NTUC HEALTH ANNUAL REPORT 2014

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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

TOGETHER
WE
CARE

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

TOGETHER
WE
RESPECT

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

TOGETHER
WE HAVE
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.

TOGETHER
WE HAVE
PASSION

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

CHAIRMAN'S MESSAGE

COMING TOGETHER TO BETTER SERVE NEEDS

In July 2014, NTUC Health was formed through bringing together both NTUC Eldercare and NTUC Unity Healthcare. Our rich experience and expertise in delivering health and eldercare services over the years positioned us well to meet the evolving needs of an aging population.

Guided by our core values of Care, Respect, Integrity and Passion, we strive to bring happiness and peace of mind to individuals and families by delivering trusted care good enough for ourselves and our loved ones.

This is NTUC Health's first annual report and I am pleased to share the efforts and key accomplishments in the past year.

INTEGRATING CARE FOR THE COMMUNITY

At the beginning of the year, we opened our first Family Medicine Clinic and Senior Care Centre at the Braddell Heights Community Hub in Serangoon Central. Both facilities are located next to each other, enabling seniors from the Senior Care Centre who require medical attention during the day to be quickly attended to by our family physicians next door. Our pharmacists stepped up health screening to the community through partnering with grassroots/community organisations. They also conduct regular health checks for the seniors in our Senior Activity Centres and encourage them to take charge of their own health, as part of our effort to transform the centres from social to wellness hubs. We also opened more dental clinics to provide quality and affordable dental services and prepared the launch of our mobile dental clinic to serve the seniors in the community.

SCALING UP TO MEET GROWING NEEDS

Being cared for at home continued to be the preferred option for many families, and we responded by scaling up recruitment and providing new home care services. From just 3 nursing aides in 2013, we now have more than 100 nursing aides to support patients who are discharged from hospitals and awaiting domestic help at home. Our dedicated home care team now serves 1,700 unique clients, a 70% increase from 2013.

We introduced weekend respite care in our Senior Care Centre at Serangoon Central, where family members who need a short break from caregiving duties can entrust their loved ones to our care. We also continue to enhance our day care services; progressively converting existing social day care centres into Senior Care Centres which offer added services such as community nursing, dementia care and active rehabilitation.

A key development was winning the Ministry of Health's tender to operate NTUC Health's very first Nursing Home in Jurong West by the end of 2015. The new Nursing Home will have 288 beds and focus on rehabilitating patients and creating an environment conducive for families including their young children, to spend time with their elderly loved ones.

GOING FORWARD

The way ahead is exciting and fulfilling, as we work steadfastly to strengthen our capabilities and expand our capacity. At the same time, we will also focus on embracing technology to improve the effectiveness and efficiency of our work processes to better serve our members and families in the community.

Let me thank our shareholders, partner organisations, board members, management and staff as well as volunteers for their commitment and support. We are also grateful for the feedback and encouragement our beneficiaries and community have given us for our work, making our service meaningful. NTUC Health aims to provide an integrated and seamless customer experience and to make a greater difference in caring for our community.

MS TAN HWEE BIN

BOARD OF DIRECTORS

MS TAN HWEE BIN

Ms Tan is the **Chairman** of NTUC Health Co-operative Limited, and the Executive Director of Wing Tai Holdings Limited. She is concurrently the Chairman of SLF Strategic Advisers Pte Ltd. Ms Tan serves on the Boards of Directors for Singapore Labour Foundation and Agency for Integrated Care Pte Ltd. She is also a Council Member of Singapore National Employers Federation, and was awarded the Public Service Medal (PBM) in 2011.

MR TAN SUEE CHIEH

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 has been a Director of NTUC Income since 2003 and was its Chief Executive from 2007 to 2013. Mr Tan serves on the Boards of several NTUC social enterprises, is a Fellow of the Institute of Actuaries (UK), and a Trustee of the Singapore LSE Trust.

MS ADELINE SUM

Ms Sum is a **Board Member** of NTUC Health Co-operative Limited, and the Chief Executive Officer of Singapore Labour Foundation and NTUC Choice Homes Co-operative Limited. She is also the Chief Development Officer of NTUC Enterprise Co-operative Limited.

DR CHRISTOPHER LIEN

Dr Lien is a **Board Member** of NTUC Health Co-operative Limited, and Senior Consultant and Director of Community Geriatrics, Department of Geriatric Medicine at Changi General Hospital (CGH). He is a Fellow of the Academy of Medicine, Singapore and is currently the Chairman of the Chapter of Geriatricians in the College of Physicians. He is also Governor of the Lien Foundation.

MR GERRY LEE

Mr Lee is a **Board Member** of NTUC Health Co-operative Limited, and the Deputy Chief Executive Officer, Singapore (Operations) of NTUC FairPrice Co-operative Limited. 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.

MR LIAK TENG LIT

Mr Liak is a **Board Member** of NTUC Health Co-operative Limited, and the Group Chief Executive Officer of Alexandra Health System. Currently, he is the Chairman of National Environment Agency and the Public Hygiene Council. He also serves in the advisory panel of the Singapore Human Resources Institute and in Boards of Pathlight School, the Institute of Service Excellence and the School of Information Systems at Singapore Management University.

MR MA WEI CHENG

Mr Ma is a **Board Member** of NTUC Health Co-operative Limited, and is presently Advisor to the Amalgamated Union of Public Employees (AUPE). Prior to this, he served as the General Secretary of AUPE from 2011 to 2014. Mr Ma was elected into the Central Committee of the National Trades Union Congress (NTUC) in 2011 for a 4-year term. He is also presently 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 Chairman of AUPE Multi-Purpose Co-operative Limited. He received the Public Service Medal (PBM) in 2013.

