Training Fund is used to facilitate co-operative education and training for members, staff and members of the Management Committee through participation in training courses, seminars, workshop and conference in and outside Singapore.
- (e) Scholarship Fund is used to award scholarship to deserving children of members.
- (f) The Learning Journey Fund is used to fund the learning journey for the staff.
- (g) The Centenary Fund is used to commemorates the Society's 100-year anniversary.

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**22 Fair value reserve**

	2024 \$	2023 \$
Balance at beginning of the year	<b>(1,064,125)</b>	(2,301,641)
Fair value (loss)/gain recognised in other comprehensive (loss)/income with respect to financial assets with FVOCI (Note 9)	<b>(18,475)</b>	886,384
Reclassification adjustment on financial assets at FVOCI (Note 4 (e))	<b>22,057</b>	351,132
Balance at end of the year	<b>(1,060,543)</b>	(1,064,125)

Fair value reserve represents the cumulative net change in the fair values of financial assets at FVOCI.

**23 Dividends**

	2024 \$	2023 \$
4.00% of final dividend declared for the previous financial year	<b>1,187,306</b>	–
Transfer to Common Good Fund (Note 21)	<b>(16,175)</b>	–
Transfer to Common General Purpose Fund (Note 21)	<b>(3,235)</b>	–
	<b>1,167,896</b>	–
Unclaimed dividends included in other payables at beginning of the year (Note 15)	<b>1,115,472</b>	1,352,929
Unclaimed dividends included in other payables at end of the year (Note 15)	<b>(1,547,337)</b>	(1,115,472)
Cash payments	<b>736,031</b>	237,457

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**23 Dividends (cont'd)**

The amount of dividends paid is based on the subscription capital as at date the dividends are paid. In accordance with Section 13.4(b) of the By-laws of the Society, all dividends declared shall be made available to all members and dividends not claimed shall be classified as other payables.

Transfers to Common Good Fund and Common General Purpose Fund are based on amounts approved by members during the Annual General Meeting.

The Management Committee has proposed a final dividend of 4.25%, approximately of \$1,241,200 to be paid for the financial year ended 31 December 2024. This dividend is subject to approval by members at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend payable, which will be accounted for as an appropriation surplus in the financial year ended 31 December 2024.

**24 Lease commitments**

*Where the Society is a lessor*

The Society leases out its investment property to non-related parties under non-cancellable operating leases.

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

	<b>2024</b>	2023
	\$	\$
Not later than one year	<b>120,000</b>	84,250
Later than one year but not later than five years	<b>323,750</b>	401,750
Total undiscounted lease receivables	<b>443,750</b>	486,000

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**25 Financial instruments**

**(a) Categories of financial instruments**

Financial instruments at their carrying amounts at the end of financial year are as follows:

	2024	2023
	\$	\$
<i>Financial assets</i>		
<u>Financial assets at amortised cost:</u>		
Loans made to members	5,244,341	5,315,447
Other receivables	475,967	300,305
Amounts due from members	16,381	24,711
Central Co-operative Fund	161,783	–
Cash and cash equivalents	15,979,110	14,288,025
	21,877,582	19,928,488
Financial assets at amortised cost		
Financial assets at fair value through profit or loss	9,825,205	11,985,396
Financial assets at fair value through other comprehensive income	17,513,405	16,466,780
	49,216,192	48,380,664
	2024	2023
	\$	\$
<i>Financial liabilities</i>		
<u>Financial liabilities at amortised cost</u>		
Other payables	2,176,698	1,660,657
Central Co-operative Fund	–	538,254
Specific deposits account	13,037,569	13,051,013
Lease liabilities	138,137	39,804
	15,352,404	15,289,728
Financial liabilities at amortised cost		

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**25 Financial instruments (cont'd)**

**(b) Financial risk management**

The Society's activities expose it to foreign exchange risk, credit risk, interest rate risk, market price risk and liquidity risk. The overall risk management is determined and carried out by Management Committee.

***Foreign exchange risk***

The Society has no significant exposure to foreign exchange risk as all of its transactions are in Singapore dollar.

The sensitivity analysis for foreign exchange is not disclosed as the effect on profit or loss/other comprehensive income is considered not significant.

