



# ntuc **Health**

ANNUAL REPORT 2015

GROWING  
*for Good*



## OUR Purpose

We bring happiness and peace of mind to individuals and families by delivering trusted care good enough for ourselves and our loved ones.

## OUR Values

### Care

We care for the people we serve; we look out for each other as a team.

### Respect

We believe in dignity for all, and treat everyone with respect. We are inclusive in our thoughts and actions.

### Integrity

We are a trusted member of the community. We are fair and honest in everything we do. We communicate with each other openly to build trust.

### Passion

We are passionate about working together and we believe in what we do.

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Credit: Ministry of Health

# GROWING *for Good*



Year 2015 was a significant year for NTUC Health; we broke new ground on many fronts and grew our key services. As we went about doing our work, we remained guided by our purpose “to bring happiness and peace of mind to individuals and families by delivering trusted care good enough for ourselves and our loved ones.”

## EXPANDING OUR SERVICES

In October 2015, we opened the doors of our first nursing home to residents who need longer term nursing care. NTUC Health Nursing Home (Jurong West) is a milestone, marking NTUC Health's foray into nursing homes as part of ongoing efforts to expand our range of services to meet the needs of an ageing population.

Our nursing home focuses on delivering quality nursing and rehabilitative care to support residents to return to the comfort and familiarity of their own homes, as far

as it is possible. At the same time, it actively engages the community so that those within and outside the facility can benefit from the interaction.

To support this endeavour, we have drawn on our network of existing services. These include our day and home care services, case management and volunteers' support from our senior cluster network, as well as our own team of doctors, therapists, nurses, pharmacists and dentists.

We are looking forward to the opening of two other new nursing homes at Chai Chee and Geylang East by mid-2017. By then NTUC Health will be one of the largest nursing home providers in Singapore.

In September 2015, we opened our first senior wellness centre in Marsiling Heights called SilverCOVE. The centre supports seniors living in the studio apartments with an Alert Alarm System, as well as those in the vicinity with gym facilities, lifelong learning initiatives, dental and healthcare services, and myriad of social activities.

## GROWING OUR SERVICE FOOTPRINT

Apart from introducing new services, we continue to grow the footprint of our existing provisions. To this end, we have added a new Senior Care Centre in Toa Payoh, a new Senior Activity Centre in Bukit Merah and two new dental clinics in Marsiling and Thomson Plaza. We have also established our first Cluster Support Office at Taman Jurong and operated

our first Mobile Dental Clinic which enabled us to bring basic dental care services to more than 1,000 seniors who, because of mobility issues, might not otherwise have access to dental service. At the same time, Origins Healthcare is continuing to grow its distribution network across supermarkets, as well as retail stores and cafes in Singapore.

## DEEPENING OUR COMMUNITY IMPACT

We have also done more for the Pioneer Generation last year, as we banded together as a group of NTUC Social Enterprises to launch a series of PioneersOK! schemes. Unity Pharmacy introduced a 6.5% discount to seniors aged 65 and above, while Unity Denticare provided dental screenings. In July 2015, Unity Pharmacy supported low-income families by contributing to the NTUC Social Enterprises “Big Value Bag: Made for Singapore” initiative.

When Singapore was affected by haze in September, Unity Pharmacy made news as its staff worked round-the-clock to ensure sufficient N95 face masks were stocked at all its outlets, pricing them affordably to ensure accessibility to more people. At the same time, Unity Family Medicine Clinic also participated in the Public Health Preparedness Scheme (PHPC) to enable children, the elderly, and lower and middle-income Singaporeans to receive affordable treatment for haze-related conditions.

## ACHIEVING SERVICE EXCELLENCE

Our efforts had not gone unnoticed by the industry. Our Care@home service was recognised at the 2015 Frost & Sullivan Singapore Excellence Awards and the Asia Pacific Eldercare Innovation Awards 2015 for “Excellence in Growth – Home Healthcare” and as a finalist for “Best Home Care Operator”, respectively.

Our newly opened SilverCOVE senior wellness centre, which was designed with inputs from residents of Marsiling Heights, also bagged “Best Silver Architecture for Community Spaces” along with “Best Approach to Support Ageing in Place” at the Aging Asia 4<sup>th</sup> Eldercare Innovation Awards.

Beyond accolades, the quality of our services was validated when our NTUC Health Nursing Home team gained accreditation from the Institute of Technical Education (ITE) as a Certified On-The-Job Training Centre (COJTC) in July 2015, and as an Approved Training Centre (ATC) in October 2015, to conduct the ITE Skills Certificate in Health Care.

The ISO 9001:2008 certification we received at all 12 Silver Circle day/



Chairman giving out ang pous to seniors in celebration of Chinese New Year

senior care centres in November 2015 was further testament of quality and consistency of care and processes in our service.

These achievements reaffirm the value and relevance of our services to many families in Singapore and reflect the commitment of our people and their contribution to the work of NTUC Health.

## LOOKING AHEAD

Against the backdrop of an ageing society, our responsibilities have grown pivotal. We have an important part to play in Singapore's community care landscape, both as a provider of health and eldercare services, and as an NTUC Social Enterprise.

Our successes are possible only because of the strong support from our shareholders, board members, community partners, management, staff and volunteers. I extend my heartfelt appreciation to our partners who have supported us. We have been enriched by your guidance, feedback and encouragement. We look forward to your continued support to grow, and to make a more positive impact on families in Singapore.

**MS TAN HWEI BIN**  
*Chairman*



Ribbon cutting ceremony at SilverACE Bukit Merah Opening

# BOARD OF *Directors*



1.



2.



3.



4.



5.



6.



7.



8.



9.



10.

**1. MS TAN HWEE BIN**  
*Chairman*

Ms Tan is the Executive Director of Wing Tai Holdings Limited, and Chairman of NTUC Health Co-operative Limited. She serves on the Boards for Singapore Labour Foundation and Agency for Integrated Care Pte Ltd. Ms Tan is also a Council member of Singapore National Employers Federation.

Ms Tan was the Chairman for SLF Strategic Advisers Pte Ltd, and served on the Board of NTUC FairPrice Co-operative Limited. She also served in the Chinese Development Assistance Council and the Central Singapore Community Development Council. She was awarded the Public Service Medal (PBM) in 2011.

**2. MR TAN SUEE CHIEH**  
*Deputy Chairman*

Mr Tan is the Deputy Chairman of NTUC Health Co-operative Limited, and the Group Chief Executive Officer of NTUC Enterprise Co-operative Limited. He was previously the Chief Executive of NTUC Income from 2007 to 2013 and has been its Director since 2003. Mr Tan serves on the Boards of several NTUC social enterprises as Deputy Chairman or Director, is a Fellow of the Institute of Actuaries (UK), and a Trustee of the Singapore LSE Trust.

**3. MS ADELINE SUM**  
*Board Member*

Ms Sum is a Board Member of NTUC Health Co-operative Limited. She also serves on the board of ComfortDelgro Corporation Ltd. She is the Social Enterprise Centric Director, NTUC; a Managing Director in NTUC FairPrice and Chief Executive Officer of Mercatus Co-operative and NTUC Choice Homes.

**4. DR CHRISTOPHER LIEN**  
*Board Member*

Dr Lien is a Senior Consultant in Geriatric Medicine and Director of Community Geriatrics at Changi General Hospital. He is a visiting consultant to Peacehaven Nursing Home and a Board member of St Andrew's Community Hospital. Dr Lien also serves as a member of the National Geriatric Services Task Force, the National Dementia Network, the Advance Care Planning Steering Committee, the National Medicine Reconciliation Workgroup, the Scientific Advisory Committee of the Centre for Ageing Research and Education and the Lien Center for Palliative Care, Duke-NUS Graduate Medical School. He is currently the Chairman of the Chapter of Geriatricians, College of Physicians, Academy of Medicine, Singapore. He is also a Governor of the Lien Foundation.

**5. MR GERRY LEE**  
*Board Member*

Mr Lee is a Board Member of NTUC Health Co-operative Limited, and the Deputy Chief Executive Officer (Operations) of NTUC FairPrice Co-operative Limited. He is also a Board Member of NTUC Link Pte Ltd. He holds the directorship of several other companies, including Majority Media Pte Ltd, NewFront Investments Pte Ltd, Cheers Holdings (2004) Pte Ltd and Grocery Logistics of Singapore Pte Ltd. Mr Lee is also the Chief Executive Officer of Co.op Xtra in Vietnam.

**6. MR LIAK TENG LIT**  
*Board Member*

Mr Liak is a Board Member of NTUC Health Co-operative Limited, and the Group Chief Executive Officer of Alexandra Health System. He has served on the Board since 2009 and is currently the Chairman of National Environment Agency. He also serves on the boards of Pathlight School, Civil Service College's Service Management Advisory Panel, Institute of Service Excellence and The Advisory Panel of the School of Information Systems at the Singapore Management University.

**7. MR MA WEI CHENG**  
*Board Member*

Mr Ma is a Board Member of NTUC Health Co-operative Limited, and an Advisor to the Amalgamated Union of Public Employees (AUPE). From 2011 to 2015, he served as the General Secretary of AUPE. Mr Ma served a four-year term with the Central Committee of the National Trades Union Congress (NTUC) from 2011. Currently, he is a Employee Panel Member in the Industrial Arbitration Court; Member in the Political Films Consultative Committee (MDA); Member in the Central Co-operative Fund Committee (MCCY); and Vice-Chairman of AUPE Multi-Purpose Co-operative Limited. He received the Public Service Medal (PBM) in 2013.

**8. MR S THIAGARAJAN**  
*Board Member*

Mr Thiagarajan is a Board Member of NTUC Health Co-operative Limited, the Director, Public Sector Industrial Relations and Director, Freelancers & Self-Employed (Strategy) at the NTUC. He is also Executive Secretary of the Amalgamated Union of Statutory Board Employees (AUSBE) and Union of Power and Gas Employees (UPAGE). He received the Commonwealth Foundation Fellowship in 2001 and the Public Service Medal in 2012.

**9. MR TAN HOCK SOON**  
*Board Member*

Mr Tan is a Board Member of NTUC Health Co-operative Limited, and the General Secretary of Food, Drinks and Allied Workers' Union (FDAWU). He currently focuses his attention on equipping workers with necessary skills to be future-ready. He is a member of the NWC Committee 2016, and a recipient of the Comrade of Labour Award by National Trade Union Congress in 2001.

**10. MR WILLIE CHENG**  
*Board Member*

Mr Cheng is a Board Member of NTUC Health Co-operative Limited. He is also the Chairman of the Singapore Institute of Directors. He is a Director of United Overseas Bank, Far East Hospitality Asset Management, SingHealth Services and Integrated Health Information Systems. He also sits on several charity and non-profit Boards. He is a Fellow of the Institute of Singapore, Chartered Accountants and Singapore Institute of Directors, and an Honorary Fellow of Singapore Computer Society.

# MANAGEMENT *Team*

## BUSINESS DIVISIONS



**MR CHUA SONG KHIM**  
*Chief Executive Officer*



**MR BERNARD LEE**  
*Managing Director & Head  
Pharmacy*



**MS SONIA TAY**  
*Managing Director & Head  
Origins Healthcare*



**MR LEON LUAI**  
*Head  
Clinical Services & Wellness  
Head  
Residential & Home Care*



**MS CAYMANIA LOW**  
*Head  
Day Care*

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NTUC Health remains committed to meet evolving health and ageing needs of working families and the community. We will continue to do our best to innovate and deliver quality and affordable services in a sustainable manner so that we can do more.”

— CHUA SONG KHIM, CHIEF EXECUTIVE OFFICER

## CORPORATE DIVISIONS



**MR PATRICK WONG**  
*Head  
Corporate & Business  
Development*



**MS CLARA LEE**  
*Head  
Corporate Communications  
& Branding*



**MS ADELINE KEE**  
*Head  
Finance*



**MS JUDY YONG**  
*Head  
Human Resource*



**MR WONG WAI HON**  
*Director  
Information Technology*

# 2015 HIGHLIGHTS

## UNITY DENTICARE



Opened

**2**

new dental clinics at Thomson and Marsiling

started the

**1<sup>ST</sup>**

Mobile Dental Clinic

## UNITY PHARMACY



**200,000**

more transactions across 58 stores than in 2014

## UNITY FAMILY MEDICINE CLINIC



**13,500**

patient visits

## ORIGINS HEALTHCARE



Organic Products distributed in more than

**400**

stores islandwide

## SILVERACE



Officially opened SilverACE (Bukit Merah), bringing the total number of Senior Activity Centres to

**7**

## SILVER CIRCLE



Opened 2 Centres in Toa Payoh and Jurong West, making a total of

**11**

Day/Senior Care Centres

## SILVERCOVE



Opened first Senior Wellness Centre featuring gym, health and dental services, gardening and other social and recreational activities

## CARE@HOME



Awarded "Excellence in Growth – Home Healthcare" (2015 Frost & Sullivan Singapore Excellence Awards)

Interim Caregiver Service helped more than

**2,000**

families

## HENDERSON HOME



**20**

rooms with a capacity to shelter up to

**36**

elderly residents

## CLUSTER SUPPORT



Served

**15%**

more seniors through case management support

## NTUC HEALTH NURSING HOME

Opened first nursing home in Jurong West



Awarded

**2**

more nursing homes – Geylang East, Chai Chee

One of the largest nursing home operators by 2017, with close to

**900**

beds



*Better Health*

# OUR COMMON ASPIRATION

With a focus on bolstering the health of patients, customers and the community in 2015, Unity Denticare, Unity Family Medicine Clinic, Unity Pharmacy and Origins Healthcare embarked on various initiatives to make products and services more accessible and affordable.

Apart from proactively expanding physical presence in different parts of Singapore, collaborations with one another within NTUC Health and beyond were also actively explored. The result is that our aspiration to bring about better health was achieved.

### **BRINGING DENTAL CARE CLOSER TO PATIENTS**

On 27 March 2015, Unity Denticare brought basic dental care closer to the community in the form of a Mobile Dental Clinic (MDC). Fully equipped with two dental chairs and radiological equipment, the MDC offers services including scaling, polishing, filling, simple extraction and dental x-ray.

### **UNITY DENTICARE**

2015 was a busy year for Unity Denticare, which saw the opening of two new clinics at Thomson Plaza and Marsiling. Including these new additions, Unity Denticare counts 20 physical clinics and effectively became one of the largest dental chains in Singapore.

Similar to all the other Unity Denticare clinics, MDC is accredited for Community Health Assist Scheme (CHAS) and Medisave, and eligible CHAS and Pioneer Generation patients can tap on government subsidy to co-pay their dental treatment.

About the size of a giant truck and manned by a team made up of a dentist,



Outreach to about **2,000** children to promote good dental care



Served almost **1,000** patients on Mobile Dental Clinic since March 2015



Opened **2** new dental clinics



More than **1,500** Tooth Fairy Club members



an oral health therapist and a dental assistant, the MDC can attend to 28 patients in a day. It also comes with a wheelchair lift for patients who are wheelchair-bound. More importantly, the patients can also be assured that all processes within the MDC, such as cleaning and disinfecting of instruments, will follow the same stringent standard operating procedures as that in a physical clinic.