MR S THIAGARAJAN

Mr Thiagarajan is a **Board Member** of NTUC Health Co-operative Limited, the Director of Ong Teng Cheong Labour Leadership Institute, and a Director at SAI Free Clinic. He is also the Executive Secretary of the Union of Power and Gas Employees (UPAGE) and Amalgamated Union of Statutory Board Employees (AUSBE). He received the Commonwealth Foundation Fellowship in 2001 and the Public Service Medal in 2012.

MR TAN HOCK SOON

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 the re-employment of mature workers. He was a member of the NWC Committee from 2013 till 2014, and a recipient of the Comrade of Labour Award by National Trades Union Congress (NTUC) in 2001.

MR WILLIE CHENG

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

MR CHUA SONG KHIM
Chief Executive Officer

BUSINESS DIVISIONS

MR LEON LUAI
Head
Clinical Services & Wellness

MS CAYMANIA LOW
Head
Day Care

MS PANG SZE YUNN
Head
Home Care

MR BERNARD LEE
Managing Director
& Head
Pharmacy & Health Food

MR WALTER LEE
Head
Residential Care

CORPORATE DIVISIONS

MS CLARA LEE
Head
Corporate Communications
& Branding

MR PATRICK WONG
Head
Corporate & Business
Development

MS IVY TAI
Head
Finance

MS JUDY YONG
Head
Human Resource

MR WONG WAI HON
Director
Information Technology

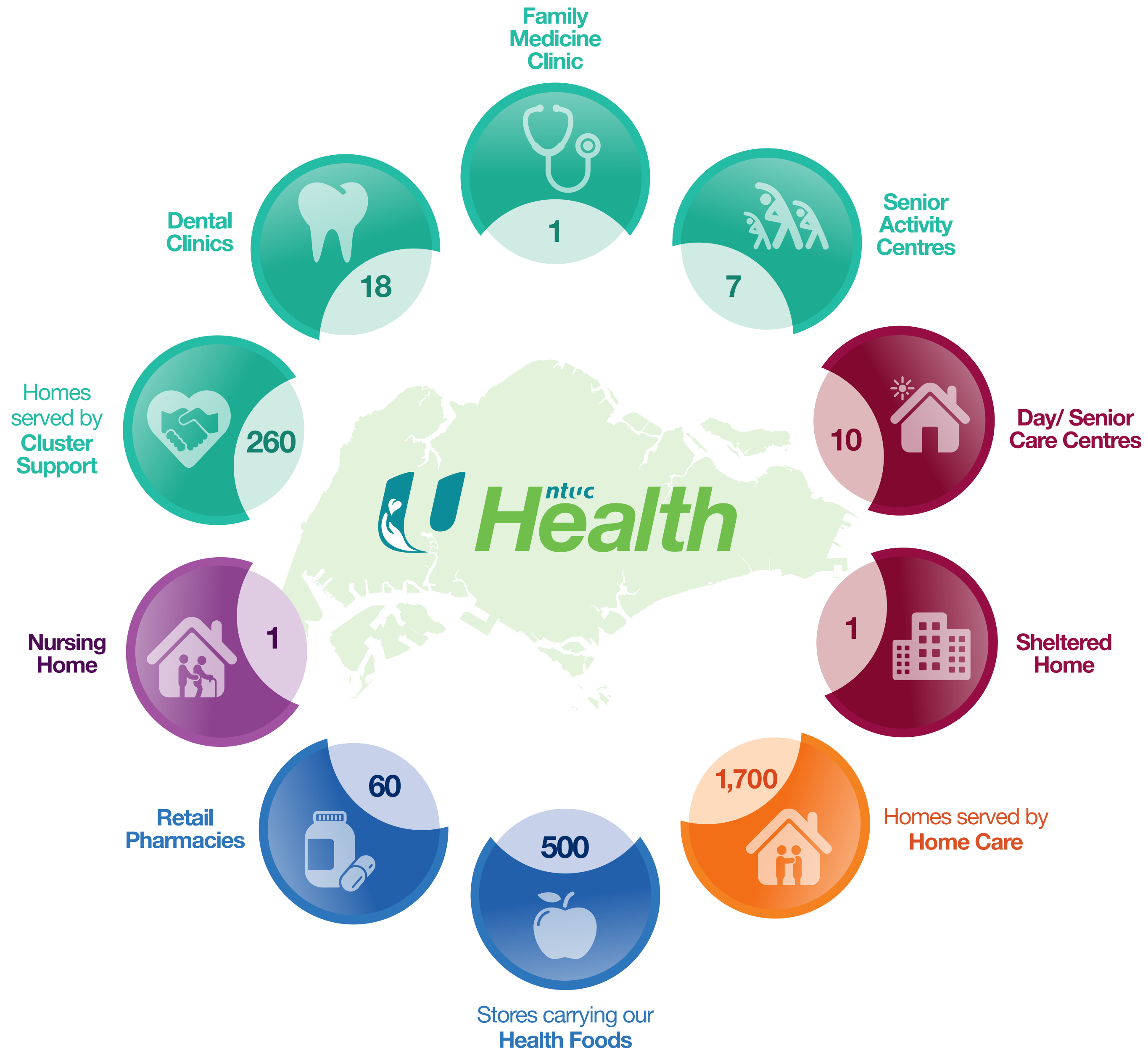
“ NTUC Health remains committed to meet evolving health and aging needs of working families and the community. We will continue to do our best to innovate and deliver quality and affordable services in a sustainable manner so that we can do more. ”