***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society. At the reporting date, the Society has no significant concentrations of credit risk except for certain financial assets and cash and cash equivalents which are placed with reputable financial institutions. As the Society does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statement of financial position.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Credit risk (cont'd)*

The following sets out the Society's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

<b>Description of evaluation of financial assets</b>	<b>Basis for recognition and measurement of ECL</b>
Counterparty has a low risk of default and does not have any past due months	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Society has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

*Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Society compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Society considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Credit risk (cont'd)*

*Significant increase in credit risk (cont'd)*

In particular, the Society considers whether an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating when assessing whether the credit risk has increased significantly since initial recognition.

The Society regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure criteria are capable of identifying significant increase in credit risk before the amount become past due.

Regardless of the evaluation of the above factors, the Society presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Society has reasonable and supportable information that demonstrates otherwise.

The Society also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal, or the financial asset has a low risk of default; the member has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Credit risk (cont'd)*

*Definition of default*

The Society considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When member has not fulfilled his obligations to repay his loan, after the member has resigned;
- Information obtained from external sources (e.g. debt collector) indicates that the member is unlikely to pay his outstanding loan; and
- 1<sup>st</sup> and 2<sup>nd</sup> letter of demand has been sent out to the member (with/without compounding interest).

Irrespective of the above analysis, the Society considers that default has occurred when a financial asset is more than 30 days past due unless the Society has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the member is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Credit risk (cont'd)*

*Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances. The historical loss rate on loans to members are not material.

There has been no significant increase in credit risk for the Company's financial assets at amortised costs. Therefore, these financial assets are at 12-month ECL, and no credit loss allowances are required as of 31 December 2024 and 31 December 2023

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from its financial assets at fair value through other comprehensive income, fixed deposits held with financial institutions, loans made to members and specific deposits account. The Society adopts a policy of constantly monitoring movements in interest rates to ensure that these financial assets and liabilities are maintained at favourable rates.

At the reporting date, financial assets at fair value through other comprehensive income, fixed deposits, loans made to members and specific deposits account are at fixed rates of interest, which expose the Society to fair value interest rate risk (i.e. the risk that the fair value of a financial instrument will fluctuate due to changes in market rates).

The sensitivity analysis for financial assets and liabilities at variable rates is not disclosed as the effect on profit or loss is considered not significant.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Society is exposed to changes in market prices arising from its quoted investments. These instruments are classified as financial assets at fair value through profit or loss/other comprehensive income.

At the reporting date, if the price of the quoted investments had been 5% (2023: 5%) higher/lower with all other variables held constant, the Society's funds would have been \$1,249,436 (2023: \$1,305,114) higher/lower, arising as a result of an increase/decrease in the fair value of the quoted investments classified as financial assets at fair value through profit or loss/other comprehensive income.

*Liquidity risk*

Management Committee exercises prudent liquidity risk management policies and aims to maintain an adequate level of liquidity and cash flow at all times.

The financial liabilities of the Society as presented in the statement of financial position are due within twelve months from the reporting date and approximate the contractual undiscounted repayment obligations.

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**25 Financial instruments (cont'd)**

**(b) Financial risk management (cont'd)**

*Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Society's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	<b>Repayable on demand or within 1 year \$</b>	<b>Repayable within 2 to 5 years \$</b>	<b>Total \$</b>
<b>2024</b>			
Other payables	2,176,698	–	2,176,698
Specific deposits account	13,037,569	–	13,037,569
Lease liabilities	50,986	98,906	149,892
	<b>15,265,253</b>	<b>98,906</b>	<b>15,364,159</b>
<b>2023</b>			
Other payables	1,660,657	–	1,660,657
Central Co-operative Fund	538,254	–	538,254
Specific deposits account	13,051,013	–	13,051,013
Lease liabilities	38,013	3,173	41,186
	<b>15,287,937</b>	<b>3,173</b>	<b>15,291,110</b>

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**26 Fair value of financial instruments**

**(a) Fair value hierarchy**

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

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

**(b) Fair value measurements of assets and liabilities that are measured at fair value**

The following table presents the level of fair value hierarchy for each class of financial instruments measured at fair value on the statement of financial position at the reporting date:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>2024</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Quoted unit trusts	7,475,312	-	-	7,475,312
- Co-operative Funds	-	-	209,543	209,543
- Equity shares	-	-	2,140,350	2,140,350
Financial assets at fair value through other comprehensive income				
- Quoted debt instruments	17,513,405	-	-	17,513,405
	24,988,717	-	2,349,893	27,338,610