With the aim of reaching out to clients in the Intermediate and Long Term Care sector, as well as vulnerable seniors at NTUC Health's senior activity centres, Unity Denticare partnered with grassroots organisations, voluntary welfare organisations and other community partners to provide accessible and affordable dental care to seniors.

Between June and August this year, the MDC also reached out for the first time to nursing home residents at Orange Valley Nursing Home (Simei), Man Fut Tong Nursing Home and Grace Lodge.

Head of Clinical Services and Wellness NTUC Health Mr Leon Luai explained,

"Some elderly may have difficulties in their mobility and thus, a physical clinic will not be accessible to them. We hope that with the MDC, we can bring our services closer to the elderly."

To which, Lyn Edel Yip, Chief Operating Officer/Group Director of Nursing, Orange Valley Nursing Home, shared that more than 40% of their residents had their dental checks and treatments done when the MDC came to visit. She shared, "Having the dental service at the doorstep of our Home is definitely a value-added service as residents and their families no longer have to make their way to a dental clinic situated elsewhere. We hope to work with Unity Denticare to bring the MDC to our other branches so more residents can benefit from this initiative and improve their dental health."

The MDC was similarly welcomed by the seniors. Mdm Law Geok Mui, 49, a Man Fut Tong Nursing Home resident confided, "I was suffering from a toothache for several months but did not seek treatment as I had an unpleasant encounter at the dentist previously. Thanks to MDC's quick and painless dental



Thanks to MDC's quick and painless dental treatment, I am now able to eat without any pain! My friends are also very happy with this service."

— **LAW GEOK MUI,**  
RESIDENT AT MAN FUT  
TONG NURSING HOME

treatment, I am now able to eat without any pain! My friends are also very happy with this service."

### SHARPENING SKILLS THROUGH TRAINING

Recognising that core to Unity Denticare's high professional standards is the skills of medical staff, Unity Denticare organised a hands-on training course on the topic "Suturing Techniques in Oral Surgery" on 7 March 2015. Through the session conducted by Visiting Consultant Dr Lim Kheng Ann, the dentists were able to refresh their knowledge; they could also stay current with the latest information.

Appreciative of the session, Dr Kwan Yuan Chun said, "An appropriate and secure suture will help to stop bleeding, promote wound healing and prevent wound rupture, thereby limiting the potential complications of a surgical procedure or trauma case, and improving the patient experience. The course with Dr Lim has definitely broadened my knowledge in the subject and better equipped me to manage such cases in the future."

Sharing the same positive sentiments was Dr Chin Meng Yean. She said, "It was a good refresher course for all of us. The choice of suturing technique, suture material and the specific types of needles used is important for proper healing with good cosmetic results, and re-establishing of normal functions. Correct suture removal techniques are essential to reduce inflammation during tissue healing. With better understanding and handling of the tissues in the oral cavity, I believe we are able to provide patients with a more comfortable experience."

During the year, Unity Denticare's Patient Service Assistants, call centre operators, as well as the teams from operations and marketing also underwent various training seminars and workshops to enhance their skills and knowledge. This served to reaffirm the importance of maintaining professional service standards.





“Today, I learnt to brush teeth and will practise brushing teeth every day.”  
— NG XUAN YI,  
3 YEARS OLD

### ENCOURAGING GOOD DENTAL CARE HABITS FROM YOUNG

During the year, Unity Denticare also launched an outreach programme to help preschoolers brush up on their dental care. On 11 February, the first group of preschoolers from Little Skool House was hosted at the Unity Denticare clinic situated at Ang Mo Kio Hub.

During the visit, Dr Sylvia Koh shared the importance of oral health through story-telling as well as a practical hands-on session for the children to practise tooth-brushing with an actual toddler's toothbrush.

Three-year-old participant Ng Xuan Yi said, "Today, I learnt to brush teeth and will practise brushing teeth every day. I enjoy the story-telling session most." Her mother, Ms Chew Sze Hwee, meanwhile, felt that the session motivated her daughter to brush her teeth regularly.

Other than Little Skool House, Unity Denticare also partnered with My First Skool to reach out to approximately 2,000 children in 2015.



### GOING THE EXTRA MILE FOR PATIENTS

For Unity Denticare, 2015 was fruitful in more ways than one. Notably, the professional conduct of our teams at the different clinics, had won Unity Denticare the approval of many patients.

**DATE**  
7 May 2015

**BRANCH**  
Unity Denticare (Market Street)

**SERVICE PROVIDED**  
Treatment for a Chipped Tooth

On 7 May 2015, a patient who dropped by our clinic at Market Street to fix a chipped tooth was pleasantly surprised when our dentist, Dr Lim, not only offered to check the cuts and grazes on her arm, but also dressed her wound. She had later left a note of appreciation on our Facebook page to commend Dr Lim for going beyond the call of duty and demonstrated sincere care towards her.

**DATE**  
21 September 2015

**BRANCH**  
Unity Denticare (Rivervale Mall)

**SERVICE PROVIDED**  
Root Canal Treatment

Our team at Rivervale Mall clinic – Dr Diana Lee, Susan and Ro – also received an all thumbs up from Mr Christopher Lye who was at the clinic for a root canal treatment earlier. Particularly, the team's detailed and clear explanation of each phase of the treatment gave Mr Lye the assurance and confidence of the team's professionalism. Their attentive and prompt support further augmented the pleasant service experience.

## UNITY PHARMACY

Despite a challenging retail environment, Unity Pharmacy further expanded its footprint in 2015 with the opening of two new retail pharmacies. It also recorded 200,000 more transactions compared to 2014.

### CONDUCTING COMMUNITY HEALTH CHECKS

Unity Pharmacy proactively reached out and built relationships with residents living in areas it served. In line with Unity Pharmacy's mission to deliver greater social impact to the community, health checks targeted mainly at the elderly who would ordinarily not have any medical insurance are conducted regularly.

Leveraging the network of other business units in NTUC Health, Unity Pharmacy collaborated with SilverACE to conduct health checks at their premises. Subsequent to the health checks, Unity Pharmacists continued to assist in the treatment of minor ailments as well as the monitoring of chronic medical conditions such as high blood pressure, and diabetes.



Opened  
**2**  
new retail pharmacies  
in 2015



**200,000**  
more transactions  
than in 2014

### EXPANDING THE TELEPHARMACY INITIATIVE

One key initiative that Unity Pharmacy embarked on in 2015 was to provide access to a pharmacist in all Unity Pharmacy outlets during store opening hours through a telepharmacy model.

Through technology, Unity Pharmacy enabled customers to obtain "Pharmacy Only" medication as well as access the professional services of a pharmacist at all times during the opening hours of the pharmacy. Since its introduction in 2015, the telepharmacy service has won the praise of many customers.

Mr Jean-Francois Legourd was one such customer, who benefitted from the telepharmacy service. Sharing his experience in July 2015, he said, "I just went to Unity Pharmacy in Alexandra Retail Centre. Unfortunately, the pharmacist was sick and not at work. In other countries, the same situation would have seen the pharmacy send me



to another faraway pharmacy or even get unauthorised staff to dispense medication. But Unity Pharmacy did not do either. Instead, they connected me via a video call on their laptop to another pharmacist who checked my identification, history, request and symptoms. Eventually, I got my ibuprofen in 60 seconds! This is amazing service."



#### PIONEERS MONDAY



Over **\$200,000** discounts given out

#### SENIOR TUESDAYS



Over **\$200,000** discounts given out

## WITH THE Community at Heart



Thirty-two-year-old Mr Parry Zhang is an Area Manager of Unity Pharmacy and oversees retail operations of 12 Unity pharmacies. First joining Unity as a pre-registration pharmacist in 2009, Parry quickly rose through the ranks within five years – all because of his passion for patients' health.

This passion also saw him being recognised as the "Community Pharmacist of the Year" during the 24<sup>th</sup> Singapore Pharmacy Congress in 2014.

Over the course of his career, Parry has helped many patients attain their goal of achieving better management of their chronic diseases. One of his memorable moments was with Mdm Julie Ng in the Sweet Spot Programme he led.

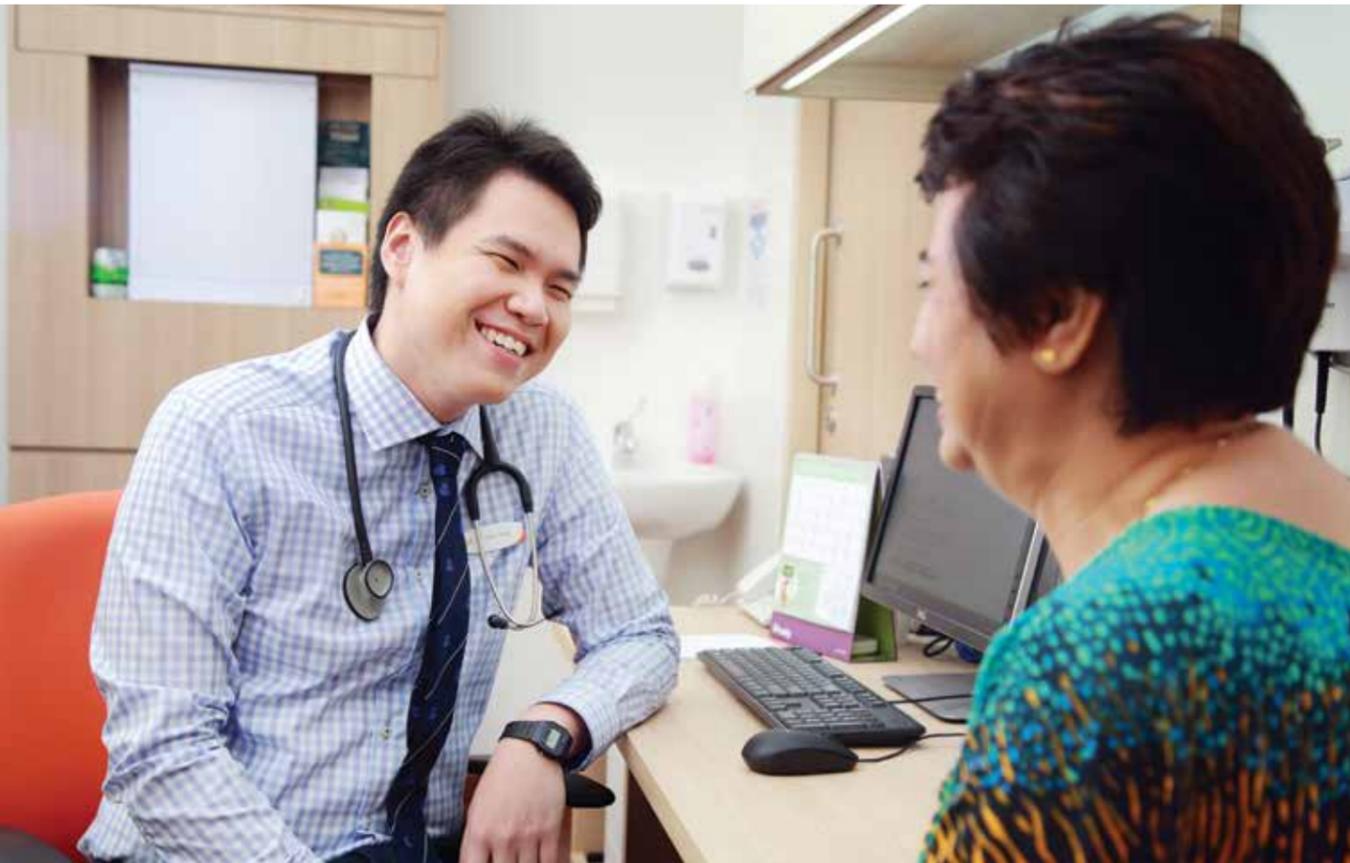
When she first went to Parry for consultations, Julie's diabetes was very poorly managed. Walking the journey with Julie, Parry patiently guided and encouraged her to make adjustments to her diet and lifestyle. Gradually, Julie became a model patient; her blood sugar levels dropped dramatically and was under control. These days, she has even become an advocate for healthy and balanced lifestyle with her great passion for Zumba.

Although heartened with the positive impact he has brought about for his patients, Parry has a bigger aspiration. He explained, "It is my hope to push for community pharmacists to take the lead in our profession and change the landscape. Rather than waiting for the community to come to us, we should be more proactive to go into the community and serve."

“ My vision is to engage the community with pharmacists as their first line of healthcare support, becoming a primary partner for personal well-being.”

— PARRY ZHANG, AREA MANAGER OF UNITY PHARMACY





## UNITY FAMILY MEDICINE CLINIC

On 18 March 2015, Unity Family Medicine Clinic celebrated its first anniversary. At which point, the collaborative effort between NTUC Health and National Healthcare Group (NHG) recorded some 5,500 patient visits. By the end of the year, the clinic saw 13,500 visits.

Besides bringing affordable and quality healthcare services closer to the community, especially for the elderly with chronic ailments, Unity Family Medicine also introduced a Chronic Disease Management system, which is easy to navigate and

encourages patients to actively manage their conditions with their doctors.

Patients from NHG, Tan Tock Seng Hospital, Institute of Mental Health and NHG Polyclinics were referred to Unity Family Medicine Clinic for follow-up care in the community – nearer to their homes. Collectively, the three centres bring one-stop health and community care services to the community.

### MAKING HEALTH SCREENINGS ACCESSIBLE TO MORE

In June 2015, Unity Family Medicine Clinic started running health screenings for seniors at SilverACE Senior Activity Centres across the island. Since then, more than 60 participants have benefitted from the initiative. Notably, at the health screening on 8 October 2015, 13 seniors at SilverACE (Bukit Merah) had their health checked.

  
**13,500**  
 patient visits  
**4,500**  
 unique patients

Each screening comprises blood test, height and weight measurements, blood pressure parameters and a consultation. This is subsequently followed by a follow-up review consultation two to three weeks later.

Committed to the job on hand, Unity Family Medicine Clinic Nurse Manager Ms Stephanie Ng said, "I joined Unity Family Medicine Clinic two years ago. I am heartened that we can reach out to lower income seniors through this initiative because I know the seniors would not have been able to afford health screenings otherwise."

### TOUCHING LIVES OF PATIENTS AND THEIR FAMILIES

The service quality at Unity Family Medicine Clinic is well appreciated by the community as exemplified by the compliments received. From May to August 2015, many satisfied patients rated the service as "Excellent".

One such feedback came from Ms Rosalind Tio, the daughter of 90-year-old Mr Tio Soei Hie, whose father had sought treatment at the clinic on several occasions since August 2015.



### Comments left by satisfied patients

"Gentle and smiling faces" – MR LIM JUI SUI, 57 YEARS OLD

"Very good support and excellent support staff; established a hospital card similar to credit card to record appointments, etc" – MR MAHBOOB ALAM, 45 YEARS OLD

"Doctor and staff are friendly" – MDM LIM BEE LAN, 55 YEARS OLD

"Friendly, approachable staff and doctors" – MS CHONG SIAU YIN, 69 YEARS OLD

"Staff are polite" – MR NG YEW LEE, 59 YEARS OLD



“Although we first went to Unity Family Medicine Clinic because of its convenience and proximity to our place, it is definitely not the only reason why we continue to seek treatment there today.”

Rosalind elaborated, “Not only is the service prompt, they also go the distance to ensure that my father understands the treatment process even when he is hard of hearing. They clearly write down everything on a board and patiently explain them to him.”