- Chua Song Khim
Chief Executive Officer

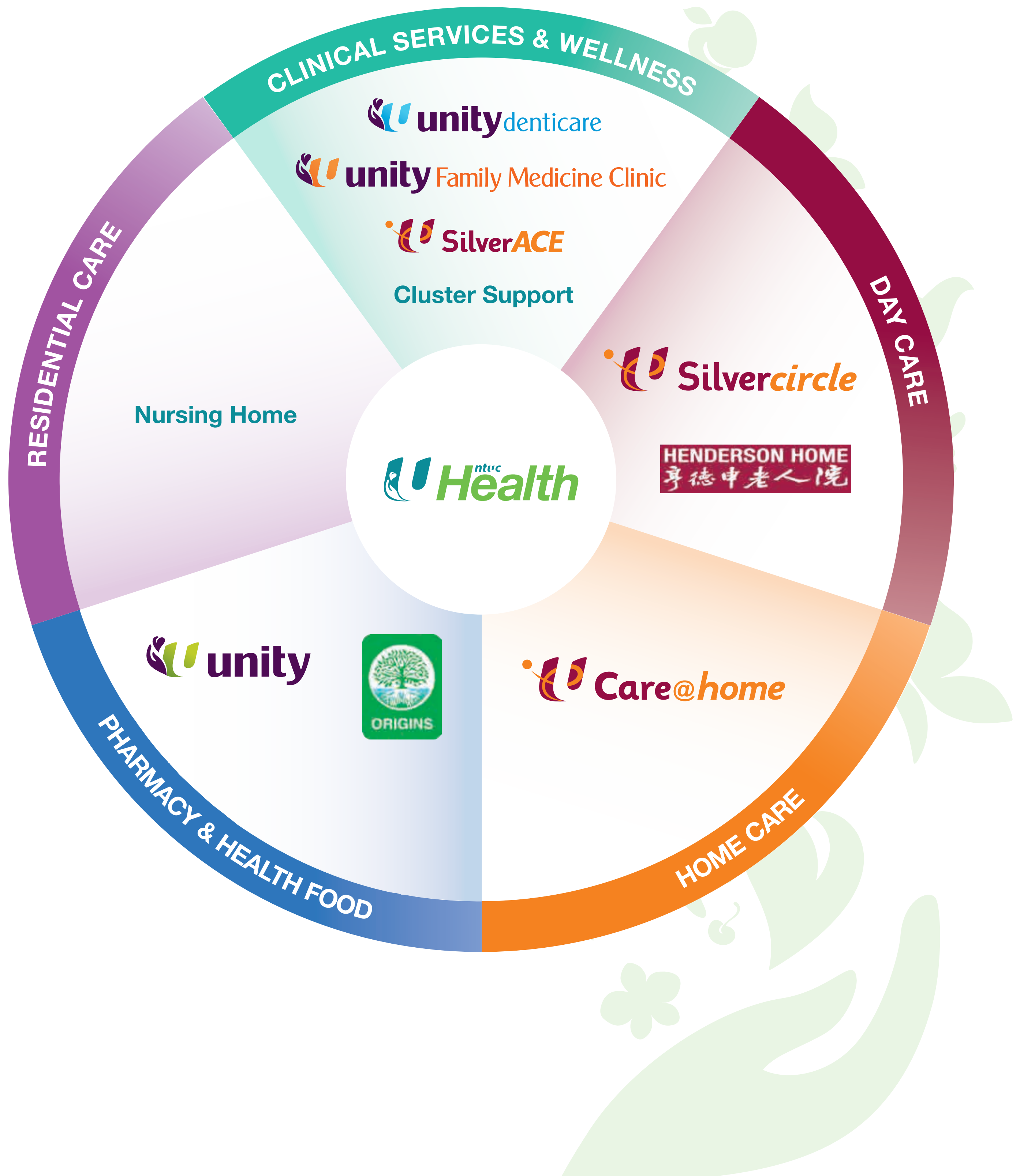
TOGETHER, WE ARE ONE

NTUC Health Co-operative Limited (NTUC Health) was formed on 1 July 2014 to better address the health and eldercare needs of workers and their elderly dependents.

It builds on the experience and expertise of NTUC Unity Healthcare and NTUC Eldercare which have been established over the last 20 years, to provide a comprehensive portfolio of health and eldercare services to meet the growing needs of families and their dependents.



Integrating health and eldercare services allows us to offer a more comprehensive suite of services from **Clinical Services and Wellness**, **Day Care**, **Home Care**, **Pharmacy and Health Food** to **Residential Care**, we believe we can meet needs at all stages of life and support active aging. Together as one, NTUC Health is now able to do more for working families.



2014 HIGHLIGHTS AT A GLANCE

Opened **3** New **Dental Clinics**

Won **Singapore Prestige Brand Award** (Heritage Brand)

Served **98,108** patients

More than **26,000** new patients

Our first **Family Medicine Clinic**

One-stop **healthcare service**

5,483 patient visits

& served **2,457** unique patients

Opened **10** New **Retail Pharmacies**

& offered discounts on

MON Pioneers Monday & TUE Senior Tuesday which helped seniors save **$250,000**

Health Foods distributed in **500** stores islandwide

24% growth in sales revenue

Grew by **70%** in total **Home Care** clientele

38 families → **250** families

Provided home nursing, therapy and medical services to 250 families, up from 38 in 2013

6 → **100**

Increased number of nursing aides from 6 to 100

Supported more than **1,700** seniors in **Senior Activity Centres**

34% growth in membership

Number of Volunteers

	2014	2013
Corporate Volunteers **Doubled**	82	41
Individual Volunteers **Tripled**	56	17