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**26 Fair value of financial instruments (cont'd)**

**(b) Fair value measurements of assets and liabilities that are measured at fair value (cont'd)**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2023				
Assets				
Financial assets at fair value through profit or loss				
- Quoted unit trusts	9,635,503	-	-	9,635,503
- Co-operative funds	-	-	2,349,893	2,349,893
Financial assets at fair value through other comprehensive income				
- Quoted debt instruments	16,466,780	-	-	16,466,780
	26,102,283	-	2,349,893	28,452,176

The fair values of financial instruments traded in active markets classified under financial assets at fair value through profit or loss/other comprehensive income are based on quoted closing prices on the last market day of the financial year. These instruments are included in the Level 1 of the fair value hierarchy.

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**26 Fair value of financial instruments (cont'd)**

**(c) Assets not carried at fair value but which fair value is disclosed**

	Carrying amount \$	Fair value measurements at reporting date		
		← Level 1 \$	Level 2 \$	→ Level 3 \$
<b>2024</b>				
<b>Assets</b>				
Investment property	3,919,174	–	–	6,200,000
<hr/>				
<b>2023</b>				
<b>Assets</b>				
Investment property	4,014,763	–	–	4,400,000
<hr/>				

The basis of determination of fair value of the investment property for disclosure at the reporting date is disclosed in Note 5.

The above does not include financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

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**27 Related party transactions**

- a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Society and its Management Committee (who are also members of the Society) in the ordinary course of its principal activities by:

	<b>2024</b>	2023
	\$	\$
Loan approved to the Management Committee	<b>11,300</b>	11,800
Interest income from specific deposits	<b>3,262</b>	1,734
Specific deposits contributed by the Management Committee who are members of the Society	<b>11,860</b>	12,330
Specific deposits withdrawn	<b>6,005</b>	61,957
Interest expenses charged for the loan granted	<b>2,776</b>	1,932
Dividend disbursed to members of the Society	<b>6,407</b>	–
	<b>11,300</b>	11,800

- b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	<b>2024</b>	2023
	\$	\$
Honorarium	<b>131,018</b>	140,000
Meeting allowances	<b>26,820</b>	26,460
Transportation reimbursement	<b>20,524</b>	24,023
	<b>178,362</b>	190,483

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**  
**(Registered under the Co-operative Societies Act, Cap. 62)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

**28 Fund management**

The Society's objective when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Society has complied with externally imposed capital requirements for the financial years ended 31 December 2024 and 31 December 2023.

**29 Authorisation of financial statements**

The financial statements of the Society for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of Management Committee dated 2 June 2025.

**Minutes of the 93<sup>rd</sup> Annual General Meeting of Singapore Mercantile Co-operative Society Ltd held at the Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard Suntec City, Room:Summit 1, Level 3, Singapore 039593 on Monday, 24 June 2024 at 6.00pm.**

Present: 272 Members (Two hundred & Seventy-two Members)

Opening Statements by the President:

The President sent his regards to all members present and thanked the members for their continued support.

The President emphasized that he does attend the Management Committee meeting unannounced and have observed the proceedings of the meetings and he is impressed with the performance of the Management Committee.

Having a quorum of 272 members, the President proceeded with the agenda.

**1 To confirm the Minutes of the 92<sup>nd</sup> Annual Generat Meeting held on 23<sup>rd</sup> June 2023.**

Minutes of the 92<sup>nd</sup> Annual General Meeting held on 23<sup>rd</sup> June 2023 having been circulated to the members were taken as read. As there were no queries from the floor, on the proposal of Mr Haleem Khan Suratee RN 15677 from SIA Engineering Co. Ltd and seconded by Mr Aw Kum Heng RN 22165 from SIA Engineering Co. Ltd, the minutes was unanimously adopted by the House.

**2 To receive the Report of Committee of Management for the year ended 31<sup>st</sup> December 2023.**

The Report of Committee of Management for the year ending 31<sup>st</sup> December 2023 was unanimously adopted and approved by the House, on the proposal of Mr Jumadi Bin Abdullah RN 23246 from SIA Engineering Co. Ltd and seconded by Mr Jasmera Ahmad B Abdullah RN 22433 from SATS Ltd respectively.