“My father only visits Unity Family Medicine Clinic now. The well-structured processes and efficiency of the staff means faster service and shorter waiting time. And the friendliness and professionalism of the staff there give us the confidence that we are in good hands.”

Sharing his sister’s sentiments is Mr Tio’s son who applauded the staff for being very caring and patient with his father.

“

Not only is the service prompt, they also go the distance to ensure that my father understands the treatment process even when he is hard of hearing.”

— ROSALIND TIO



## ORIGINS HEALTHCARE

The retail landscape was challenging in 2015. It was characterised by high operating costs and strong competition from both local and international brands. As a wholesaler and distributor of organic/natural whole foods, Origen's Healthcare had to confront the same challenges.

Thanks to the dedicated commitment of the Origen's Healthcare team, Origen's Healthcare not only managed to successfully overcome each of these challenges but also brought the business to greater heights by the time 2015 came to a close.

### EXPANDING DISTRIBUTION FOOTPRINT

Specifically, Origen's Healthcare grew its distribution network across more NTUC FairPrice and Cold Storage outlets as well as retail stores and cafes across the island. In addition, through strategically availing products at NTUC Health's SilverCOVE, and local hospitals and medical centres. Origen's Healthcare reaches out to consumers who will reap the most benefit from the goodness of its products. During the year, it also brought products beyond the shores of Singapore – penetrating the Indonesia and Bangladesh markets for the first time.

### INCREASING PRODUCT VARIETY

Consistent with Origen's Healthcare's mission to remain at the forefront of the health revolution and to promote organic food as a lifestyle choice, it expanded its product range – offering its customers with more choices.

Through the introduction of six basic food ingredients suitable for infusion into both Asian and International cuisine, Origins Healthcare aims to make healthy lifestyle accessible to everyone. The new Origins Healthcare products include Ecomil Coconut Milk, Ecomil Coconut Milk Sugar Free, Orgran Crispbread with Chia, Orgran Multigrain Self Raising Flour, Orgran Multigrain All Purpose Flour and three flavours of Orgran Multigrain Wafer Crackers.

**GROWING GOODWILL**

At the heart of Origins Healthcare's business sustainability are customers who appreciate the products and embrace them as part of their healthy lifestyle. One example is Ms Mia Lau, 27, an avid supporter of Origins Healthcare products. "Products that carry the 'Origins' brand mark are an assurance of good quality and value for money," she commented.

Another loyal customer of Origins Healthcare products is Ms Renee Kwek, 23, who professed that the nuts and crackers are her go-to products after an intensive gym workout. "They are wholesome and complete my gym routine as a healthy treat," she said.



# CHIA PUDDING

*A Tasty and Healthy Dessert*

**INGREDIENTS**

- 1/3 cup Origins chia seeds
- 1 cup unsweetened milk
- 1/4 tsp pure vanilla extract

**METHOD**

- Stir together chia seeds and milk in a glass
- Refrigerate overnight
- Add your favourite toppings
- Enjoy!



# QUINOA FRIED RICE

*A Healthy Version of Your Favourite Dish*

**INGREDIENTS**

- 1 cup Origins quinoa
- 1.5 cups water
- Diced carrots
- Baby asparagus
- Red bell pepper
- Mushrooms

**METHOD**

- Cook the quinoa using water
- Stir-fry diced vegetables
- Toss in cooked quinoa
- Add seasoning and serve
- Enjoy!



Distributed in more than  
**400**  
stores islandwide



**20%**  
growth in sales revenue

*Quality of Life*  
**OUR  
 UNWAVERING  
 COMMITMENT**

Against the backdrop of an ageing society, the availability and quality of care services will only become increasingly important.

In order to leverage opportunities in this market segment, which NTUC Health is well positioned to serve, new service offerings were added in 2015.

In addition, NTUC Health also expanded the scale of its existing services through the establishment of new centres. The fostering of a collaborative culture within and across the different teams also resulted in a more seamless care experience for clients and their families – elevating their quality of life.

**SILVERACE**

**B**uilding on the mission of promoting active ageing and wellness among vulnerable elderly in lower income

neighbourhoods, SilverACE expanded its existing network of SilverACE senior activity centres, bringing the total number of SilverACE centres to seven.

**REACHING OUT  
 TO MORE SENIORS**

Commencing operations in December 2014, SilverACE (Bukit Merah) was officially opened in 22 April 2015 by then NTUC Deputy Secretary-General Chan Chun Sing as the guest-of-honour. Similar to the other six centres, this centre primarily engages low-income seniors, aged between 60 and 95, who have little family support and limited social network.





Aimed at the over 500 seniors living in the four rental blocks in Jalan Bukit Merah and Kim Tian Place, the centre offers a welcoming environment for seniors to come together, interact and pass time over a game of chess, KTV sessions or other communal activities. Regular health and dental checks were also carried out for the seniors at the centre over the past year.

Apart from the organised activities at the centre, the staff at SilverACE also conducted regular house visits to monitor the health and well-being of the seniors – enabling early identification and prompt treatment of health problems such as high blood pressure and dementia among the seniors.

### COLLABORATING TO KEEP SENIORS HEALTHY

In March 2015, seniors at the various SilverACE centres underwent hearing and eye tests as part of their regular health checks. The hearing and eye tests were the outcomes of collaborations between Unity Pharmacy, My Ear Singapore and Ngee Ann Polytechnic School of Optometry.

Close to 200 seniors benefitted from the checks. From which, seniors with hearing abnormality were referred for subsequent consultations and intervention, including sponsorship of hearing aids.

### SHOWING APPRECIATION FOR VOLUNTEERS

In April 2015, SilverACE gathered its volunteers at Downtown East for a luncheon to show its appreciation for their commitment and dedication towards serving our seniors.

At the event, the volunteers were not only treated to entertaining performances but were also engaged in interactive games. A video montage was also specially put together to commemorate the significant milestones over the past year at the centres.

Chairman of NTUC Health, Ms Tan Hwee Bin was also present to express the team's gratitude for the volunteers' support. Special mention was given to three volunteers – the most senior as well as two of the youngest volunteers.



Officially opened SilverACE (Bukit Merah), bringing the total number of Senior Activity Centres to **7**



**70%** volunteers aged 65 and above



## YOUNG at Heart



Volunteering is a win-win arrangement – both for the centre and me. While the centre gets some help, I get to stay occupied and connected!”

— CHAN FOONG CHAI, 90, SILVERACE VOLUNTEER

Most people would find it hard to imagine having to keep a busy schedule after retirement. Contrary to that, 90-year-old Mdm Chan Foong Chai relishes her well-packed volunteering schedule at NTUC Health's SilverACE Senior Activity Centre at 71 Redhill Road. Volunteering four to five times a week at the centre, Mdm Chan announces, "I come here at 9am. Mondays to Fridays, rain or shine, unless I have other appointments."

Actually Mdm Chan is not new to volunteer work. She used to help out at a day care centre for dementia patients that her husband attended. However, she stopped after he was warded in a nursing home. And it was only when SilverACE staff Ms Chai Chee Mei, whom Mdm Chan had befriended at the Jurong centre, encouraged her to volunteer again that got her started. "I might never have done it if Chee Mei had not reached out to me," says Mdm Chan.

Whether it is her positive attitude or her fiercely independent streak, there is a strong air of tenacity about Mdm Chan. Not only does she stay alone and does the housework without any domestic helper, she also moves around without any assistance and takes a bus by herself to and from the centre.

She shares her insistence in keeping to the routine, "Although like many others, I do have some ailments associated with ageing, but they are nothing serious. Apart from practising tai chi on my own daily, I have nothing very much to do at home. So, why not come and help? Here, I can do a little bit of work and chit-chat with people. Time passes faster."

At the centre, Mdm Chan can be found either working on patchwork, taking part in various programmes and activities or conducting exercise sessions.



Credit: Ministry of Health

## SILVERCOVE

Conceptualised to help seniors age in place healthily and happily, SilverCOVE started its operations at Marsiling Heights in September 2015. Besides safeguarding the safety of seniors living in serviced apartments in blocks 180A and 180B through an Alert Alarm System, SilverCOVE also offers a comprehensive suite of services focusing on the social, physical and mental well-being of the seniors.

Through partnering various organisations to offer an extensive range of programmes and services, SilverCOVE embodies a holistic wellness approach towards the seniors.

### CARING FOR PHYSICAL WELLNESS

With health issues a key concern of seniors, SilverCOVE partnered with Khoo Teck Puat Hospital (KTPH) to provide community nursing services. Nurses are stationed twice a week at SilverCOVE to offer basic medical consultations and health checks. Meanwhile, for seniors with a preference for Traditional Chinese Medicine (TCM), SilverCOVE tied up with Eu Yan Sang to offer TCM consultation and treatment options.

In addition, Unity Denticare located within the premises provided convenience for seniors who would like to have their dental health checked while the well-stocked shelves of Origins Healthcare products encouraged seniors to maintain healthy diets.

NTUC Health's Care@home services further support frail seniors with home personal care and home healthcare services; allowing them to remain in the community and delaying the need for transfer to a medical/nursing institution.

### ENRICHING THE MIND AND SOUL

Working jointly with National Library Board and National Parks Board to keep



the Reading Corner's collection fresh and inspire the adoption of gardening as a hobby respectively, SilverCOVE engaged the seniors in meaningful activities.

### EMPOWERING A HEALTHY LIFESTYLE

Through collaborating with Republic Polytechnic's Sports and Exercise Sciences



NTUC Health's first Senior Wellness Centre



Served **120** members, more than **80** of whom live in studio apartments

diploma programme, seniors who are keen to use the equipment in the gym corner were not only able to receive guidance on the proper use of equipment but also achieve activity levels optimal for their physical conditions. Their participation in daily group exercise classes also boosted their stamina and strength while making new friends.

### DOING MORE AS A GROUP

SilverCOVE leveraged the services of the group of NTUC social enterprises to do even more for seniors. SilverCOVE seniors were assisted with online ordering of groceries from NTUC FairPrice at discounted rates and convenient pick-ups at the centre, while preschoolers from NTUC's My First Skool dropped in at SilverCOVE every other week for intergenerational bonding activities such as terrarium making, group exercises, festive celebrations and art-and-craft sessions with the seniors.

Concurrently, through working with NTUC Income and NTUC LearningHub, seniors at SilverCOVE were given opportunities to learn about financial planning, gain computer literacy, as well as be engaged in games which promote mental agility and creative thinking.



## BEST OF BOTH WORLDS

### *Healthier and Happier*



Thanks to SilverCOVE, I have not only gotten healthier over the past nine months, but also happier!”

— SALMAH BINTE NASIR, 64

Sixty-four-year-old Mdm Salmah Binte Nasir is a familiar face and a regular at SilverCOVE since the centre opened its doors in September 2015. She confided, “Although I visit the centre five times a week on average, I still look forward to each visit because there are always interesting activities going on there. Furthermore, I also get to catch up with old friends and meet new ones.”

Things could not have been more different two years ago when Mdm Salmah first moved from Tampines to Marsiling. Apart from being new to the neighbourhood and unfamiliar with the surroundings, she had just undergone a knee operation, and was unable to walk without the help of a *tongkat*, or a walking stick. Therefore, for almost a year, Mdm Salmah’s movement was largely confined within her house.

Determined to turn around her situation, Mdm Salmah decided to sign up as a member with SilverCOVE when it started operations in September 2015. Since then, Mdm Salmah embarked on her fitness journey under the watchful eyes of the centre’s personal trainer Mr Abdul Razak Bin Osman. Mdm Salmah smiled, “I don’t need a *tongkat* now. I can walk faster, bend down easily to pick things up, and don’t need to see the doctor so many times – I used to see him once every two months. Now, I only need to see him once a year.”

Physical health was not the only benefit that Mdm Salmah got from SilverCOVE. She has also made many new friends whom she now meets twice a week to share meals with and catch up on life. Armed with a new sense of purpose and optimism, Mdm Salmah is currently learning crocheting at SilverCOVE.



## SILVER CIRCLE

### ADDING TWO CENTRES TO THE PORTFOLIO

In August 2015, Silver Circle added two centres in Toa Payoh and Jurong West, increasing the number of day / senior care centres to 11. This development, coupled with the Silver Circle transportation services, brought greater convenience to Silver Circle’s over 600 clients.

Dr Ng Eng Hen, MP for Bishan-Toa Payoh GRC, officiated the opening of Silver Circle Senior Care Centre in Toa Payoh on 2 August 2015. Another Senior Care Centre located in NTUC Health Nursing Home commenced operations a few months later.

Similar to 10 other centres across the island, the new centres offer dementia care, active rehabilitation and community nursing services to seniors. The availability of these varied services under one roof enable the seniors and the caregivers to not have to travel to different places for the services.

With a capacity to serve up to 60 seniors, the centre not only provided opportunities for seniors to exercise and engage in social activities, but also ensured that seniors with dementia are kept safe within the confines of the centre with safety measures such as card-access doors during the year. Transportation services to ferry the seniors from their homes to the centres and back also provided convenience and safety assurance to the clients.

**BRIDGING GENERATION GAP THROUGH PARTNERSHIP WITH MY FIRST SKOOL**

NTUC Health's Silver Circle came together with NTUC First Campus' My First Skool in a three-month partnership to promote stronger bonds between the seniors at Silver Circle and the children from My First Skool.

By engaging the seniors and the children weekly in activities such as terrarium-making, inter-generation ties were fostered and strengthened.



Achieved  
**ISO 9001 : 2008**  
certification



Opened two Centres  
in 2015, making a  
total of  
**11**  
Day/Senior  
Care Centres



“I will like to express my appreciation to everyone at Silver Circle for their patience, understanding and most of all HEART. I know my mother who has dementia can be difficult to handle. However, the caregivers at Silver Circle had showered her with love, care and heart. Not only did they put the clients first, they are also empathetic. As my mother's caregiver after the Silver Circle hours, I can relate to what these caregivers face and therefore am even more appreciative and grateful to the team for upholding such high standards.”

– MR LIM CHUIN PING,  
SON OF MDM SEAH SYE NGN



**306**  
clients in 2015



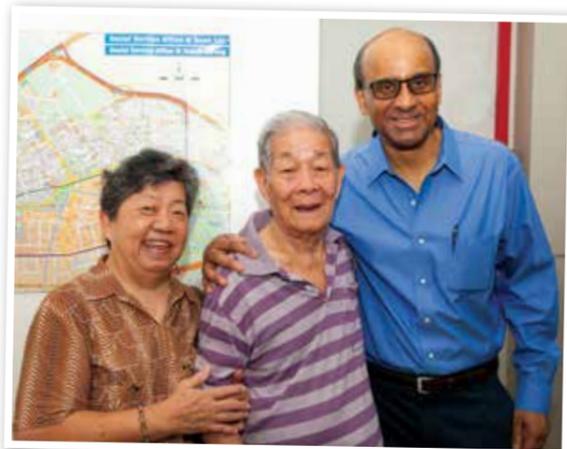
**15%**  
increase in number  
of clients from 2014

**CLUSTER SUPPORT**

Since its launch in 2012, NTUC Health has assisted over 700 seniors in the Jurong West and Bukit Merah zones. With the objective of providing better care and support to these seniors as well as to extend its reach to more seniors – the two centres moved into their dedicated Cluster Support office in March and September 2015 respectively. Cluster Support office located in Taman Jurong was officially opened on 24 November 2015 by Deputy Prime Minister, Mr Tharman Shanmugaratnam.