Cluster Support conducted over **1,200** door-to-door visits and outings

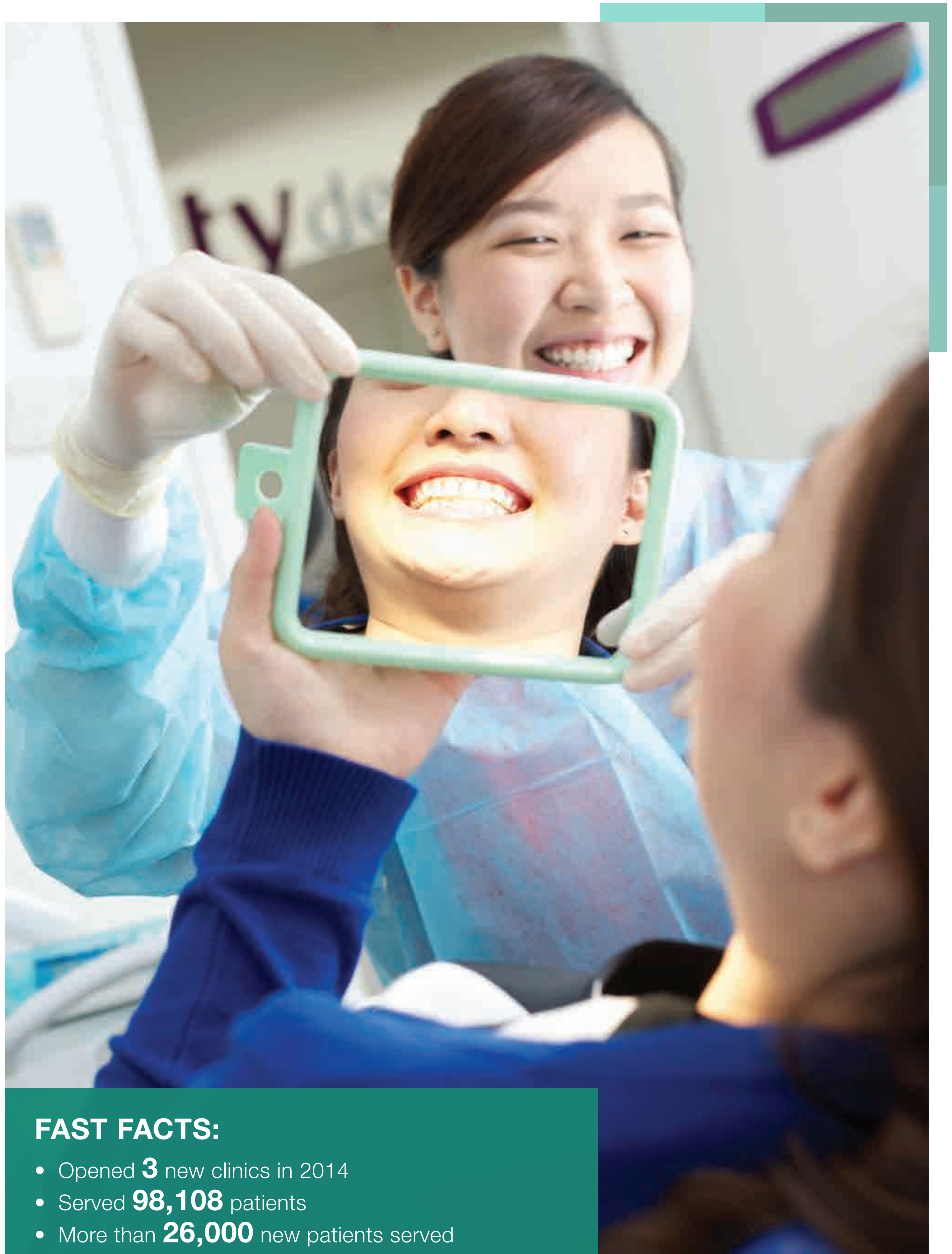
266 seniors

44% growth

Day & Senior Care Centres supported **600 families** by caring for their elderly

Cared for **100** seniors with dementia

TOGETHER,
WE SERVE THE
COMMUNITY IN
THE AREA OF
**CLINICAL SERVICES
& WELLNESS**.



FAST FACTS:

- Opened **3** new clinics in 2014
- Served **98,108** patients
- More than **26,000** new patients served
- Won Singapore Prestige Brand Award (Heritage Brand)

unity denticare

Established as NTUC Denticare in 1971 to bring affordable dental services to workers, Unity Denticare continues to live out its social mission today by offering a comprehensive array of dental services with prices benchmarked against key service providers in the industry, and costs kept low through bulk purchasing to ensure affordability.

新加坡金字品牌奖 Singapore Prestige Brand Award 14 Winner SPBA · Heritage Brands

Unity Denticare reaches out to the community through regular dental screenings for vulnerable groups in society and actively works with pre-schools to educate children and their parents on the importance of oral health. It also has more than 1,000 Tooth Fairy Club members, aged 3-12 years old, who benefit from the educational programmes and member rates at the clinic. Unity Denticare served more than 20,000 CHAS patients and Pioneers in 2014, a 172% growth compared to the previous year.

Today, there are 18 dental clinics and 1 mobile dental clinic. Being one of the winners of the Singapore Prestige Brand Award – Heritage Brand in 2014, Unity Denticare aims to be the dental care partner of choice in the community for every individual and family in caring for their oral health and wellness.

“Amber was courteous. Ai Hoon was calm, accommodating and able to answer my numerous queries. Dr Joseph Tan is proficient in denture-moulding and I can connect with him well. The dental experience at Unity Denticare is a happy and comfortable one. It is a unique experience that is truly different compared to other dental clinics that I have visited before. I want to thank Amber, Ai Hoon and Dr Tan for their kind words, presence and display of professionalism; they help patients forget their pain and anxiety.