**3. To adopt the Audited Financial Statements for the Financial year ended 31<sup>st</sup> December 2023.**

The Audited Statement of Accounts for 2023 as presented by the External Auditors Baker Tilly TFW LLP Public Accountants and Chartered Accountants Singapore having previously been circulated were taken as read and confirmed on the proposal of Mr Ong Pang Siong RN 26044 from SIA Engineering Co. Ltd and seconded by Mr Michaels Chan Lian Seng RN 27264 from SIA Engineering Co. Ltd which was unanimously adopted and approved by the general members.

**4(i). To approve the appropriation of Net Surplus recommended in the Committee's Report**

On the proposal of Mr Marimuthu Paramathayalan RN 25864 from GR669 and seconded by Mr Ayub Khan Bin Malik Khan Surattee RN 22044 from SIA Engineering Co. Ltd respectively, the House unanimously approved the following appropriations:

The net surplus for the year ending 31<sup>st</sup> December 2023 was \$3,066,270/- compared with net loss \$348,808/- for the previous year. The Committee recommends the appropriation of the surplus as follows: -

Payment of Dividend at 4.00% (2.5% + special 1.5%) on Subscription @ Dec '23	\$ 1,156,000
--	--------------

Transfer to:

1. Common Good Fund (Benefits)	350,000
2. Scholarship Fund	50,000
3. Contingency Fund	500,000
4. Central Co-operative Fund	538,254
5. Surplus after appropriations	332,016

- 4(ii) To approve the payment of Honoraria to Chairman, Vice Chairman, Hon Secretary, Asst Hon Secretary, Hon Treasurer, Asst Hon Treasurer and Committee Members as shown in accordance with Section 64(1) of the Co-operative Societies Act, (Cap 62)**

The above motion was unanimously approved and adopted by the members of the House upon the proposal of Mr Michaels Chan Lian Seng RN 27264 from SIA Engineering Co. Ltd and seconded by Mr Poobalan s/o A Kumarasamy RN 18506 from SATS Ltd.

- 4(iii) To approve the payment of \$13,200/- as allowances per month to the Committee of Management (Appendix 1)**

The above motion was unanimously approved and adopted by the members of the House upon the proposal of Mr Michaels Chan Lian Seng RN 27264 from SIA Engineering Co. Ltd and seconded by Mr Ong Pang Siang RN 26044 from SIA Engineering Co. Ltd.

- 5. To consider and, if approved, to adopt the Estimated Expenditure for 2025 (Appendix 1)**

On the proposal of Mr Ayub Khan Bin Malik Khan Surattee RN 22044 from SIA Engineering Co. Ltd and seconded by Mr Poobalan s/o A Kumarasamy RN 18506 from SATS Ltd, the Estimate of Expenditure for 2025 was unanimously adopted as follows: -



- 6. To approve a borrowing limit of \$50 million from members' deposit in accordance with Section 68(2) of the Co-operative Societies Act, (Cap 62).**

The above resolution was unanimously approved by the members as proposed by Mr Chua Huye Beng RN 14820 from GR669 and Mr Ong Pang Siong RN 26044 from SIA Engineering Co. Ltd.

- 7. To write-off bad debts amounting to S\$27,434.99**

The Management Committee had endorsed to write off the bad debts of \$27,434.99. The Management Committee and the Loan Default Committee will do their due diligence to recover the defaulted loans.

The above resolution was unanimously approved by the general members on the proposal of Mr Aw Kum Heng RN 22165 from SIA Engineering Co. Ltd and seconded by Mr Rusli Bin Ishak RN 15413 from SIA Engineering Co. Ltd.

- 8. To adopt and approve, the following Resolution: -**

“That this General Meeting authorizes the Society to deduct the sum of \$6/- from each member's entitlement to the 2023 Dividend of which \$5/- is to be credited to the Common Good Fund (Benefits) and \$1/- to the Common General Purpose Fund in order to augment the financial position of the funds and that all members are bound by this Resolution.”

The above resolution was unanimously approved by the general members on the proposal of Mr Tan Kok Hwa RN 15444 from Dnata and seconded by Mr Michaels Chan Lian Seng RN 27264 from SIA Engineering Co. Ltd.

**9. To report the Restricted Investments and Performance for the year ending 31 December 2023 (Appendix A1)**

On 23 June 2023, the members have given approval for the Society to invest up to 30% of its total assets in restricted investments, for a period of 3 years.

The Registrar has also given approval for the 30% limit, for 3-year period from 04 July 2023 to 30 June 2026.