The offices serve as one-stop connecting points between vulnerable elderly with low family support and relevant community partners and services.

With the two centres becoming operational, Cluster Support services are now more accessible to the elderly residents. That, coupled with the higher awareness of the services rendered, resulted in an increase in the number of elderly residents coming to the offices to seek assistance in 2015. Similarly, referrals from the Regional Health Systems, Grassroots, SSOs, SACs and other welfare organisations also continued to stream in.



Prior to the initiation of the Cluster Support programme, residents in these areas had to approach different organisations for help. Now, through professional case management, Care Managers conduct comprehensive assessments of the seniors' varied needs and act as a single point of contact to coordinate efforts among community partners like the government, voluntary groups and healthcare institutions – enabling vulnerable seniors living alone and with low family support to age-in-place at home and within the community for as long as possible.

Volunteers under the Caring Assistance from Neighbours (CAN) programme by the Agency for Integrated Care, also visit these seniors regularly. Known as CAN Carers, they help to monitor the health and well-being of seniors in the community.



Now we can finally sleep well at night and look forward to the new and clean furniture that will be arriving soon. More importantly, I am glad to know that the next time I face any problem, I just need to call one or two persons and they will help me work it out.”

— LAU KANG NGOH



## SUPPORTING *Better Living Conditions*

**H**o Ching Road resident Mdm Lau Kang Ngoh, 69, was introduced to Cluster Support about a year ago when she was asking about food rations at the senior activity centre.

Subsequently, her Care Manager under the Cluster Support programme came to find out that her flat was infested with bedbugs and arranged for multiple fumigations. Mdm Lau shared, “My husband and I faced many sleepless nights over the last few years because of the itch from the bites. And I didn't really know who to talk to about the bedbugs. Old folks like us don't know where to look for help.”

With the completion of the fumigation process, Mdm Lau and her husband are in the process of getting new furniture. “Now we can finally sleep well at night and look forward to the new and clean furniture that will be arriving soon. More importantly, I am glad to know that the next time I face any problem, I just need to call one or two persons and they will help me work it out,” Mdm Lau grinned.



## JOURNEYING TOWARDS *Better Health Together*



Now I understand the importance of taking medication on schedule. Of course, having reminders from CAN Carer Elizabeth to take them also helps.” — ULLAGANATHAN S/O NAINAMALAI MUTHU, 66

**S**ixty-six-year-old Mr Ullaganathan s/o Nainamalai Muthu lives with his wife in a two-room rental flat in Lengkok Bahru. Although he has two daughters and one son, the former are busy with their family commitment, and rarely visit, while the latter is currently under institutional care. As a result, Mr Ullaganathan has limited support.

Despite suffering from multiple health conditions, Mr Ullaganathan did not take his medications regularly and even continued his drinking habit. “I had felt that the medications worsened my health condition because I suffer from side effects such as drowsiness,” he explained.

Eventually, he was admitted into hospital. His case was surfaced to the Cluster Support office. Assistant Care Manager Ms Diyanah Hashim took prompt actions and highlighted Mr Ullaganathan's nonchalant attitude towards his prescribed medication to NTUC Health's Principal Pharmacist Mr Peter Yap.

Peter was very concerned to hear that Mr Ullaganathan did not follow the instructions for his medication regime, and immediately conducted a joint visit with Diyanah to see Mr Ullaganathan to understand his situation and find a solution.

During the home visit, Peter patiently explained to Mr Ullaganathan about the importance of medication and their necessity to help improve his

functional abilities and sustain his health condition. After much encouragement, Mr Ullaganathan finally agreed to follow the medication regime and regulate his drinking.

“Sometimes, patients do not take their medication in a timely manner because they do not understand the importance of it. Other times, patients give up on taking medication because there are just too many medication and they are confused by their schedules and their purpose. During times like these, we just need to exercise a little patience and do some explanation to get them back on track,” Peter shared.

To give Mr Ullaganathan a jumpstart, and as an interim support, Peter consolidated the medication and organised them into a pillbox neatly. Meanwhile, Diyanah applied for medication packing service for long-term support. She also arranged for the agency to do blood pressure monitoring during their home visits to ensure that his blood pressure stays within acceptable range.

“Now I understand the importance of taking medication on schedule. Of course, having reminders from CAN Carer Elizabeth to take them also helps,” Mr Ullaganathan professed.

CAN Carer Ms Elizabeth Ho said, “We see a tremendous change in Mr Ullaganathan's attitude towards his medication. These days, he is more positive and takes greater ownership of his own care needs.”



## CARE@HOME

With increasing emphasis from Ministry of Health to grow this sector, abundant opportunities are available for NTUC Health's Care@home services. However, to ride on the growth momentum, a holistic approach has to be adopted.

Therefore in 2015, Care@home worked to maintain and advance the quality of care rendered to the clients through training and development of its care professionals. At the same time, Care@home also actively explored new technology to improve efficiency.

Our efforts were rewarded when we were recognised as a finalist for "Best Home Care Operator" at the Asia Pacific Eldercare Innovation Awards 2015 in April 2015. We also went on to bag the "Excellence in Growth – Home Healthcare" award during the 2015 Frost & Sullivan Singapore Excellence Awards in October 2015.

Meanwhile clients and families were appreciative of the care and support rendered to them.



Interim Caregiver Service helped more than **2,000** families



Awarded "Excellence in Growth – Home Healthcare" (2015 Frost & Sullivan Singapore Excellence Awards)



Finalist for "Best Home Care Operator" (Asia Pacific Eldercare Innovation Awards 2015)



"The caregiver you've provided is a perfect fit for both of my parents. He is not only really caring and methodical, but also neat and very sincere. The current arrangement is really a huge relief for us." – **ASHIKIN AB, DAUGHTER OF MR ABU BAKAR BIN HARON**

"We would like to thank Physiotherapist Alvin Chan for the dedicated care towards our son and brother, Samuel Chua. We would also like to thank NTUC Health for your help in continually approving every single appeal sent in so that Samuel can continue to enjoy physiotherapy sessions. The physiotherapy sessions thus far have brought about a lot of improvement in Samuel." – **MAGGIE GOH AND MATTHEW CHUA, MOTHER AND BROTHER OF MR SAMUEL CHUA JIE LIANG**

"Nurse Sakina Bibi d/o Mohd Ishak, whom we have had the pleasure of working with, is very committed and goes beyond her call of duty. Her level of dedication shines as an example to her peers. We are greatly appreciative of her care and support." – **MOHAMMAD DZUL BIN ABU ASIN AND FAMILY**

"Many thanks to NTUC Health for rendering Care@home service to help relieve caregivers like myself so that we can have a break from stress resulting from taking care of our loved ones. Thanks also for despatching trustworthy, honest and suitable Senior Care Assistants to care for my mother who has dementia." – **IVY TEO, DAUGHTER OF MDM NG NEW CHEW**

"Thank you NTUC Health for sending Mildred to help us. Please express our gratitude to her for her good job." – **DINAH HING SIM, DAUGHTER OF MDM HING CHENG YEW**



## THE INTERIM *Caregiver Service*

Since its roll-out in September 2013, the demand for Interim Caregiver Service has increased by almost 100 times. To date, more than 2,000 clients have benefitted from the service. When it was first rolled out over two years ago, Care@home served about two to three patients per month on average. Currently, almost 100 patients are served every month.

The service is targeted to ease the shortage of inpatient beds at the hospitals while ensuring appropriate care is provided to patients before a more permanent care arrangement is made. The service, which can last from two weeks up to three months, is comparatively cheaper than the hospital bills and therefore a welcome relief for patients and their families.

Earlier this year, when 84-year-old Mr Lim Song Thiam was recommended for the programme by Singapore General Hospital, he was matched to Nan Thu Zar Win from NTUC Health's Care@home. Instead of paying for hospital charges of at least \$162 per day, Mr Lim only needed to pay \$184

for two weeks after subsidies provided by Ministry of Health.

After two weeks, Mr Lim's family who had originally wanted to hire a domestic helper, were so pleased with the support provided that they decided to take up NTUC Health's Care@home service on a more permanent basis instead.

Mr Lim's daughter, Ms Angela Lim said, "Throughout the duration of the two weeks, Nan helped with diaper changing, bathing, feeding, and trips to toilet, as well as simple physiotherapy and massage. Although she couldn't speak Chinese or Teochew, she got along very well with my father. She was also very meticulous and efficient in her work."

Sharing her experience taking care of Mr Lim, Nan said, "Although we don't speak the same language, I can use simple English and actions to communicate with Mr Lim. We get along very well. I want to keep Mr Lim happy because, from experience, having a positive mindset can help patients get well faster."



## WORKING *Hand in Hand*

Anne and Angela (not their real names) in their 70s were first referred to NTUC Health's Cluster Support (Bukit Merah) to improve the home environment that they were living in, as well as to help them seek appropriate medical treatment.

On their behalf, Care Manager, Ms Audrey Leo gathered support, including volunteers to help with cleaning work and donations in kind for household items. Concurrently, she liaised with hospitals to manage both elderly sisters' medical care.

In the case of the older sister Anne, who was bedbound and down with cancer, she was admitted into the hospital for treatment. As for the younger sister Angela, her case was referred to NTUC Health's Care@home and matched to a Senior Care Assistant. Currently, Angela is receiving ensuite service which includes companionship, mind stimulation activities and simple housekeeping.

In addition, Principal Pharmacist Mr Peter Yap was also introduced to advise Angela on her multiple medications. Peter encouraged Angela to monitor her blood pressure and keep her doctor informed of her condition.

Building a good rapport with Angela, Peter drops in once a month or when necessary to ensure that she takes medication correctly and records her blood pressure reading as advised.





## HENDERSON HOME

**H**enderson Home is a unique 3-in-1 integrated senior care services in Singapore, with three facilities under one roof; a home for ambulant elderly who need a place to stay, a Silver Circle Day Care Centre and a SilverACE Senior Activity Centre.

To Mr Kaliperumal, 82, and Mdm Ruthirammah d/o Rajappa Thaver, 81, the significance of Henderson Home is more than just a roof over their heads. It is a place they call home.

Sharing a unit in the sheltered home, the loving couple is not only each other's companion but also pillar of strength. While Mr Kaliperumal helps Mdm Ruthirammah who suffers from dementia with self-care tasks, Mdm Ruthirammah plays a pivotal role in motivating Mr Kaliperumal to keep active and healthy by being his best activity mate.

Mr Kaliperumal confided, "I'm lucky to have my wife with me until this age. I want to care for her as long as I can because she needs

me. I take her along with me downstairs every morning to play games, sing songs, to keep her mind active. Whenever I need help, the people here always help me."

He continued, "I hope to be able to do things on our own so we don't need to burden our children. Here, we have a home for us to stay together, I have friends, and I can take part in activities with her, so it's good."

For that matter, the couple enjoys an active lifestyle at the Home. Apart from maintaining a regular schedule of social activities they both enjoy at Silver Circle Day Care Centre, located on the first level of Henderson Home, Mr Kaliperumal and Mdm Ruthirammah spend their afternoons in the comfort of their rooms, enjoying tea-time snacks and their favourite Tamil television programmes. Apart from visiting their peers in their rooms occasionally, the couple also strolls around the neighbourhood on weekends, having their meals at the hawker centre near the Home.

"With the staff around, I get to hang out with my friends around the area anytime I like without having to worry, because I know my wife is well taken care of," Mr Kaliperumal shared.

## NTUC HEALTH NURSING HOME

**N**TUC Health's first nursing home in Jurong West commenced operations in October 2015. Apart from the capacity to accommodate 290 residents, the senior care centre located within the nine-storey nursing home can also cater to 60 seniors.

With an emphasis on rehabilitative care, the nursing home sets out to nurse patients so that their conditions become stable and optimal for transition back to their homes and the community as far as possible.

Consistent with this purpose, efforts are ongoing to foster a welcoming and serene environment. Initiatives to encourage inter-generation bonding and engagement with the community to aid in the recovery of the clients are also being put in place.



**20**  
rooms with a capacity  
to house up to  
**36**  
elderly residents



### TWO NEW NURSING HOMES IN THE WORKS

Following the appointment of NTUC Health as operator for nursing homes in Geylang East and Chai Chee, works are underway for the construction of the 236-bedded nursing home in Geylang East and 342-bedded nursing home on Chai Chee Street. They are due to be completed in the first quarter of 2017 and the last quarter of 2016 respectively.

Being sited within the same geographical region is expected to facilitate the management of resources synergistically across the two homes. Furthermore, the established network of NTUC Health's senior care centres and home care services, as well as the recent commencement of operations at the Jurong West Nursing Home, is expected to provide the nursing homes a good jumpstart.



NTUC Health Nursing Home (Jurong West) attained bizSAFE Level 1 certification

#### CAPACITY:



**290**

(Jurong West Nursing Home)

**236**

(Geylang East Central Nursing Home)

**342**

(Chai Chee Nursing Home)



# A WARM Homecoming

Among the first group of 49 residents admitted to NTUC Health Nursing Home (Jurong West) was 79-year-old Mr Abdul Hamid Bin Mohamed Ali. Transferred from a local hospital, Mr Abdul came to NTUC Health Nursing Home with multiple medical conditions and need for care supervision. He was at high risk for falls and on diapers. He also had a whole host of other medical conditions including hypertension, high cholesterol, ischemic heart disease, neuropathy disease.

With which, he began on the route to recovery and was subsequently deemed fit for discharge based on his ability to be independent, which is assessed via a set of criteria mapped out by the nursing and therapy team. The checklist, called Resident Assessment Form (RAF) is endorsed by the Ministry of Health and measures the resident against key criteria such as mobility, physical independence (feeding, toileting, personal grooming and hygiene), social and emotional needs, confusion, psychiatric problems and behavioural problems.

Working closely with him, Nurse Manager San Yi, Senior Staff Nurse Saw Saw and team encouraged Mr Abdul Hamid to try and walk, which he managed to achieve after a few attempts. San Yi shared, "Mr Abdul Hamid is quite a character. He is generally positive and bonds well with his fellow residents. Even we are charmed by his cheerful disposition and wanted to do our best to nurse him back to health."

In addition, Mr Abdul Hamid also demonstrated that he was able to handle his own prescription (measured by another set of checklist called "self-administration of medication assessment", developed by NTUC Health Nursing Home's nursing team in accordance to international standards). He was able to differentiate his medication and identify their purpose and take them on time.





*Healthy Community*

# OUR COLLECTIVE EFFORT

A healthy community is NTUC Health's motivation to continue doing what it does. That is why in 2015 it actively took part in social campaigns that advance the health and well-being of the community.

## PIONEERSOK! CAMPAIGN

NTUC Health continues to support the PioneersOK! campaign in 2015, enabling pioneers to enjoy savings for health products at Unity Pharmacy on Mondays and priority queue treatment whenever they flash their Pioneer Generation Card at Unity Pharmacy. Resultantly, the pharmacies saw a 28% increase in the number of sale transactions involving seniors and pioneers.