- Kelvin Sim, 69 years old, patient at Unity Denticare (Toa Payoh)”

FAST FACTS:

- Our first Family Medicine Clinic
- One-stop healthcare service
- Served **2,457** unique patients in 2014
- **5,483** patient visits in 2014

unity Family Medicine Clinic

NTUC Health collaborated with the National Healthcare Group (NHG) to open Unity Family Medicine Clinic (FMC), which has been operational since 18 March 2014. Patients from NHG institutions such as Tan Tock Seng Hospital, Institute of Mental Health, and polyclinics under NHG can be referred to the Unity FMC for treatment and care nearer their homes.

The team at Unity FMC comprises qualified family physicians, nurses and allied healthcare professionals to provide comprehensive medical care, particularly for patients with chronic conditions such as diabetes or high blood pressure.

Mr Low Sia Poh used to receive medical care for his diabetes, hypertension, and hyperlipidaemia at Hougang Polyclinic and had seen different doctors during his appointments there. Mr Low was transferred to Unity FMC to be cared for by a regular medical team since March 2014. He is now seen by the same doctor and enjoys shorter waiting time and greater convenience.

“I appreciate the care given to me and my wife from the medical team at Unity Family Medicine Clinic. Each follow-up at this clinic can be completed within an hour. I thank them for creating such a positive care environment.

- Low Sia Poh, 56 years old, patient at Unity Family Medicine Clinic”

FAST FACTS:

- Supported more than **1,700** seniors
- **34%** growth in membership
- Corporate volunteers **doubled** (from **41** to **82**); individual volunteers **tripled** (from **17** to **56**)

SilverACE

NTUC Health opened the first SilverACE Senior Activity Centre in Redhill in 2011 and has a total of 7 such centres today. These centres are located in lower income neighbourhoods as drop-in centres for seniors to remain engaged in the community. The centres also serve as information and referral points to government or other services for seniors.

SilverACE also works closely with partner organisations, institutions, grassroots, and companies to bring events, outings, health talks, health checks, and activities to these seniors.

Mr Tony Thow, a divorcee who lives alone in his rental unit, has been an active SilverACE member since August 2012. He suffers from multiple chronic illnesses such as diabetes and his left bodily function has been affected by stroke. However, he remains positive about life and strives to lead an active and healthy lifestyle.

He has many friends at the centre and participates actively in many activities such as Chinese Chess and drum playing.

At the centre, he was one of the 36 seniors who were invited to join a 2-year Community Health Engagement Programme organised by Tan Tock Seng Hospital (TTSH). He attended the series of educational talks in 2013 and continued to participate in the bi-weekly exercise regime conducted by TTSH physiotherapists in 2014. This collaboration with TTSH has helped many seniors such as Tony to improve functional balance and physical strength for better mobility. They can now walk longer distances and have more strength to remain standing for longer periods of time.

"I am very thankful to all the staff from SilverACE. They spend time and effort to organise beneficial social and wellness programmes for me and my friends at the centre.

- **Tony Thow,** 65 years old, member of SilverACE (Lengkok Bahru)"

FAST FACTS:

- Conducted **over 1,200** door-to-door visits and outings
- Cared for **266 seniors**, **44% more than** in 2013

CLUSTER SUPPORT

In 2012, NTUC Health introduced intervention care for low income seniors who have little or no family support, to enhance their quality of life and enable them to remain in their community for as long as possible. Cluster Support set up teams of social workers to care for such seniors using a case management approach. The teams conduct regular home visits and connect them to relevant community partners for health, social and financial assistance.

NTUC Health currently runs two Cluster Support teams. The Bukit Merah Team serves seniors residing in Lengkok Bahru, Redhill, Henderson, Tiong Bahru and Jalan Bukit Merah. The Jurong West Team serves those residing in Jurong, and other western parts of Singapore.

Mdm Govindamal lives alone in a one-room rental flat at Bukit Merah View. She is a widow and has 6 children. However, 3 of them have passed away and her other 3 children no longer keep in touch with her. She suffers from multiple health conditions such as diabetes, hypertension and hypernatraemia. Siok Leng from Cluster Support visited her weekly to make sure that she takes her medicine regularly and in the prescribed dosage. Siok Leng also made arrangements to monitor her blood pressure reading and hypocount every week, taught her to organise her medications, and mark her medical appointments down so she does not miss any scheduled visits.

Today, Mdm Govindamal is able to take good care of herself independently and has found a new purpose in life with the support of Siok Leng. She is now a CAN (Caring Assistance from Neighbours) programme carer, helping seniors around her neighbourhood the way she herself had been helped.

“I am grateful to the help from Siok Leng. She is like my friend and I look forward to see her once a week. Siok Leng and her colleague Yian Swat helped me to get grab bars for my home and make it a safer place to live. I am inspired by Siok Leng and now, I am visiting my neighbour Mdm Chan to make sure she takes her medication regularly.

- **Govindamal d/o Marappan,** 84 years old, client of Cluster Support”

TOGETHER,
WE BRING HAPPINESS
TO SENIORS THROUGH
DAY CARE SERVICES.

FAST FACTS:

- Supported **600** families by caring for their elderly
- Caring for **100** seniors with dementia

Silvercircle

Since 1999, NTUC Health has been running day care centres in Singapore, providing affordable eldercare services to middle income households. The centres support working families with a place where their elderly loved ones can be cared for by professionals while they are at work.

To meet growing needs, NTUC Health opened 2 new Senior Care Centres and converted 5 existing day care centres to Senior Care Centres to provide added services such as active rehabilitation, community nursing, and personalised dementia care, on top of social day care. Today, NTUC Health has 3 day care centres and 7 Senior Care Centres across the island.