The Committee of Management would like to report on the investment performance as follows: -

As at 31 December 2023, the Society's total assets were \$52,449,586 and restricted investments were \$13,791,466 or 26.29% of total assets.

As at 31 December 2022, the Society's total assets were \$49,563,164 and restricted investments were \$13,621,301 or 27.48%

## 9. To report the Restricted Investments and Performance for the year ending 31 December 2023 (Appendix A1) (cont'd)

### Restricted Investment Performance

		As at 31 Dec 2023	For FY 2023	As at 31 Dec 2022	For FY 2022
	Assets Class	Invested Amount \$	Income \$	Invested Amount \$	Income \$
(a)	Investment Property 171/171A Joo Chiat Road	4,014,763	121,100	4,110,353	95,500
(b)	Corporate Bonds	0	12,500	248,530	12,500
(c)	Structured Products/Deposits	0	0	0	0
(d)	Shares listed on SGX	0	0	0	0
(e)	Unit Trusts	9,635,503	342,388	9,121,218	328,398
(f)	Shares in other co-operatives (acquired in 2012)	141,200	0	141,200	8,472
	Total Restricted Investments (A)	13,791,466		13,621,301	
	Total Assets (B)	52,449,586		49,563,164	
	Restricted Investments as % of Total Assets (A/B)	<b>26.29%</b>		<b>27.48%</b>	
	Total Returns from Restricted Investments		475,988		444,870
	Returns from Restricted Investments as %		<b>3.45%</b>		<b>3.27%</b>

### Non-Restricted Investment Performance

		As at 31 Dec 2023	For FY 2023	As at 31 Dec 2022	For FY 2022
	Assets Class	Invested Amount \$	Income \$	Invested Amount \$	Income \$
(a)	Statutory Board/SGS Bond	16,466,780	396,121	17,265,472	441,228
(b)	Shares in other Co-operative	2,208,693	19,954	2,608,693	150,924
(c)	Fixed Deposits	12,486,099	445,609	9,747,561	122,418
(d)	Cash & Cash Equivalents	1,081,926	6,795	776,407	1,197
	Total	32,243,498	868,479	30,398,133	715,767
	Returns from Non-Restricted Investments as %		<b>2.69%</b>		<b>2.35%</b>

**9. To report the Restricted Investments and Performance for the year ending 31 December 2023 (Appendix A1) (cont'd)**

Restricted Investments, at 30% of total assets of \$52,449,586 as at 31 December 2023, would be \$15,734,876. The Restricted Investments Plan for a period of 3 years would be as follows:

<b>Restricted Investments</b>		<b>Allocation (%)</b>
a	Investment Property	0% - 30%
b	Corporate Bonds	0% - 25%
c	Shares listed on SGX	0% - 10%
d	Unit Trusts	0% - 50%
e	Shares in other co-operatives (acquired in 2012)	0% - 5%
<b>Total</b>		<b>100%</b>

With the proposed investment plan, the Committee of Management hopes to generate annual returns of at least 2% or 3%.

All investments transactions are approved by the Investment Committee and Committee of Management.

As there were no objections from the floor, the above Investment Performance Plan for a period of three years was unanimously approved by the general members on the proposal of Ms Narayananayar Sridevy RN 20197 from SATS Ltd and seconded by Mr Aw Kum Heng RN 22165 from SIA Engineering Co. Ltd respectively.

**10. To re-appoint Baker Tilly TFW LLP Public Accountants and Chartered Accountants as external auditors of the Co-operative for Year 2024 and to authorize the Committee of Management to fix their remuneration.**

The above resolution was unanimously approved by the general members on the proposal by Mr Michaels Chan Lian Seng RN 27264 from SIA Engineering Co. Ltd and seconded by Ms Aileen Chong Hui Yong RN 22720 from Singapore Airlines Ltd.

**11. To re-appoint Royal Management Services (S) Pte Ltd as internal auditors of the Co-operative for Year 2024.**

The above resolution was unanimously approved by the general members on the proposal by Mr Harwant Singh s/o Sadu Singh RN 13883 from Singapore Airlines Staff Union and seconded by Mr Jumadi Bin Abdullah RN 23246 from SIA Engineering Co. Ltd.

**12. To Elect Five (5) Members to Serve on the Committee of Management.**

The Presiding Officer announced to the members that at the closed of nomination on 10th June 2024, four (4) nominations were received at 11.00am.