To the delight of the pioneers, NTUC Health's Unity Denticare also

brought good and affordable dental treatment to the doorstep of pioneers through the Mobile Dental Clinic (MDC). Mr Tan Hang Song said, "I am happy with the initiative of NTUC Health to bring dental services closer to residents especially for older folks like us who always has the perception that dental services are painful, expensive and unaffordable. My overall experience with Unity MDC is impressive. It is clean with modern chair; the dentist, dental assistant are very attentive and skilful. The ground staff are very helpful. Thank you for doing this for us."

More than 300 pioneers benefitted from the MDC services.



### ROVING PIONEERSOK! TRUCK

In addition, on 25 April 2015, NTUC Health ushered in the next phase of the PioneersOK! package which saw the PioneersOK! truck travel to various estates to conduct health screenings, exercise sessions and cooking classes. Over the six-month period, the roving truck covered 26 heartland locations across different parts of Singapore and benefitted over 8,000 pioneers and seniors.

Notably, under the first theme, "Know your Health", the roving truck went into neighbourhoods across Singapore



**800,000**

face masks made available at all Unity Pharmacy outlets during the haze season



More than **300**

pioneers benefitted from the Mobile Dental Clinic services



PioneersOK! truck covered

**26**

heartland locations and benefitted over

**8,000**

pioneers and seniors



every weekend to bring PioneersOK! programmes to the residents. During which time, pioneers received exclusive discounts of up to 50% on selected Unity supplements sold on the truck as well as health checks.

Pharmacists were available to give professional counselling and advice while caregivers of pioneers had the opportunity to sign up for free talks by NTUC Health experts to learn tips in caring for the elderly at home, as well as how to prevent falls.

### TACKLING HAZE TOGETHER WITH SINGAPORE

In September 2015, when Singapore was hit by the haze, the management and staff of Unity Pharmacy came together, working around the clock, to stock up 800,000 face masks progressively across all Unity Pharmacy outlets.

The close monitoring of the stock level, on an hourly basis, ensured quick replenishment where necessary while maintaining the pre-haze prices made the N95 face masks affordable.

Subsequently when the haze situation did not improve for a prolonged period of time, Unity Pharmacy officially signed the declaration form from the Singapore Environment Council and the Consumers Association of Singapore as a demonstration of NTUC Health's commitment towards supporting environmentally-friendly practices.

At the same time, Unity Family Medicine Clinic also participated in the Public Health Preparedness Scheme (PHPC) allowing children, the elderly, and lower and middle-income Singaporeans to enjoy affordable treatment for haze-related conditions.



**“BIG VALUE BAG: MADE FOR SINGAPORE” PROGRAMME**

In July 2015, NTUC Health took part in the “Big Value Bag: Made for Singapore” programme worth \$35 million to benefit people in Singapore. The six-month programme was specially designed to help Singaporeans, young and old, better manage the cost of living.

Consistent with this purpose, NTUC Health offered customers a “buy three for the price of two” deal for selected Unity house brand supplements.

These house brand supplements, which were already priced between 20% to 33% lower than national brands originally, entitled the customers to even greater savings under the “Big Value Bag: Made for Singapore” deal of three for the price of two. This underscores the importance NTUC Health attaches to enhancing Singaporeans’ health and well-being.



Over  
**10**

house brand supplements included in the “Big Value Bag: Made for Singapore” programme

# REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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**DIRECTORS' STATEMENT**

We are pleased to submit this annual report to the members of the Co-operative together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

- (a) the accompanying financial statements of NTUC Health Co-operative Limited (the "Co-operative") and consolidated financial statements of the Co-operative and its subsidiaries (the "Group") as set out on pages FS1 to FS54 are drawn up in accordance with the provisions of the Singapore Co-operative Societies Act, Chapter 62 and Singapore Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the Co-operative for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due.
- (c) the receipt, expenditure and investment of monies and the acquisition and disposal of assets made by the Co-operative during the financial year ended 31 December 2015 have been made in accordance with the By-laws of the Co-operative and provisions of the Act.

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

**DIRECTORS**

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

Tan Hwee Bin	(Chairman)
Tan Suee Chieh	(Deputy Chairman)
Dr. Christopher Lien	
Liak Teng Lit	
Gerry Lee Kian Hup	
Ma Wei Cheng	
Willie Cheng Jue Hiang	
S. Thiagarajan	
Tan Hock Soon	
Adeline Sum Wai Fun	

**DIRECTORS' INTERESTS**

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

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

**DIRECTORS' STATEMENT****SHARE OPTIONS**

During the financial year, there were:

- (i) no share options granted by the Co-operative or its subsidiaries to any person to take up unissued shares in the Co-operative or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Co-operative or its subsidiaries.

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

**AUDITORS**

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

On behalf of the Board of Directors

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**Tan Hwee Bin**  
*Director*

11 May 2016

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**Willie Cheng Jue Hiang**  
*Director*

# INDEPENDENT AUDITORS' REPORT

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of NTUC Health Co-operative Limited (the "Co-operative") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the Co-operative as at 31 December 2015, the statement of comprehensive income, statement of changes in equity of the Group and the Co-operative and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS54.

### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Co-operative Societies Act, Chapter 62 (the Act) and Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Co-operative are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and of financial performance and changes in equity of the Co-operative for the year ended on that date.

# INDEPENDENT AUDITORS' REPORT

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Management's responsibility for compliance with legal and regulatory requirements

Management 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 Co-operative and the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the By-laws of the Co-operative and the provisions of the Act.

### Auditors' responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. 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 Co-operative and the provisions of the Act.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

### Opinion

In our opinion:

- (a) the accounting and other records of those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the Singapore Companies Act, Chapter 50;
- (b) proper accounting and other records have been kept by the Co-operative; and
- (c) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Co-operative during the year are, in all material respects, in accordance with the By-Laws of the Co-operative and the provisions of the Act.

### Other matter

The financial statements for the year ended 31 December 2014 were audited by another auditor whose report dated 7 May 2015 expressed an unqualified opinion on those financial statements.

### **KPMG LLP**

Public Accountants and  
Chartered Accountants

Singapore  
11 May 2016

**STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2015

	Note	Group		Co-operative	
		2015	2014	2015	2014
		\$	(restated) \$	\$	(restated) \$
<b>Non-current assets</b>					
Property, plant and equipment	4	16,861,180	15,527,394	16,744,314	15,477,073
Investment properties	5	5,634,561	7,667,731	5,634,561	7,667,731
Investments in subsidiaries	6	–	–	101,764	1,695,506
Investments	7	10,469,773	5,515,956	10,469,773	5,515,956
		<u>32,965,514</u>	<u>28,711,081</u>	<u>32,950,412</u>	<u>30,356,266</u>
<b>Current assets</b>					
Inventories	8	27,498,017	21,478,444	25,805,481	19,641,949
Trade and other receivables	9	12,834,717	14,238,375	10,919,669	8,484,116
Prepayments		1,214,564	499,367	1,201,375	492,373
Cash and cash equivalents	10	15,322,068	25,179,095	13,618,759	23,640,335
		<u>56,869,366</u>	<u>61,395,281</u>	<u>51,545,284</u>	<u>52,258,773</u>
<b>Total assets</b>		<u>89,834,880</u>	<u>90,106,362</u>	<u>84,495,696</u>	<u>82,615,039</u>
<b>Equity</b>					
Share capital	11	27,120,874	27,234,124	27,120,874	27,234,124
Reserves					
- Fair value reserve	12	(473,885)	335,275	(252,937)	551,144
- Merger reserves	12	3,705,590	3,705,590	–	–
Accumulated profits		23,967,520	21,405,774	24,503,972	18,821,429
<b>Equity attributable to owners of the parent</b>		<u>54,320,099</u>	<u>52,680,763</u>	<u>51,371,909</u>	<u>46,606,697</u>
Non-controlling interest		762,488	446,881	–	–
<b>Total equity</b>		<u>55,082,587</u>	<u>53,127,644</u>	<u>51,371,909</u>	<u>46,606,697</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	13	1,988	1,988	–	–
Community Silver Trust	14	1,125,663	971,944	1,125,663	971,944
Deferred income	15	1,657,566	1,877,126	1,657,566	1,877,126
Building Fund	16	–	–	–	–
		<u>2,785,217</u>	<u>2,851,058</u>	<u>2,783,229</u>	<u>2,849,070</u>
<b>Current liabilities</b>					
Trade and other payables	17	29,340,906	31,438,526	28,130,093	30,843,237
Deferred income	15	1,134,615	1,176,185	1,134,615	1,176,185
Provisions	18	1,075,850	1,139,850	1,075,850	1,139,850
Current tax payable		415,705	373,099	–	–
		<u>31,967,076</u>	<u>34,127,660</u>	<u>30,340,558</u>	<u>33,159,272</u>
<b>Total liabilities</b>		<u>34,752,293</u>	<u>36,978,718</u>	<u>33,123,787</u>	<u>36,008,342</u>
<b>Total equity and liabilities</b>		<u>89,834,880</u>	<u>90,106,362</u>	<u>84,495,696</u>	<u>82,615,039</u>

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

**STATEMENTS OF COMPREHENSIVE INCOME**

For the financial year ended 31 December 2015

	Note	Group		Co-operative	
		2015	2014	2015	2014
		\$	(restated) \$	\$	(restated) \$
Revenue	19	125,916,101	118,902,985	113,446,994	104,244,916
Other operating income	20	28,589,074	21,384,027	28,765,960	13,577,565
Consumables used		(81,535,109)	(78,491,880)	(75,691,843)	(72,345,087)
Staff costs	21	(37,681,204)	(31,255,968)	(35,588,130)	(20,548,147)
Depreciation expense		(4,455,689)	(4,313,298)	(4,411,685)	(3,447,232)
Rental expense		(13,049,128)	(12,372,445)	(12,979,578)	(12,038,078)
Other operating expenses		(13,491,914)	(11,354,690)	(11,787,057)	(8,513,023)
<b>Profit before tax and contributions</b>	22	<u>4,292,131</u>	<u>2,498,731</u>	<u>1,754,661</u>	<u>930,914</u>
Tax expense	23	(325,680)	(332,674)	–	–
Profit before contributions		<u>3,966,451</u>	<u>2,166,057</u>	<u>1,754,661</u>	<u>930,914</u>
<b>Contributions</b>					
Central Co-operative Fund		(25,000)	(50,000)	(25,000)	(25,000)
Singapore Labour Foundation	24	(250,932)	(91,810)	(250,932)	(70,300)
<b>Profit after contributions</b>		<u>3,690,519</u>	<u>2,024,247</u>	<u>1,478,729</u>	<u>835,614</u>
Honorarium to directors		(145,000)	(126,875)	(145,000)	(126,875)
<b>Profit for the year</b>		<u>3,545,519</u>	<u>1,897,372</u>	<u>1,333,729</u>	<u>708,739</u>
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Available-for-sale financial assets:					
- fair value (loss)/gains		(597,687)	18,963	(597,687)	(121,500)
- reclassifications to profit or loss		(206,394)	–	(206,394)	–
Other comprehensive income for the year		<u>(804,081)</u>	<u>18,963</u>	<u>(804,081)</u>	<u>(121,500)</u>
<b>Total comprehensive income for the year</b>		<u>2,741,438</u>	<u>1,916,335</u>	<u>529,648</u>	<u>587,239</u>
<b>Profit for the year attributable to:</b>					
Owners of the parent		3,103,695	1,505,577	1,333,729	708,739
Non-controlling interest		441,824	391,795	–	–
		<u>3,545,519</u>	<u>1,897,372</u>	<u>1,333,729</u>	<u>708,739</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		2,299,614	1,521,311	529,648	587,239
Non-controlling interest		441,824	395,024	–	–
		<u>2,741,438</u>	<u>1,916,335</u>	<u>529,648</u>	<u>587,239</u>

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

## STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

Group	Note	Share capital \$	Fair value reserve \$	Merger reserves \$	Accumulated profits \$	Equity attributable to owners of the parent \$	Non- controlling interests \$	Total equity \$
At 1 January 2014		27,334,674	319,541	3,705,590	20,451,036	51,810,841	424,921	52,235,762
<b>Total comprehensive income for the year</b>								
Profit for the year (restated)		-	-	-	1,505,577	1,505,577	391,795	1,897,372
<b>Other comprehensive income for the year</b>								
Available-for-sale financial assets: - fair value gain		-	15,734	-	-	15,734	3,229	18,963
<b>Total other comprehensive income</b>		-	15,734	-	-	15,734	3,229	18,963
<b>Total comprehensive income for the year (restated)</b>		-	15,734	-	1,505,577	1,521,311	395,024	1,916,335
<b>Transactions with owners, recognised directly in equity (restated)</b>								
Share capital withdrawn during the year	11	(100,550)	-	-	-	(100,550)	-	(100,550)
Dividends (restated)	11	-	-	-	(550,839)	(550,839)	-	(550,839)
<b>Transaction with non-controlling interest</b>								
Dividends	11	-	-	-	-	-	(373,064)	(373,064)
At 31 December 2014		27,234,124	335,275	3,705,590	21,405,774	52,680,763	446,881	53,127,644

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

## STATEMENTS OF CHANGES IN EQUITY (continued)

For the financial year ended 31 December 2015

Group	Note	Share capital \$	Fair value reserve \$	Merger reserves \$	Accumulated profits \$	Equity attributable to owners of the parent \$	Non- controlling interests \$	Total equity \$
At 1 January 2015		27,234,124	335,275	3,705,590	21,405,774	52,680,763	446,881	53,127,644
<b>Total comprehensive income for the year</b>								
Profit for the year		-	-	-	3,103,695	3,103,695	441,824	3,545,519
<b>Other comprehensive income for the year</b>								
Available-for-sale financial assets: - reclassification to income statement - fair value loss		-	(206,394)	-	-	(206,394)	-	(206,394)
<b>Total other comprehensive income</b>		-	(597,687)	-	-	(597,687)	-	(597,687)
<b>Total comprehensive income for the year</b>		-	(804,081)	-	-	(804,081)	-	(804,081)
At 31 December 2015		27,120,874	(473,885)	3,705,590	23,967,520	54,320,099	762,488	55,082,587

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

**STATEMENTS OF CHANGES IN EQUITY** *(continued)*

For the financial year ended 31 December 2015

	Note	Share capital \$	Fair value reserve \$	Accumulated profits \$	Total equity \$
<b>Co-operative</b>					
At 1 January 2014		27,334,674	672,644	18,663,529	46,670,847
<b>Total comprehensive income for the year</b>					
Profit for the year		–	–	708,739	708,739
<b>Other comprehensive income for the year</b>					
Available-for-sale financial assets:					
- fair value gain		–	(121,500)	–	(121,500)
<b>Total other comprehensive income</b>		–	(121,500)	–	(121,500)
<b>Total comprehensive income for the year</b>		–	(121,500)	708,739	587,239
<b>Transactions with owners, recognised directly in equity</b>					
Share capital withdrawn during the year	11	(100,550)	–	–	(100,550)
Dividends	11	–	–	(550,839)	(550,839)
At 31 December 2014		27,234,124	551,144	18,821,429	46,606,697
At 1 January 2015		27,234,124	551,144	18,821,429	46,606,697
<b>Total comprehensive income for the year</b>					
Profit for the year		–	–	1,333,729	1,333,729
<b>Other comprehensive income for the year</b>					
Available-for-sale financial assets:					
- reclassification to profit/loss		–	(206,394)	–	(206,394)
- fair value loss		–	(597,687)	–	(597,687)
<b>Total other comprehensive income</b>		–	(804,081)	–	(804,081)
<b>Total comprehensive income for the year</b>		–	(804,081)	1,333,729	529,648
<b>Transactions with owners, recognised directly in equity</b>					
Share capital issued during the year	11	10,000	–	–	10,000
Share capital withdrawn during the year	11	(123,250)	–	–	(123,250)
Dividends	11	–	–	(673,245)	(673,245)
Effects of dissolution of NTUC Eldercare		–	–	5,022,059	5,022,059
At 31 December 2015		27,120,874	(252,937)	24,503,972	51,371,909