Mdm Tan Ah Lian, 77 years old, is a dementia client at Toa Payoh Senior Care Centre. She is fondly known as “Ah Kim”.

Ah Kim raised 4 children on her own as a cook and fruit seller. Her youngest son, known as “Ah San”, is her primary caregiver and he works as a deliveryman.

Before Ah Kim was enrolled in our centre, Ah San was at a loss as he was worried about leaving his mother alone at home. Hence, he would bring Ah Kim with him wherever he had to go, even to his workplace. Ah Kim would be seated in his van while Ah San delivered goods to various places. Ah San came to know about dementia day care services through the Agency for Integrated Care. He decided to send his mother to our centre in October 2014. Today, Ah Kim no longer needs to follow her son to work and instead, looks forward to the activities at the centre, particularly "Pick the Beans" and cooking. As for Ah San, he is able to go to work with peace of mind, knowing his mother will be well taken care of at the centre.

“I can see my mother is happier now and she leads a more meaningful life daily. She has something to occupy her time and her mood has improved significantly!

- Seah Xi Ru ("Ah San"), 49 years old, son of Silver Circle client”

HENDERSON HOME 亨德申老人院

Henderson Home is one of the first unique 3-in-1 integrated senior group homes in Singapore incorporating a day care centre as well as a Senior Activity Centre.

It has a proud and long history since its early days in the 1970s as a government-funded home. It was subsequently managed by the Chinese Women's Association, and then by NTUC Health. Today, the home is run by the Henderson Home Management Committee and managed by a network of multi-disciplinary healthcare staff and professionals from NTUC Health.

The Home provides residential care for seniors who are ambulant and need a place to stay. Some of the residents are on Public Assistance Schemes and stay in the Home over a long term.

Residents are encouraged to be independent and given freedom of movement and personal responsibility to keep their rooms clean and cook for themselves. They also participate in meaningful and fun activities organised by the day care and Senior Activity Centre co-located at the Home.

TOGETHER,
WE MAKE A
DIFFERENCE IN
HOME CARE.

FAST FACTS:

- Grew by **70%** in total home care clientele
- Provided home nursing therapy and medical services to **250** families, up from **38** in 2013
- Increased number of nursing aides from **6** to **100**

Care@home

Care@home started as a pilot project with the government in 2007 to enable frail seniors to age in the comfort and familiarity of their own homes. Today, it is one of the largest providers of home care services in Singapore.

Apart from social home help which includes personal grooming, companionship and mentally stimulating exercises, health-related services are also provided by nurses, doctors, physiotherapists and occupational therapists. More recently, NTUC Health also worked with the government to pilot the Interim Caregiver Service, where seniors who are discharged from hospitals and awaiting permanent caregiving arrangements (eg. arrival of domestic workers), can be taken care of in their homes.

Mdm Tan Wan, 96 years old, is a current client of Care@home. She has moderate dementia and lives with her daughter, Janice Ho. On some weekdays, she will be at a day care centre and on Saturday, she looks forward to see Julie Tay, Senior Care Assistant, at her home. Julie, who is trained to care for elderly with dementia, provides company for Mdm Tan for 6 hours, and takes care of her bath, meal intake and safety. Julie also assists Mdm Tan in walking as she suffers from unsteady gait.

"I truly appreciate Julie's assistance. She is a great companion for my mother even though she does not speak Hainanese. With her caring, I do not have to worry and I am able to relax and go out with my friends on Saturday. The time off is a great help for my well-being."

- Janice Ho, 53 years old, daughter of Care@home client

TOGETHER,
WE DO MORE IN
PHARMACY
SERVICES **&**
HEALTH FOOD.

FAST FACTS:

- Opened **10** new retail pharmacies
- Offered discounts on Pioneers Monday and Senior Tuesday which helped seniors save **$250,000**

Unity Pharmacy was set up in 1992 to moderate the rising medical costs. It continues to do this through quality products at affordable prices.

There are some 60 Unity Pharmacy stores island-wide, offering a wide range of health supplements, healthcare and skin care products, medicines and first aid items.

Pharmacists at the stores give professional advice on health concerns, and help in services such as dispensing of medication, medication reviews, advice on chronic disease management and drug interaction.

Ms Yap Su Jun visited Unity Pharmacy at 7:30pm on Christmas Eve to seek advice for her rashes. She was served by Pharmacist Mr Sim Kwang Han. Instead of dispensing Chlorpheniramine which Su Jun requested, Kwang Han recommended a non-drowsy medication, Zyrtec to allow her to proceed with her plans for the night. The medication worked well for her and she felt better within half an hour.

“Kwang Han was really helpful and knowledgeable. With his recommendation, I was able to carry on with my programme as planned and spend time with my family to count down to Christmas. I am also grateful to Kwang Han and the counter staff who went the extra mile to offer me a cup of water to go with my medication. I want to thank Unity Pharmacy for having such staff who really care about customers.

- Yap Su Jun, 25 years old, customer of Unity Pharmacy (One KM)”

FAST FACTS:

- Distributed in **500 stores islandwide**
- **24% growth** in sales revenue

ORIGINS

Origins Healthcare began in 1993 as a dedicated wholesaler and distributor of organic/natural whole foods, as well as natural skin and hair care products.

While expanding its range to include organic body care products, environmentally-friendly household items and floral hampers, it remains committed to the highest standards of quality and customer service.

Origins' mission is to remain at the forefront of the health revolution, to promote organic food as a lifestyle choice and sustainable agriculture through environmental and social responsibility. In line with its social mission, Origins actively hires people who are physically disadvantaged to pack its products.