Presiding Officer Mr Paul Ng Kim Seng declared that there were only 4 candidates contending for 4 positions in the Management Committee mentioned below were returned unopposed and duly elected in the Management Committee for year 2024/2025.

1.	RN 16794	Chua Tian Teck	GR 669
2.	RN 15677	Haleem Khan Suratee	SIA Engineering Co. Ltd
3.	RN 22720	Chong Hui Yong	Singapore Airlines Ltd
4.	RN 22044	Ayub Khan Bin Malik Khan Suratee	SIA Engineering Co. Ltd

The President thanked the members present for their relentless support.

**13. To transact any other business of which at least three days' notice in writing shall have been given to the Hon Secretary.**

The President indicated that the Society's Hon Secretary has not received any letter within the 3 days' notice.

The President announced that Agenda 1 to 13 resolution was unanimously approved without any objections and abstention by the House.

**14. The President and the Chairman made announcement on the following: -**

**1) Dividend Payout**

The President announced that the Society will be declaring a dividend of 4% (2.5% + special 1.5%) for 2023. The dividend will be credited to those members whom attended the AGM to their bank account on 11<sup>th</sup> July 2024.

The President thanked the members for their relentless support.

The Chairman Mr Victor Pang Koon Seah thanked all the members in attending the AGM.

The Chairman also thanked our President for taking his time to preside at the Society's AGM and with his good advice, guidance, and continued support.

The Chairman mentioned that there was no dividend payment in year 2023 due to the net loss in financial year 2022. He was glad to inform that due to the surplus in financial year 2023, the Society will pay a dividend of 2.5% and a special dividend of 1.5% all its members in year 2024.

As a mark of appreciation, the Chairman called out for a big round of applause to our President, Prof. Dr. Maurice Teo.

**2) Five-Day Work Week**

The Chairman informed that the Society had implemented a five-day work week with effect from 01 July 2024 and hence, the Society's office will be closed on Saturday.

A letter box will be placed outside the Society's office for members to submit their letter or form when the office is closed.

**14. The President and the Chairman made announcement on the following: -  
(cont'd)**

**3) Annual Dinner & Dance**

The member enquired will there be a dinner and dance hold by the Society in year 2024.

The Chairman acknowledged that the Society did not hold any dinner and dance for the past few years as it is very costly. The President added that instead of holding a dinner and dance, he preferred to give more dividend and benefits to the members.

**15. Termination**

There being no other matters, the meeting was officially called to close at 1925hrs by the President Prof Dr Maurice Teo with a vote of thanks to all members present.

After which, the Society's Chairman Mr Victor Pang Koon Seah PBM proceeded with the lucky draw for the members and prizes were drawn and presented to members.

Victor Pang Koon Seah PBM  
Chairman

S Rathakrishnan  
Hon Secretary

Minutes recorded by Mdm Cheng Siew Juan

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

ESTIMATE OF EXPENDITURE	SUPPLEMENTARY		
	2025 S\$	2025 S\$	2026 S\$
1 Annual Function - Dinner & Dance		40,000	40,000
2 Annual General Meeting Expenses		60,000	60,000
3 Auditor Remuneration - External		18,000	18,000
- Internal		8,000	8,000
4 Administration Cost		3,000	3,000
5 Affiliation Fee		2,200	2,200
6 Amortization of intangible assets		60,000	60,000
7 CPF & SDF Contributions		60,000	60,000
8 Computer Bureau Service Expenses		118,000	118,000
9 Co-operative Seminar	10,000	40,000	50,000
10 Computer Software & Hardware		60,000	60,000
11 Depreciation on Property, Plants & Equipments		170,000	170,000
12 Extra-Ordinary Gen Meeting Expenses		15,000	15,000
13 General Expenses		52,000	52,000
14 GST Payment		5,000	5,000
15 Insurance		35,000	35,000
16 Interest on Specific Deposit		320,000	320,000
17 Maintenance of Office Equipment		10,000	10,000
18 Medical Expenses		20,000	20,000
19 Office Rent		54,000	54,000
20 Office Cleaning Expenses		4,600	4,600
21 Other C/Members' Tpt Reimbursement/ Meeting Expenses		65,000	65,000
22 Committee Members' Allowances		158,400	158,400
23 Postages & Telephone Charges		10,000	10,000
24 Printing & Stationeries		10,000	10,000
25 Professional & Legal Fees		15,000	15,000
26 Property Tax		17,000	17,000
27 Refreshments		7,000	7,000
28 Salaries & AWS		350,000	350,000
29 Service Charges		20,000	20,000
30 Staff Functions		14,000	14,000
31 Souvenir Gifts to Members		115,500	115,500
32 Utilities		8,000	8,000
33 WOCCU/ACU/ICA Expenses		100,000	100,000
Total	10,000	2,044,700	2,054,700

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

On 23 June 2023, the members have given approval for the Society to invest up to 30% of its total assets in restricted investments, for a period of 3 years.