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

**CONSOLIDATED STATEMENT OF CASH FLOW**

For the financial year ended 31 December 2015

	Group	
	2015 \$	2014 \$
<b>Cash flows from operating activities</b>		
Profit before income tax and contributions	4,292,131	2,498,731
Adjustments for:		
Amortisation of deferred income	(1,950,500)	(1,002,406)
Allowance for doubtful third parties trade receivables	17,867	15,855
Depreciation of property, plant and equipment	4,220,519	4,078,126
Depreciation of investment properties	235,170	235,172
Dividend income	(45,807)	(100,704)
Interest income	(146,239)	(109,066)
Inventories written off	587,567	225,585
Gain on disposal of available-for-sale financial assets	(228,294)	(5,445)
Gain on disposal of investment property	(2,052,000)	–
Loss on disposal of property, plant and equipment	–	79,015
Write off of property, plant and equipment	222,245	–
Operating cash flows before working capital changes	5,152,659	5,914,863
Working capital changes:		
Inventories	(6,607,140)	(5,035,561)
Trade and other receivables	1,385,791	(3,285,984)
Prepayments	(715,197)	194,148
Trade and other payables	(2,112,780)	2,475,708
Community Silver Trust	153,719	–
Deferred income	1,689,370	914,129
Cash (used in)/generated from operations	(1,053,578)	1,177,303
Contributions paid to:		
- Central Co-operative Fund	(25,000)	(50,000)
- Singapore Labour Foundation	(70,300)	(110,272)
Income tax paid	(283,076)	(211,406)
Interest received	146,239	109,066
Directors' honorarium paid	(126,875)	(80,192)
<b>Net cash (used in)/from operating activities</b>	<b>(1,412,590)</b>	<b>834,499</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOW** *(continued)*

For the financial year ended 31 December 2015

	Note	Group	
		2015	2014
		\$	\$
<b>Cash flows from investing activities</b>			
Dividend received from available-for-sale financial assets		45,807	100,704
Purchase of property, plant and equipment		(5,690,550)	(3,624,070)
Purchase of available-for-sale financial assets		(6,000,000)	–
Proceeds from acquisition of property, plant and equipment		–	121,947
Proceeds from disposal of investment properties		3,850,000	–
Proceeds from disposal of available-for-sale financial assets		470,395	6,945
<b>Net cash used in investing activities</b>		<b>(7,324,348)</b>	<b>(3,394,474)</b>
<b>Cash flows from financing activities</b>			
Share capital issued during the year		10,000	–
Dividends paid		(1,006,839)	(601,704)
Transfer to Eldercare Trust		–	(700,000)
Withdrawal of shares		(123,250)	(100,550)
<b>Net cash used in financing activities</b>		<b>(1,120,089)</b>	<b>(1,402,254)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(9,857,027)</b>	<b>(3,962,229)</b>
Cash and cash equivalents at beginning of the year		25,179,095	29,141,324
<b>Cash and cash equivalents at 31 March</b>	10	<b>15,322,068</b>	<b>25,179,095</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 11 May 2016.

**1 DOMICILE AND ACTIVITIES**

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

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

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

The financial statements of the Group as at and for the year ended 31 December 2015 comprise the Co-operative and its subsidiaries (referred to as the "Group" and individually as "Group entities").

**2 BASIS OF PREPARATION****2.1 Statement of compliance**

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

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

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

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

**2.4 Significant accounting judgements and estimates**

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 2 BASIS OF PREPARATION (continued)

### 2.5 Changes in accounting policies

- (i) The Group changed its accounting policy with respect to the classification of members' shares from liabilities to equity to align with the accounting policies of the holding co-operative.

The Group believes that the classification of members' shares as equity provides consistency among the group of entities in presentation within holding co-operative.

#### Summary of quantitative impact

The following tables summarise the material impacts of the above changes on the Group's financial position, profit or loss and other comprehensive income and cash flows.

#### Statements of financial position

	Impact of change in accounting policy		
	As previously reported	Adjustments (see note 2.5 (i))	As restated
	\$	\$	\$
<b>Group</b>			
<b>1 January 2014</b>			
Share capital	100,000	27,234,674	27,334,674
Members' shares repayable on demand	27,234,674	(27,234,674)	-
<b>31 December 2014</b>			
Share capital	100,000	27,134,124	27,234,124
Members' shares repayable on demand	27,134,124	(27,134,124)	-
<b>Co-operative</b>			
<b>1 January 2014</b>			
Share capital	100,000	27,234,674	27,334,674
Members' shares repayable on demand	27,234,674	(27,234,674)	-
<b>31 December 2014</b>			
Share capital	100,000	27,134,124	27,234,124
Members' shares repayable on demand	27,134,124	(27,134,124)	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 2 BASIS OF PREPARATION (continued)

### 2.5 Changes in accounting policies (continued)

#### Statements of profit or loss and other comprehensive income

	Impact of change in accounting policy		
	As previously reported	Adjustments (see note 2.5 (i))	As restated
	\$	\$	\$
<b>Group</b>			
<b>Year ended 31 December 2014</b>			
Distributions to members	(548,339)	548,339	-
<b>Co-operative</b>			
Distributions to members	(548,339)	548,339	-

#### Statements of cash flows

	Impact of change in accounting policy		
	As previously reported	Adjustments (see note 2.5 (i))	As restated
	\$	\$	\$
<b>Group</b>			
<b>Year ended 31 December 2014</b>			
<b>Cash flows from operating activities</b>			
Profit before tax	1,950,392	548,339	2,498,731
Dividends on members' shares	548,339	(548,339)	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### (i) Business combinations

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

The Group measures goodwill at the date of acquisition as:

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

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

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

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

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

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

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

#### (ii) Subsidiaries

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.1 Basis of consolidation (continued)

#### (iii) Acquisitions from entities under common control

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

#### (iv) Loss of control

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

#### (v) Transactions eliminated on consolidation

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

#### (vi) Accounting for subsidiaries by the Co-operative

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

### 3.2 Foreign currency transactions

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

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

### 3.3 Financial assets

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 3.3 Financial assets *(continued)*

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

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

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

#### Loans and receivables

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

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

#### Cash and cash equivalents

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

#### Held-to-maturity financial assets

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

Held-to-maturity financial assets comprise unquoted bonds.

#### Available-for-sale financial assets

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

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

Available-for-sale financial assets comprise equity securities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 3.4 Impairment of financial assets

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

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

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

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

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

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

#### (ii) Available-for-sale financial assets

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 3.5 Financial liabilities

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

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

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

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

Other financial liabilities comprise trade and other payables.

### 3.6 Property, plant and equipment

#### (i) Recognition and measurement

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

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

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

#### (ii) Subsequent costs

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

#### (iii) Disposal

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

#### (iv) Depreciation

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

### 3.6 Property, plant and equipment *(continued)*

#### (iv) Depreciation *(continued)*

The estimated useful lives are as follows:

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

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

### 3.7 Investment property

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

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

The estimation useful lives are as follows:

Freehold buildings	50 years
Leasehold buildings and premises	50 years

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss as incurred.

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

### 3.8 Inventories

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.9 Impairment of non-financial assets

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

#### Calculation of recoverable amount

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

#### Reversals of impairment

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

### 3.10 Employee benefits

#### (i) Defined contribution plans

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

#### (ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

### 3.11 Provision

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.12 Revenue recognition

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

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

#### (i) Sale of goods

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

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

#### (ii) Rendering of services

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

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

#### (iii) Rental income

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

#### (iv) Advertising income

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

### 3.13 Government grants

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

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

### 3.14 Lease payments

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.14 Lease payments (continued)

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

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

### 3.15 Finance income and finance costs

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

Finance costs comprise losses on disposal of available-for-sale financial assets, dividends on shares classified as liabilities, impairment losses recognised on financial assets (other than trade receivables) and reclassifications of net losses previously recognised in OCI.

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

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

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

### 3.17 Tax

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

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

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.17 Tax (continued)

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

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

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

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

### 3.18 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Co-operative.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for the adoption by the Group on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Co-operative in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Co-operative. The Group has set up projects teams to assess the potential impact on its financial statements and to implement the standards. The Group does not plan to adopt these standards early.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Total
<b>Cost</b>									
At 1 January 2015	1,712,781	7,778,521	1,174,048	1,937,292	11,415,186	1,612,874	1,738,193	208,959	27,577,854
Additions	-	-	-	1,107,260	3,020,391	674,667	389,548	584,684	5,776,550
Write off	-	-	-	(144,055)	(1,828,172)	(110,135)	-	(17,013)	(2,099,375)
At 31 December 2015	1,712,781	7,778,521	1,174,048	2,900,497	12,607,405	2,177,406	2,127,741	776,630	31,255,029
<b>Accumulated depreciation</b>									
At 1 January 2015	475,287	2,333,557	293,400	949,043	5,787,202	989,659	1,209,850	12,462	12,050,460
Depreciation	39,494	155,570	27,000	359,313	2,865,635	372,051	319,614	81,842	4,220,519
Write off	-	-	-	(143,635)	(1,615,023)	(106,011)	-	(12,461)	(1,877,130)
At 31 December 2015	514,781	2,489,127	320,400	1,164,721	7,037,814	1,255,699	1,529,464	81,843	14,393,849
<b>Carrying amounts</b>									
At 1 January 2015	1,237,494	5,444,964	880,648	988,249	5,627,984	623,215	528,343	196,497	15,527,394
At 31 December 2015	1,198,000	5,289,394	853,648	1,735,776	5,569,591	921,707	598,277	694,787	16,861,180

NTUC HEALTH CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

### 4 PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Total
<b>Cost</b>									
At 1 January 2014	1,712,781	7,778,521	1,174,048	1,559,312	10,378,906	1,362,470	1,705,033	144,783	25,815,854
Additions	-	-	-	485,365	2,816,614	340,895	36,870	64,176	3,743,920
Disposals	-	-	-	(107,385)	(1,780,334)	(90,491)	(3,710)	-	(1,981,920)
At 31 December 2014	1,712,781	7,778,521	1,174,048	1,937,292	11,415,186	1,612,874	1,738,193	208,959	27,577,854
<b>Accumulated depreciation</b>									
At 1 January 2014	435,793	2,177,987	266,400	814,402	4,280,163	709,216	925,133	144,198	9,753,292
Depreciation	39,494	155,570	27,000	241,504	2,900,116	365,745	288,486	60,211	4,078,126
Reclassification	-	-	-	-	191,947	-	-	(191,947)	-
Disposals	-	-	-	(106,863)	(1,585,024)	(85,302)	(3,769)	-	(1,780,958)
At 31 December 2014	475,287	2,333,557	293,400	949,043	5,787,202	989,659	1,209,850	12,462	12,050,460
<b>Carrying amounts</b>									
At 1 January 2014	1,276,988	5,600,534	907,648	744,910	6,098,743	653,254	779,900	585	16,062,562
At 31 December 2014	1,237,494	5,444,964	880,648	988,249	5,627,984	623,215	528,343	196,497	15,527,394

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**4 PROPERTY, PLANT AND EQUIPMENT** *(continued)*

	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Co-operative</b>									
<b>Cost</b>									
At 1 January 2015	1,712,781	7,778,521	1,174,048	1,937,292	11,309,206	1,491,165	1,695,870	208,959	27,307,842
Additions	-	-	-	1,107,260	3,009,930	614,661	348,780	584,684	5,665,316
Write off	-	-	-	(144,055)	(1,828,172)	(96,931)	-	(17,013)	(2,086,171)
At 31 December 2015	1,712,781	7,778,521	1,174,048	2,900,497	12,490,964	2,008,895	2,044,650	776,630	30,886,986
<b>Accumulated depreciation</b>									
At 1 January 2015	475,287	2,333,557	293,400	949,043	5,686,400	903,293	1,177,328	12,461	11,830,769
Depreciation	39,494	155,570	27,000	359,313	2,860,455	351,588	301,253	81,842	4,176,515
Write off	-	-	-	(143,635)	(1,615,024)	(93,492)	-	(12,461)	(1,864,612)
At 31 December 2015	514,781	2,489,127	320,400	1,164,721	6,931,831	1,161,389	1,478,581	81,842	14,142,672
<b>Carrying amounts</b>									
At 1 January 2015	1,237,494	5,444,964	880,648	988,249	5,622,806	587,872	518,542	196,498	15,477,073
At 31 December 2015	1,198,000	5,289,394	853,648	1,735,776	5,559,133	847,506	566,069	694,788	16,744,314

NTUC HEALTH CO-OPERATIVE LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**4 PROPERTY, PLANT AND EQUIPMENT** *(continued)*

	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Co-operative</b>									
<b>Cost</b>									
At 1 January 2014	1,712,781	7,778,521	1,174,048	1,354,739	8,581,185	1,148,374	1,655,721	17,013	23,422,382
Transfer	-	-	-	204,573	1,697,041	106,326	6,989	127,770	2,142,700
Additions	-	-	-	485,365	2,811,314	326,956	36,870	64,176	3,724,681
Disposal	-	-	-	(107,385)	(1,780,334)	(90,491)	(3,710)	-	(1,981,920)
At 31 December 2014	1,712,781	7,778,521	1,174,048	1,937,292	11,309,206	1,491,165	1,695,870	208,959	27,307,842
<b>Accumulated depreciation</b>									
At 1 January 2014	435,793	2,177,987	266,400	882,591	4,955,936	767,571	908,311	5,078	10,399,667
Depreciation	39,494	155,570	27,000	173,315	2,315,488	221,024	272,786	7,383	3,212,060
Disposals	-	-	-	(106,863)	(1,585,024)	(85,302)	(3,769)	-	(1,780,958)
At 31 December 2014	475,287	2,333,557	293,400	949,043	5,686,400	903,293	1,177,328	12,461	11,830,769
<b>Carrying amounts</b>									
At 1 January 2014	1,276,988	5,600,534	907,648	472,148	3,625,249	380,803	747,410	11,935	13,022,715
At 31 December 2014	1,237,494	5,444,964	880,648	988,249	5,622,806	587,872	518,542	196,498	15,477,073

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**5 INVESTMENT PROPERTIES**

	<b>Group and Co-operative \$</b>
<b>Cost</b>	
At 1 January 2014 and 31 December 2014	11,345,933
At 1 January 2015	11,345,933
Disposal during the year	(3,100,000)
At 31 December 2015	8,245,933
<b>Accumulated depreciation</b>	
At 1 January 2014	3,443,030
Depreciation for the year	235,172
At 31 December 2014	3,678,202
At 1 January 2015	3,678,202
Depreciation for the year	235,170
Disposal during the year	(1,302,000)
At 31 December 2015	2,611,372
<b>Carrying amounts</b>	
At 1 January 2014	7,902,903
At 31 December 2014	7,667,731
At 31 December 2015	5,634,561

As at 31 December 2015, the Group and the Co-operative's investment properties are held under the following tenure:

	<b>2015</b>		<b>2014</b>	
	<b>Carrying amount \$</b>	<b>Fair value \$</b>	<b>Carrying amount \$</b>	<b>Fair value \$</b>
Freehold	–	–	1,860,000	3,500,000
Leasehold	5,634,561	10,561,000	5,807,731	10,606,000
	5,634,561	10,561,000	7,667,731	14,106,000

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

Included in investment properties is a carrying amount of approximately \$3,735,000 (2014: \$3,845,000) representing the Group's and the Co-operative's 25% share in certain units jointly-owned with NTUC Income Insurance Co-operative Limited. As at 31 December 2015, the Group and the Co-operative have no contingent liabilities and capital commitments in respect of those units.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**6 INVESTMENT IN SUBSIDIARIES**

	<b>Co-operative</b>	
	<b>2015 \$</b>	<b>2014 \$</b>
Unquoted equity shares, at cost	101,764	1,926,764
Allowance for impairment loss	–	(231,258)
	101,764	1,695,506

Movement in allowance for impairment loss is as follows:

	<b>Co-operative</b>	
	<b>2015 \$</b>	<b>2014 \$</b>
At 1 January	231,258	231,258
Allowance utilised	(231,258)	–
At 31 December	–	231,258

Details of the subsidiaries are as follows:

<b>Name of subsidiaries</b>	<b>Principal activities</b>	<b>Effective ownership interest</b>	
		<b>2015 %</b>	<b>2014 %</b>
NHC Health Resources Pte Ltd (Singapore) <sup>(1)</sup>	Dissolved	–	100
Unicare Health Pte Ltd (Singapore) <sup>(1)</sup>	Dissolved	–	100
NTUC Unity TCM Wellness Pte Ltd (Singapore) <sup>(1)</sup>	Dissolved	–	100
Origins Healthcare Pte Ltd (Singapore) <sup>(2)</sup>	Trading of health products	80	80
NTUC Eldercare Co-operative Limited (Singapore) <sup>(1)</sup>	Dissolved	–	98

Notes:

<sup>(1)</sup> Not audited as the subsidiaries had been dissolved during the year.