TOGETHER, WE BUILD A HEALTHIER AND HAPPIER COMMUNITY

NTUC Health knows the importance of early detection of both health and dental issues. Early detection allows more to be done to manage the conditions better.

Our team of pharmacists from Unity Pharmacy reached out to more than 2,000 people in the community last year to run complimentary health screenings that include checks for their blood glucose, blood pressure and Body Mass Index, and one-on-one health advice.

Our dentists from Unity Denticare also conducted 482 dental workshop to pre-schoolers. To connect with the children better, the dentists shared the importance of oral health by narrating a Tooth Fairy story using pictorials and included a practical hands-on tooth-brushing session using an actual toddler's toothbrush. The children also took turns to go up the dental chair to be familiarised with the setting in a dental clinic.

> “This learning journey was organised to allow children to experience a dental visit and to learn more about taking care of their teeth especially when they will be going to embark on their teeth-brushing routine in school. This session enables my children to realise the importance of teeth-brushing and reduce their fear to see a dentist when they need to. Parents are happy and supportive of this initiative.
>
> **- Liu Jian Hua,**
> Teacher at Little Skool House”

TOGETHER, WE APPRECIATE OUR PIONEERS

Together with other NTUC Social Enterprises, NTUC Health is participating in the “PioneersOK!” campaign.

Pioneers will enjoy 6.5% discount and dedicated priority queues at all Unity Pharmacy stores. They will also receive an exclusive dental kit upon consultation and 10% discount on Pearlie White products at all Unity Denticare clinics.

It is our way of saying 'thank you' to the Pioneers for their contributions to nation-building and the important roles they continue to play in our lives today.

This campaign has delighted more than 1,200 Pioneers at Unity Denticare and helped Pioneers to save more than $250,000 at Unity Pharmacy.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED)
(Co-operative registration number: S92CS0208D)
AND ITS SUBSIDIARIES

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BDO LLP
Public Accountants and
Chartered Accountants

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

The Directors of the Co-operative present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position of the Co-operative as at 31 December 2014 and the statement of comprehensive income and statement of changes in equity of the Co-operative for the financial year ended 31 December 2014.

1. Directors

The Directors of the Co-operative in office at the date of this report are:

Tan Hwee Bin	(Chairman)
Tan Suee Chieh	(Deputy Chairman)
Willie Cheng Jue Hiang	(appointed on 3 June 2014)
Ma Wei Cheng	(appointed on 3 June 2014)
Lee Kian Hup Gerry	
Liak Teng Lit	
Tan Hock Soon	
Dr Christopher Lien	(appointed on 3 June 2014)
Adeline Sum Wai Fun	(appointed on 3 June 2014)
S. Thiagarajan	(appointed on 3 June 2014)

2. Arrangements to enable Directors to acquire shares or debentures

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

3. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Co-operative, none of the Directors of the Co-operative holding office at the end of the financial year had any interest in shares or debentures of the Co-operative or its related corporations.

4. Directors' contractual benefits

Since the end of the previous financial period, no Director of the Co-operative has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or by a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

5. Share options

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

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

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

6. Auditors

The auditors, BDO LLP, has completed a five years term as external auditors and new auditors KPMG LLP will be proposed for members' approval at upcoming AGM on 4 June 2015.

On behalf of the Board of Directors

Tan Hwee Bin	**Willie Cheng Jue Hiang**
Chairman	Director

Singapore

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group, the statement of financial position, statement of comprehensive income and statement of changes in equity of the Co-operative with the notes thereon are properly 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 state of affairs of the Group and of the Co-operative as at 31 December 2014 and of the results and changes in equity of the Group and of the Co-operative and cash flows of the Group for the financial year ended 31 December 2014;

(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 accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and

(d) 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 2014 have been in accordance with the By-laws of the Co-operative and provisions of the Act.

On behalf of the Board of Directors

Tan Hwee Bin
Chairman

Willie Cheng Jue Hiang
Director

Singapore

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of NTUC Health Co-operative Limited (formerly known as NTUC Unity Healthcare Co-operative Limited) (the "Co-operative") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Co-operative as at 31 December 2014, the statements of comprehensive income and statements of changes in equity of the Group and of the Co-operative and 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 47 to 100.

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 Singapore Co-operative Societies Act, Chapter 62 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

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 auditors consider 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, 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 state of affairs of the Group and of the Co-operative as at 31 December 2014 and of the results and changes in equity of the Group and of the Co-operative and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED)

Report on Other Legal and Regulatory Requirements

In our opinion,

(a) the accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act;

(b) the receipt, expenditure and investment of monies and the acquisition and disposals of assets by the Co-operative during the financial year ended 31 December 2014 are, in all material respects in accordance with the By-laws of the Co-operative and the provisions of the Act; and