The Registrar has also given approval for the 30% limit, for 3-year period from 04 July 2023 to 30 June 2026.

The Committee of Management would like to report on the investment performance as follows:

As at 31 December 2024, the Society's total assets were \$53,285,829 and restricted investments were \$11,535,686 or 21.65% of total assets.

As at 31 December 2023, the Society's total assets were \$52,449,586 and restricted investments were \$13,791,466 or 26.29% of total assets.

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

APPENDIX A1

**Restricted Investment Performance**

Assets Class	As at 31 Dec 2024		For FY 2024		As at 31 Dec 2023		For FY 2023	
	Invested Amount \$		Income \$	Expenses \$	Invested Amount \$		Income \$	Expenses \$
(a) Investment Property @ 171/171A Joo Chiat Road	3,919,174		115,447		4,014,763		121,100	
i) Valuation Fees				1,500				1,500
ii) Agency Fee (Commission)				4,320				17,550
iii) Maintenance Fees (ad-hoc repair)				22,150				778
iv) Property Insurance (Fire & Public Liability)				872				864
v) Property Tax				12,697				14,832
(b) Corporate bonds	0		0		0		12,500	
(c) Structured Products/ Deposits	0		0		0		0	
(d) Shares listed on SGX	0		0		0		0	
(e) Unit Trusts	7,475,312		194,092		9,635,503		342,388	
i) Custody Fee				7,589				16,327
(f) Shares in other co-operatives (acquired in 2012)	141,200		9,136		141,200		0	
Total Restricted Investments (A)	11,535,686				13,791,466			
Total Assets (B)	53,285,829				52,449,586			
Restricted Investments as % of Total Assets (A/B)	<b>21.65%</b>				<b>26.29%</b>			
Total Returns from Restricted Investments			318,675				475,988	
Total Expenses from Restricted Investments				49,128				51,851
Returns from Restricted Investments as %			<b>2.76%</b>				<b>3.45%</b>	

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

**Non-Restricted Investment Performance**

Assets Class		As at 31 Dec 2024	For FY 2024	As at 31 Dec 2023	For FY 2023
		Invested Amount \$	Income \$	Invested Amount \$	Income \$
(a)	Statutory Board/SGS Bond	17,513,405	449,816	16,466,780	396,121
(b)	Shares in other Co-operative	2,208,693	146,306	2,208,693	19,954
(c)	Fixed Deposits	15,052,852	607,807	12,486,099	445,609
(d)	Cash & Cash Equivalents	926,258	21,743	1,081,926	6,795
	<b>Total</b>	<b>35,701,208</b>	<b>1,225,672</b>	<b>32,243,498</b>	<b>868,479</b>
	Total Returns from Non-Restricted Investments as %		<b>3.43%</b>		<b>2.69%</b>

Restricted Investments, at 30% of total assets of \$53,285,829 as at 31 December 2024, would be \$15,985,749. The Restricted Investments Plan for a period of 3 years would be as follows:

Restricted Investments		Allocation (%)
a	Investment Property	0% - 30%
b	Corporate Bonds	0% - 25%
c	Shares listed on SGX	0% - 10%
d	Unit Trusts	0% - 50%
e	Shares in other co-operatives (acquired in 2012)	0% - 5%
<b>Total</b>		<b>100%</b>

With the proposed investment plan, the Committee of Management hopes to generate annual returns of at least 2% or 3%.

All investments transactions are approved by the Investment Committee and Management Committee.

**SINGAPORE MERCANTILE CO-OPERATIVE  
SOCIETY LIMITED**

Block 86, Marine Parade Central #03-216  
Singapore 440086

**STANDING ORDERS FOR GENERAL MEETINGS  
As Approved by the General Meeting - 18.08.1965**

**1. CHAIRMAN:**

The president of the Society for the time being shall take the Chair and formally open the business of the Meeting. In the absence of the President, a Vice-President or the Chairman of the Society, shall preside at the Annual General Meeting, and in his absence the choice of a Chairman shall be the responsibility of the members attending.