<sup>(2)</sup> Audited by KPMG LLP, Singapore

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**7 INVESTMENTS**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
<b>Held-to-maturity financial assets</b>				
Unquoted debt securities	6,000,000	–	6,000,000	–
<b>Available-for-sale financial assets</b>				
Quoted equity investment, at fair value	2,599,773	3,187,461	2,599,773	3,187,461
Other unquoted equity investments, at fair value	1,840,000	1,850,000	1,840,000	1,850,000
Unquoted equity investments, at cost	230,000	678,495	230,000	678,495
Allowance for impairment loss	(200,000)	(200,000)	(200,000)	(200,000)
Total available-for-sale financial assets	4,669,773	5,515,956	4,469,773	5,515,956
At 31 December	10,469,773	5,515,956	10,469,773	5,515,956

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

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

**8 INVENTORIES**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Finished goods	27,641,772	21,596,590	25,949,236	19,760,095
Less: Allowance for inventory obsolescence	(143,755)	(118,146)	(143,755)	(118,146)
	27,498,017	21,478,444	25,805,481	19,641,949

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**8 INVENTORIES (continued)**

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

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
At 1 January	118,146	144,372	118,146	144,372
Allowance for inventory obsolescence (net)	532,024	537,399	532,024	537,399
Allowance utilised	(506,415)	(563,625)	(506,415)	(563,625)
At 31 December	143,755	118,146	143,755	118,146

In 2015, Group's and the Co-operative's inventories of \$81,535,109 (2014: \$78,491,880) and \$75,691,843 (2014: \$72,345,087), respectively, were recognised as an expense during the period and included in "Consumables used".

In addition, the Group's and the Co-operative's inventories of \$587,567 (2014: \$225,585) and \$506,415 (2014: \$147,747) were written down to net realisable value. The write downs and reversals are included in "Consumables used".

**9 TRADE AND OTHER RECEIVABLES**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Trade receivables	5,037,884	4,545,914	3,997,548	2,864,855
Amount due from related parties				
- Trade	961,515	2,193	–	2,193
- Non-trade	135,988	729,320	135,988	729,320
Amount due from subsidiaries				
- Non-trade	–	–	107,636	1,781,523
Other receivables	4,131,461	6,449,436	4,131,461	1,822,778
Deposits	2,709,058	2,635,579	2,688,225	2,616,753
	12,975,906	14,362,442	11,060,858	9,817,422
Allowance for doubtful receivables	(141,189)	(124,067)	(141,189)	(1,333,306)
Loan and receivables	12,834,717	14,238,375	10,919,669	8,484,116

Amount due from related parties and subsidiaries are unsecured, non-interest bearing and repayable on demand.

Other receivables includes grant and subsidy receivables of \$3,897,574 (2014: \$5,211,287).

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**9 TRADE AND OTHER RECEIVABLES** (continued)

Movement in the allowance for doubtful receivables are as follows:

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
At 1 January	124,067	108,212	1,333,306	1,317,451
Allowance made during the year	17,867	15,855	17,867	15,855
Allowance utilised	(745)	–	(1,209,984)	–
At 31 December	141,189	124,067	141,189	1,333,306

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

**10 CASH AND CASH EQUIVALENTS**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Cash at bank	12,570,441	12,923,979	11,367,631	11,397,135
Fixed deposits	2,499,927	12,000,000	1,999,928	12,000,000
Cash on hand	251,700	255,116	251,200	243,200
	15,322,068	25,179,095	13,618,759	23,640,335

The Group's and the Co-operative's fixed deposits mature on varying period between 1 month and 12 months (2014: 2 to 9 months) for the financial year ended 31 December 2015. The weighted average effective interest rates on the fixed deposits range from 0.52% to 1.25% (2014: 0.38% to 1.25%) per annum.

**11 SHARE CAPITAL**

	Number of shares	
	2015	2014
<b>Co-operative</b>		
Ordinary shares, fully paid with no par value:		
On issue at 1 January	27,234,124	27,334,674
Issued during the year	10,000	–
Withdrawn during the year	(123,250)	(100,550)
At 31 December	27,120,874	27,234,124

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**11 SHARE CAPITAL** (continued)Rights of member

- (a) The membership shares relates to shares held by members where redemption of share is subject to approval of the Board of Directors.
- (b) All members are entitled to redeem their shares at the par value or the net asset value of the Co-operative based on the latest audited financial position as at the date of redemption, whichever is lower.
- (c) The shares do not carry any rights to fixed income.
- (d) In accordance with Section 4.6 of the Co-operative's By-Laws, every member shall, unless otherwise disqualified under the Act or the By-laws, have the right to:
  - (i) avail himself of all services of the Society;
  - (ii) stand for election to office, subject to the provisions of the Act and the By-laws, where applicable;
  - (iii) be co-opted to hold office in the Society, where applicable;
  - (iv) participate and vote at general meetings; and
  - (v) enjoy all other rights, privileges or benefits provided under the By-laws.
- (e) Members are entitled to receive dividends as and when declared by the Co-operative.
- (f) In the event of the winding up of the Co-operative, the assets shall be applied first to the cost of liquidation, then to the discharge of the liabilities of the Co-operative, then to the payment of the share capital or subscription capital, and then, provided that the By-laws of the Co-operative permit, to the payment of a dividend or patronage refund at a rate not exceeding that laid down in the Rules or in the By-Laws.
- (g) Any monies remaining after the application of the funds to the purposes specified in the above paragraph (section 88 of Co-operative Societies Act) and any sums unclaimed after two years under Section 89 (2) of the Act (which relates to claims of creditors), shall not be divided among the members but shall be carried to the Co-operative Societies Liquidation Account kept by the Registrar of the Co-operative Societies.
- (h) A sum carried to the Co-operative Societies Liquidation Account shall be kept in this Account for at least two years. Out of the Co-operative Societies Liquidation Account such sums may be transferred to the Central Co-operative Fund, or applied generally for the furtherance of co-operative principles in such manner, as the Minister may determine from time to time.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**11 SHARE CAPITAL** (continued)Rights of member (continued)**Dividends**

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

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
	(restated)		(restated)	

**Dividends to owners of the parent (restated)**

First and final exempt (one-tier) dividend paid of \$0.025 (2014: \$0.025) per share in respect of the previous financial year

673,245	550,839	673,245	550,839
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## Group

2015	2014
\$	\$

**Dividends to non-controlling interest**

Interim exempt (one-tier) dividend paid of \$Nil (2014: \$9.33) per share in respect of the current year

–	373,064
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In respect of the current financial year ended 31 December 2015, the Directors propose that a final dividend of \$Nil (2014: \$0.025) per share be paid to shareholders at the end of the reporting period, or on a pro-rata basis, if shareholders held such shares for a lesser period than one year.

**12 RESERVES**Fair value reserve

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

Merger reserves

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**13 DEFERRED TAX LIABILITIES**

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Property, plant and equipment	1,988	1,988	–	–

**14 COMMUNITY SILVER TRUST**

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

**15 DEFERRED INCOME**

The deferred income relates to grants received in relation to:

- purchases, or to subsidise the purchase of specific assets and/or capital expenditure, and
- defray certain cost as incurred in relation to specific services which the grants were provided for. Grants received are initially deferred in the statements of financial position and recognised systematically over the life of the underlying assets purchased. The deferred income also relates to grants received to offer care management service to the seniors qualifying for subsidies so that their complex social issues and care needs are being addressed adequately and appropriately with suitable community care and support service.

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
At 1 January	3,053,311	2,814,963	3,053,311	–
Transfer from a subsidiary	–	–	–	2,814,963
Increase during the year	1,689,370	1,240,754	1,689,370	1,240,754
Less: Transfer to profit or loss	(1,950,500)	(1,002,406)	(1,950,500)	(1,002,406)
At 31 December	2,792,181	3,053,311	2,792,181	3,053,311

## Group

## Co-operative

2015	2014	2015	2014
\$	\$	\$	\$

Analysed as follows:

Current liabilities	1,134,615	1,176,185	1,134,615	1,176,185
Non-current liabilities	1,657,566	1,877,126	1,657,566	1,877,126
	2,792,181	3,053,311	2,792,181	3,053,311

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**16 BUILDING FUND**

The building fund was set up to fund the development and building costs of day care and senior activity centres, to fund the repair, renovations and maintenance costs of all properties of the Co-operative and to fund the purchase of fixed assets in the form of depreciation.

In the prior financial year, \$700,000 was transferred to Eldercare Trust Fund.

**17 TRADE AND OTHER PAYABLES**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Trade payables	18,450,512	20,614,233	18,608,215	20,249,494
Other payables	3,318,192	2,833,510	3,211,633	2,810,047
Amount due from subsidiary – non-trade	–	–	–	1,248,733
Amount due from related parties – non-trade	78,256	347,132	78,256	347,132
Dividend payable	39,471	373,065	39,471	–
Central Co-operative Fund	50,000	50,000	50,000	50,000
Singapore Labour Foundation	322,106	70,300	322,106	70,300
Honorarium to directors	145,000	126,875	145,000	126,875
Accrued operating expenses	6,937,369	6,535,794	5,675,412	5,452,999
Advanced receipt of subsidy	–	487,617	–	487,617
	<u>29,340,906</u>	<u>31,438,526</u>	<u>28,130,093</u>	<u>30,843,237</u>

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

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

**18 PROVISIONS**

	Group and Co-operative	
	2015 \$	2014 \$
Provision for reinstatement costs	<u>1,075,850</u>	<u>1,139,850</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**18 PROVISIONS (continued)**

Movements in provision for reinstatement costs:

	Group and Co-operative	
	2015 \$	2014 \$
At 1 January	1,139,850	1,020,000
Provision made	86,000	119,850
Provision utilised	(150,000)	–
At 31 December	<u>1,075,850</u>	<u>1,139,850</u>

**Provision for reinstatement costs**

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

**19 REVENUE**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Sales of goods	105,083,012	100,679,914	92,613,905	88,990,687
Dental services	16,024,895	14,799,028	16,024,895	14,799,028
Eldercare services	4,808,194	3,424,043	4,808,194	455,201
	<u>125,916,101</u>	<u>118,902,985</u>	<u>113,446,994</u>	<u>104,244,916</u>

**20 OTHER INCOME**

	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Advertising income	8,230,130	6,696,784	8,230,130	6,696,784
Amortisation of deferred income	1,950,500	1,002,406	1,950,500	231,116
Customer redemption income	153,044	127,437	153,044	127,437
Dividend income	45,807	100,704	45,807	1,537,670
Foreign exchange gain, net	–	18,834	–	–
Gain on disposal of available-for-sale financial assets	228,294	5,445	228,294	–
Government grant	15,566,172	11,529,273	15,566,172	3,176,271
Interest income	146,239	109,066	140,593	99,883
Rental income	1,331,122	1,116,559	1,467,806	1,260,462
Others	937,766	677,519	983,614	447,942
	<u>28,589,074</u>	<u>21,384,027</u>	<u>28,765,960</u>	<u>13,577,565</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**21 STAFF COSTS**

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Salaries, bonuses and other short-term benefits	34,060,233	28,481,895	32,129,945	18,640,051
Employer's contribution to defined contribution plans	3,620,971	2,774,073	3,458,185	1,908,096
	37,681,204	31,255,968	35,588,130	20,548,147

**22 PROFIT BEFORE TAX AND CONTRIBUTION**

The following items have been charged/(credited) in arriving at profit before tax and contribution:

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Advertisement and promotion expenses	1,001,502	1,168,045	698,152	828,037
Allowance for doubtful trade receivable – third parties	17,867	15,855	17,867	15,855
Loss on disposal of plant and equipment	–	79,015	–	79,015
Management fee expense	–	1,344,979	–	727,187
Patronage rebates/discounts	1,651,848	1,388,002	1,651,848	1,388,002
Write off of plant and equipment	222,245	–	221,559	–
Gain on disposal of investment properties	(2,052,000)	–	(2,052,000)	–

**23 TAX EXPENSE**

	Group	
	2015	2014
	\$	\$
<b>Current tax expense</b>		
Current year	333,078	317,999
(Over)/Under provision in respect of prior years	(7,398)	14,675
	325,680	332,674

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**23 TAX EXPENSE (continued)**

	Group	
	2015	2014
	\$	\$
<b>Reconciliation of effective tax rate</b>		
Profit before tax and contributions	4,292,131	2,498,731
Tax calculated using the Singapore tax rate of 17%	729,662	424,784
Expenses not deductible for tax purposes	2,687	16,116
Income not subject to tax	(298,745)	(65,038)
Income tax exemption	(25,925)	(25,925)
Productivity and innovation credit	(43,123)	(8,352)
(Over)/Underprovision of current income tax in prior years	(7,398)	14,675
Corporate income tax rebate	(20,000)	(30,000)
Others	(11,478)	6,414
	325,680	332,674

The Co-operative is registered under the Co-operative Societies Act, Chapter 62 which is exempted from income tax under Section 13 of the Income Tax Act, Chapter 134, the tax incurred is pertaining to its non-Co-operative subsidiary's income tax expense.