**2. MINUTES:**

The minutes of the previous annual general meeting may be circulated or be read by the Secretary at the annual general meeting. No debate or discussion shall be allowed on the Minutes except in regard to their accuracy.

**3. SPEAKERS:**

Every member shall address the Chair and address the Chairman as "Mr Chairman". When more than one member rise to speak, the first to rise shall be given precedence, the decision resting with the Chairman.

**4. CHAIRMAN'S RULING:**

The ruling of the Chairman on any question under the Standing Orders shall be final.

**5. INTERRUPTION:**

If any member interrupts another who is addressing the meeting, or used abusive or profane language, or causes disturbances at any of the meetings and refuses to obey the Chairman when called to order, he shall be named by the Chairman, and shall be asked to leave the room and he shall not be able to enter again until he has given an apology satisfactory to the Chairman.

**6. SPEECHES:**

A member shall not speak except in reference to a motion nor speak twice on one subject unless he be the mover of an Original Motion when he shall have the right to reply. But on an amendment being moved, any member, even though he has spoken on the original motion, may speak again on the amendment. The time allowed for making any such speech, shall not exceed the following limits:-

For moving a motion or amendment of which notice has been given	5 minutes
Any discussion	3 minutes
A reply by the mover of a motion	5 minutes

Provided that the Chairman may at his discretion rule a speaker out of order, or grant an extension of time.

7. **MOTIONS AND AMENDMENTS:**

The first Proposition on any particular subject shall be known as the Original Motion, and all succeeding propositions shall be called amendments. Every motion must be moved and seconded by two members before they can be discussed. When an amendment is moved to an original motion no further amendment shall be discussed until the first amendment is disposed of. Notice of any further amendment must be given before the first amendment is put to the vote.

8. **SUBSTANTIVE MOTIONS:**

If an amendment is carried, it displaces the Original Motion and itself becomes the substantive motion whereupon any further amendment relating to any portion of the substantive motion may be moved, provided it is consistent with the business and has not been covered by an amendment or motion which has been previously rejected. After the vote on each succeeding amendment has been taken the surviving proposition shall be put to the vote as the main question, and if carried shall then become the resolution of the general meeting.

9. **RIGHT OF REPLY:**

The mover of the Original Motion shall have the right to reply at the close of the debate upon such motion. When an amendment is moved he shall be entitled to speak thereon, and at the close of the debate on such amendment shall reply to the discussion, but shall introduce on new matter. The question then shall be put to the vote immediately and no further discussion shall be allowed once the question has been put from the Chair. The mover of an amendment shall not be entitled to reply.

10. **VOTING:**

Voting shall be by show of hands unless a ballot is called for by the majority of members present.

11. **CLOSURE:**

The motion for the next business, or the closure, may be moved and seconded only by members who have not previously spoken at any time during the debate. No speeches shall be allowed on such motions. In the event of the closure being carried, the mover of the Original Motion shall have the right to reply before the question is put.







# INVITATION

**Why?** don't you invite your friends to join as Members of the Society and to be a partner in progress.

## *Benefits*

1. Compulsion to save regularly
2. Annual Dividend
3. Specific Deposit Savings
4. Convenient Loan facilities
5. Funeral Grants - On death of father, mother, husband or wife and children
6. Grant to registered Nominee - On death of a Member
7. Valuable Co-operative Training
8. Social Functions
9. Scholarship Grants to members' children
10. Speedy Payment of all monies due on death, retirement or on medical grounds
11. Hospitalisation and Retirement Grants
12. Participation in Non-Profit organisation
13. Co-owner of the Society
14. Satisfaction in helping one another

**THE MORE MEMBERS MEAN, THE GREATER THE CAPITAL, THE BETTER THE BENEFITS FOR EVERY MEMBER, SO, WHY NOT PLAY YOUR PART FOR THE PROMOTION OF YOUR OWN HAPPY LIFE AND THE LIVES OF OTHERS?**

**SERVICE FOR EVERYBODY IN THE COMMERCIAL FIELD  
WITH YOUR FRIEND - THE MERCANTILE CO-OP**

**THE ULTIMATE WORTH OF  
MAN IS HIS SERVICE TO HIS FELLOWS**