**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2015	2014
	\$	\$
Unutilised tax losses	–	227,493
Unabsorbed capital allowance	–	26,206
	–	253,699

The unutilised tax losses and unabsorbed capital allowance available for carry forward and set-off against future taxable profits are subject to the agreement of the local tax authorities and compliance with certain provisions of the tax legislation. Deferred tax assets have not been recognised due to the uncertainty of the availability of future taxable profits against which the Group can utilise the benefits. The tax losses and other temporary differences do not expire under current tax legislations.

Unabsorbed capital allowances amounting to \$26,206 and unutilised tax losses amounting to \$227,493 have been foregone during the year as the subsidiaries have been strike off and are unable to utilise the tax losses and temporary differences.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**24 SINGAPORE LABOUR FOUNDATION**

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Contribution				
- current year	250,932	107,692	250,932	86,182
- over provision in prior year	-	(15,882)	-	(15,882)
	250,932	91,810	250,932	70,300

**25 OPERATING LEASE**The Group and the Co-operative as lessees

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

The leases have variable lease charge of 0.25% to 15% (2014: 0.25% to 8.00%) of targeted gross sales as stipulated on the lease agreement and are negotiated for an average term of 3 years.

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

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Within one year	11,563,524	10,672,507	11,563,524	10,606,324
After one year but within five years	12,771,488	10,338,581	12,771,488	10,338,581
	24,335,012	21,011,088	24,335,012	20,944,905

The Group and the Co-operative as lessors

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**25 OPERATING LEASE (continued)**

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

	Group and Co-operative	
	2015	2014
	\$	\$
Within one year	459,317	1,858,105
After one year but within five years	430,720	1,180,769
	890,037	3,038,874

Rental income earned by the Group and Co-operative from the investment properties amounted to \$621,627 (2014: \$589,976). Direct operating expenses arising from rental-generating investment properties during the financial period amounted to \$198,008 (2014: \$227,847).

**26 RELATED PARTIES**

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

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

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>With subsidiaries</b>				
Purchase of goods	-	-	759,804	537,309
Rental income	-	-	146,252	112,853
Consultancy fees	766,292	647,955	-	-
Dividend income	-	1,492,256	-	1,492,256
<b>With related parties</b>				
Rental paid	3,535,656	3,669,172	3,535,656	3,669,172
Patronage rebates/discounts	1,651,848	1,388,002	1,651,848	1,388,002
Management fee expense	1,597,200	1,344,979	1,597,200	727,187

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 26 RELATED PARTIES (continued)

### Compensation of key management personnel

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

	Group		Co-operative	
	2015	2014	2015	2014
	\$	\$	\$	\$
Salaries and other benefits	1,544,832	478,877	1,544,832	478,877
Employer's contribution to defined contribution plan	89,484	19,626	89,484	19,626
Director's honorarium	145,000	126,875	145,000	126,875
	1,779,316	625,378	1,779,316	625,378

## 27 FINANCIAL RISK MANAGEMENT

### Overview

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

- credit risk
- liquidity risk
- market risk

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

### Risk management framework

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

### Credit risk

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 27 FINANCIAL RISK MANAGEMENT (continued)

### Trade and other receivables

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

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

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

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

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

The Group and the Co-operative held cash and cash equivalents of \$15,322,068 and \$13,618,759 respectively at 31 December 2015 (2014: \$25,179,095 and \$23,640,335 respectively), representing their maximum credit exposures on these assets. Cash and fixed deposits are placed with banks and approved financial institutions. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities.

### Exposure to credit risk

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

	Group		Co-operative	
	Carrying amount		Carrying amount	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Cash and cash equivalents	15,322,068	25,179,095	13,618,759	23,640,335
Trade and other receivables	12,834,717	14,238,375	10,919,669	8,484,116
	28,156,785	39,417,470	24,538,428	32,124,451

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)*Impairment losses*

The aging of loans and receivables (excluding cash and equivalents) as at 31 December is:

	2015		2014	
	Gross \$	Impairment loss \$	Gross \$	Impairment loss \$
<b>Group</b>				
Not past due	10,938,276		12,835,936	
Past due 1 to 30 days	1,038,042	–	796,005	–
Past due 31 to 60 days	456,424	–	226,737	–
Past due 61 to 90 days	216,372	–	193,412	–
Past due more than 90 days	326,792	141,189	310,352	124,067
	<u>12,975,906</u>	<u>141,189</u>	<u>14,362,442</u>	<u>124,067</u>
<b>Co-operative</b>				
Not past due	9,837,412		8,989,067	1,209,239
Past due 1 to 30 days	500,944	–	397,774	–
Past due 31 to 60 days	248,643	–	78,956	–
Past due 61 to 90 days	147,067	–	178,598	–
Past due more than 90 days	326,792	141,189	173,027	124,067
	<u>11,060,858</u>	<u>141,189</u>	<u>9,817,422</u>	<u>1,333,306</u>

*Allowance for doubtful receivables*

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

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

*Liquidity risk*

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)*Market risk*

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

*Currency risk*

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the Australian dollar (AUD), United States dollar (USD) and New Zealand dollar (NZD).

In respect of other monetary assets and liabilities held in currencies other than the functional currencies of respective entities, the Group ensures that the net exposure is kept to an acceptable level by buying currencies at spot rates, where necessary, to address short term imbalances.

The summary of quantitative data about the Group's exposure to foreign currency risks as provided to the management of the Group based on its risk management policy was as follows:

	Australian dollars \$	US dollars \$	New Zealand dollars \$
<b>Group</b>			
<b>2015</b>			
Trade and other receivables	123,212	293,927	29,054
Trade and other payables	–	–	–
<b>Net financial assets/(liabilities)</b>	<u>123,212</u>	<u>293,927</u>	<u>29,054</u>
<b>Co-operative</b>			
<b>2014</b>			
Trade and other receivables	71,363	147,964	–
Trade and other payables	–	(274)	(62,055)
<b>Net financial assets/(liabilities)</b>	<u>71,363</u>	<u>147,690</u>	<u>(62,055)</u>

*Foreign currency sensitivity analysis*

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below, against the AUD, USD and NZD at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)Currency risk (continued)

## Foreign currency sensitivity analysis (continued)

	Profit or loss Group	
	2015 \$	2014 \$
AUD (10% strengthening)	12,321	7,136
USD (10% strengthening)	29,393	14,770
NZD (10% strengthening)	2,905	(6,206)
AUD (10% weakening)	(12,321)	(7,136)
USD (10% weakening)	(29,393)	(14,700)
NZD (10% weakening)	(2,905)	6,206

Interest rate risk

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

Equity price risk

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

Equity price sensitivity analysis

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

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

	Increase/(Decrease)			
	Group		Co-operative	
	2015 \$	2014 \$	2015 \$	2014 \$
Available-for-sales financial assets	221,989	275,798	221,989	275,798

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)Capital management

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

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

Financial instruments by category

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

	Note	Available- for-sale financial assets \$	Held-to- maturity financial assets \$	Loans and receivables \$	Financial liabilities at amortised cost \$	Total \$
<b>Group</b>						
<b>2015</b>						
<b>Assets</b>						
Cash and cash equivalents	10	–	–	15,322,068	–	15,322,068
Trade and other receivables	9	–	–	12,834,717	–	12,834,717
Investments	7	4,469,773	6,000,000	–	–	10,469,773
		4,469,773	6,000,000	28,156,785	–	38,626,558
<b>Liabilities</b>						
Trade and other payables	17	–	–	–	(29,340,906)	(29,340,906)
<b>2014</b>						
<b>Assets</b>						
Cash and cash equivalents	10	–	–	25,179,095	–	25,179,095
Trade and other receivables	9	–	–	14,238,375	–	14,238,375
Investments	7	5,515,956	–	–	–	5,515,956
		5,515,956	–	39,417,470	–	44,933,426

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)

Financial instruments by category (continued)

	Note	Available- for-sale financial assets \$	Held-to- maturity financial assets \$	Loans and receivables \$	Financial liabilities at amortised cost \$	Total \$
<b>Group</b>						
<b>2014</b>						
<b>Liabilities</b>						
Trade and other payables	17	–	–	–	(31,438,526)	(31,438,526)
<b>Co-operative</b>						
<b>2015</b>						
<b>Assets</b>						
Cash and cash equivalents	10	–	–	13,618,759	–	13,618,759
Trade and other receivables	9	–	–	10,919,669	–	10,919,669
Investments	7	4,469,773	6,000,000	–	–	10,469,773
		4,469,773	6,000,000	24,538,427	–	35,008,201
<b>Liabilities</b>						
Trade and other payables	17	–	–	–	(28,130,093)	(28,130,093)
<b>Co-operative</b>						
<b>2014</b>						
<b>Assets</b>						
Cash and cash equivalents	10	–	–	23,640,335	–	23,640,335
Trade and other receivables	9	–	–	8,484,116	–	8,484,116
Investments	7	5,515,956	–	–	–	5,515,956
		5,515,956	–	32,124,451	–	37,640,407
<b>Liabilities</b>						
Trade and other payables	17	–	–	–	(30,843,237)	(30,843,237)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2015

**27 FINANCIAL RISK MANAGEMENT** (continued)

Determination of fair values

Fair values

The carrying amounts of the Group and the Co-operative's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2014.

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

Non-derivative financial assets and liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting dates. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Other financial assets and liabilities

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 27 FINANCIAL RISK MANAGEMENT (continued)

### Fair value hierarchy (continued)

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

	Fair value measurement using:		
	Level 1 \$	Level 2 \$	Level 3 \$
<b>2015</b>			
<b>Group</b>			
<b>Assets</b>			
Available-for-sale financial assets			
- Quoted equity investments	378,000	2,221,773	-
- Other unquoted equity investments	-	1,840,000	30,000
Held-to-maturity financial assets			
- Other unquoted debt security	-	-	6,000,000
<b>Co-operative</b>			
<b>Assets</b>			
Available-for-sale financial assets			
- Quoted equity investments	378,000	2,221,773	-
- Other unquoted equity investments	-	1,840,000	30,000
Held-to-maturity financial assets			
- Other unquoted debt security	-	-	6,000,000
<b>2014</b>			
<b>Group</b>			
<b>Assets</b>			
Available-for-sale financial assets			
- Quoted equity investments	661,500	2,525,961	-
- Other unquoted equity investments	-	1,850,000	478,495
<b>Co-operative</b>			
<b>Assets</b>			
Available-for-sale financial assets			
- Quoted equity investments	661,500	2,525,961	-
- Other unquoted equity investments	-	1,850,000	478,495

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

## 27 FINANCIAL RISK MANAGEMENT (continued)

### Level 3 fair value

### Valuation techniques

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

Type	Fair value \$	Valuation technique
<b>2015</b>		
Available-for-sale financial assets	30,000	Lower of NAV or par value
Held-to-maturity investments	4,006,685	Discounted cash flows

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group and Co-operative	
	2015 \$	2014 \$
At 1 January	478,495	478,495
Additions	6,000,000	-
Disposal	(448,495)	-
At 31 December	6,030,000	478,495

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

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

## 28 COMPARATIVE INFORMATION

The previous year's financial statements were audited by another firm of Certified Public Accountants.

Certain corresponding numbers in prior year have been changed for comparability of presentation.

Specifically, in 2015, the Co-operative modified the classification of members' shares from liabilities to equity to align with the group accounting policies arising from the group-wide reassessment of the presentation of members' shares by the management of the holding entity. As a result of the reclassification of members' shares to equity, distributions to members are now presented as dividend payment from profits within equity instead of as an expense in the profit or loss.

The effect of the reclassification of the members' shares and distributions to members on the statements of financial position and statements of profit or loss and other comprehensive income are summarised in Note 2.5.

## MEMBERSHIP LISTING AND SHAREHOLDINGS

As at 31 December 2015

S/N	Name of Institutional Shareholder	Total Shares
1	NTUC Enterprise Co-operative Ltd	15,556,944
2	National Trades Union Congress	110,000
3	AUPE Multi-purpose Co-operative Ltd	10,000
4	Ngee Ann Polytechnic Consumer Co-operative Society Ltd	10,000
5	NTUC Income Insurance Co-operative Limited	1,000,000
6	Singapore Mercantile Co-operative Society Ltd	10,000
7	The Singapore Government Staff Credit Co-operative Society Ltd	10,000
8	The Singapore Teachers' Co-operative Society Limited	50,000
<b>Institutional Share Capital as at 31 December 2015</b>		<b>16,756,944</b>
<b>Ordinary Share Capital (18,224 members)</b>		<b>10,363,930</b>
<b>Total Share Capital as at 31 December 2015</b>		<b>27,120,874</b>

## NTUC SOCIAL ENTERPRISES AND AFFILIATED UNIONS AND ASSOCIATIONS

### NTUC SOCIAL ENTERPRISES

- NTUC FairPrice
- NTUC Foodfare
- NTUC Income
- NTUC Health
- NTUC First Campus
- NTUC LearningHub
- NTUC Link

### NTUC-AFFILIATED UNIONS AND ASSOCIATIONS

- Air Transport Executive Staff Union
- Attractions, Resorts & Entertainment Union
- Amalgamated Union of Public Daily Rated Workers
- Amalgamated Union of Public Employees
- Amalgamated Union of Statutory Board Employees
- Building Construction And Timber Industries Employees' Union
- Chemical Industries Employees' Union
- Creative Media and Publishing Union
- DBS Staff Union
- Dnata Singapore Staff Union
- ExxonMobil Singapore Employees Union
- Education Services Union
- Food Drinks and Allied Workers Union
- Housing and Development Board Staff Union
- Healthcare Services Employees' Union
- Inland Revenue Authority of Singapore Staff Union
- Keppel Employees Union
- Keppel FELS Employees' Union
- Metal Industries Workers' Union
- NatSteel Employees' Union
- Ngee Ann Polytechnic Academic Staff Union
- National Taxi Association
- National Transport Workers' Union
- Port Officers' Union
- Public Utilities Board Employees' Union
- Reuters Local Employees' Union Singapore
- Singapore Airport Terminal Services Workers' Union
- Singapore Bank Employees' Union
- Singapore Bank Officers' Association
- Scoot Staff Union
- Singapore Chinese Teachers' Union
- SIA Engineering Company Engineers and Executives Union
- Singapore Airlines Staff Union
- Singapore Insurance Employees' Union
- Singapore Industrial & Services Employees' Union
- Singapore Interpreters' and Translators' Union
- Shipbuilding and Marine Engineering Employees' Union
- The Singapore Manual & Merchandise Workers' Union
- Singapore Maritime Officers' Union
- Singapore Malay Teachers' Union
- Singapore Organisation of Seamen
- Singapore Port Workers Union
- Singapore Refining Company Employees' Union
- Sembawang Shipyard Employees' Union
- Singapore Shell Employees' Union
- SPRING Singapore Staff Union
- Singapore Stevedores Union
- Singapore Technologies Electronics Employees' Union
- Singapore Tamil Teachers' Union
- Singapore Teachers' Union
- Singapore Union of Broadcasting Employees
- Staff Union of NTUC-ARU
- Singapore Urban Redevelopment Authority Workers' Union
- Times Publishing Group Employees' Union
- Tigerair Staff Union
- Union of ITE Training Staff
- Union of Power and Gas Employees
- Union of Security Employees
- Union of Telecoms Employees of Singapore
- United Workers of Electronics & Electrical Industries
- United Workers of Petroleum Industry

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Cluster Support



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