(c) the accounting and other records required by the Singapore Companies Act, Chapter 50, to be kept by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Singapore Companies Act, Chapter 50.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Group 2014 $	Group 2013 $	Co-operative 2014 $	Co-operative 2013 $
ASSETS					
Current assets					
Cash and cash equivalents	4	25,179,095	29,141,324	23,640,335	25,140,272
Trade and other receivables	5	14,238,375	10,968,246	8,484,116	8,171,454
Prepayments		499,367	693,515	492,373	615,254
Inventories	6	21,478,444	16,668,468	19,641,949	15,266,023
		61,395,281	57,471,553	52,258,773	49,193,003
Non-current assets					
Investments in subsidiaries	7	-	-	1,695,506	1,695,506
Available-for-sale financial assets	8	5,515,956	5,498,493	5,515,956	1,261,495
Property, plant and equipment	9	15,527,394	16,062,562	15,477,073	13,022,715
Investment properties	10	7,667,731	7,902,903	7,667,731	7,902,903
		28,711,081	29,463,958	30,356,266	23,882,619
Total assets		90,106,362	86,935,511	82,615,039	73,075,622
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	11	31,438,526	28,612,398	29,594,464	25,384,775
Deferred income	12	1,176,185	893,030	1,176,185	-
Provision	13	1,139,850	1,020,000	1,139,850	1,020,000
Current income tax payable		373,099	251,831	-	-
Share capital repayable on demand	14	27,134,124	27,234,674	27,134,124	27,234,674
		61,261,784	58,011,933	59,044,623	53,639,449
Non-current liabilities					
Deferred tax liabilities	15	1,988	1,988	-	-
Community Silver Trust	16	971,944	1,298,569	971,944	-
Deferred income	12	1,877,126	1,921,933	1,877,126	-
Building Fund	17	-	700,000	-	-
		2,851,058	3,922,490	2,849,070	-
Total liabilities		64,112,842	61,934,423	61,893,693	53,639,449
Equity					
Share capital	14	100,000	100,000	100,000	100,000
Fair value reserve	18	335,275	319,541	1,799,917	672,644
Merger reserves	19	3,705,590	3,705,590	-	-
Retained earnings		21,405,774	20,451,036	18,821,429	18,663,529
Equity attributable to owners of the parent		25,546,639	24,576,167	20,721,346	19,436,173
Non-controlling interest		446,881	424,921	-	-
Total equity		25,993,520	25,001,088	20,721,346	19,436,173
Total liabilities and equity		90,106,362	86,935,511	82,615,039	73,075,622

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group		Co-operative	
	Note	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
		$	$	$	$
Revenue	20	118,902,985	84,789,791	104,244,916	76,741,358
Other operating income	21	21,384,027	12,254,417	13,577,565	8,303,168
Consumables used		(78,491,880)	(57,328,525)	(72,345,087)	(53,248,294)
Staff costs	22	(31,255,968)	(19,534,475)	(20,548,147)	(13,707,645)
Depreciation expense		(4,313,298)	(2,940,664)	(3,447,232)	(2,328,773)
Rental expense		(12,372,445)	(8,688,297)	(12,038,078)	(8,526,702)
Other operating expenses		(11,354,690)	(6,495,830)	(8,513,023)	(6,527,538)
Finance costs	23	(548,339)	(456,018)	(548,339)	(456,018)
Profit before income tax and contributions	24	1,950,392	1,600,399	382,575	249,556
Income tax expense	25	(332,674)	(170,000)	-	-
Profit before contributions		1,617,718	1,430,399	382,575	249,556
Contributions					
Central Co-operative Fund	26	(50,000)	(50,000)	(25,000)	(25,000)
Singapore Labour Foundation	27	(91,810)	(156,711)	(70,300)	(41,115)
Profit after contributions		1,475,908	1,223,688	287,275	183,441
Honorarium to directors		(126,875)	(77,442)	(126,875)	(76,292)
Profit for the financial year/period		1,349,033	1,146,246	160,400	107,149
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets					
- fair value gains/(losses)	18	18,963	116,402	(121,500)	229,499
- reclassifications to profit or loss	18	-	(248,314)	-	-
- Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income for the financial year/period, net of tax		18,963	(131,912)	(121,500)	229,499
Total comprehensive income for the financial year/period		1,367,996	1,014,334	38,900	336,648

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group		Co-operative	
Note	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Profit for the financial year/period attributable to:				
Owners of the parent	957,238	914,992	160,400	107,149
Non-controlling interest	391,795	231,254	-	-
	1,349,033	1,146,246	160,400	107,149
Total comprehensive income attributable to:				
Owners of the parent	972,972	791,388	38,900	336,648
Non-controlling interest	395,024	222,946	-	-
	1,367,996	1,014,334	38,900	336,648

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital	Fair value reserve	Merger reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total Equity
		$	$	$	$	$	$	$
Group								
Balance at 1 January 2014		100,000	319,541	3,705,590	20,451,036	24,576,167	424,921	25,001,088
Profit for the financial year		-	-	-	957,238	957,238	391,795	1,349,033
Other comprehensive income for the financial year:								
Available-for-sale financial assets:								
- fair value gain	8	-	15,734	-	-	15,734	3,229	18,963
Total comprehensive income for the financial year		-	15,734	-	957,238	972,972	395,024	1,367,996
Distribution to owners of the parent								
Dividends	28	-	-	-	(2,500)	(2,500)	-	(2,500)
Transaction with non-controlling interest								
Dividends	28	-	-	-	-	-	(373,064)	(373,064)
Balance at 31 December 2014		100,000	335,275	3,705,590	21,405,774	25,546,639	446,881	25,993,520

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital	Fair value reserve	Merger reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total Equity
		$	$	$	$	$	$	$
Group								
Balance at 1 April 2013		100,000	443,145	-	19,539,044	20,082,189	581,489	20,663,678
Profit for the financial period		-	-	-	914,992	914,992	231,254	1,146,246
Other comprehensive income for the financial period:								
Available-for-sale financial assets:								
- fair value gain	8	-	119,002	-	-	119,002	(2,600)	116,402
- reclassification to profit or loss	8	-	(242,606)	-	-	(242,606)	(5,708)	(248,314)
Total comprehensive income for the financial period		-	(123,604)	-	914,992	791,388	222,946	1,014,334
Changes in ownership interest in subsidiaries								
Acquisition of a subsidiary		-	-	3,705,590	-	3,705,590	97,190	3,802,780
Distribution to owners of the parent								
Dividends	28	-	-	-	(3,000)	(3,000)	-	(3,000)
Transaction with non-controlling interest								
Dividends	28	-	-	-	-	-	(476,704)	(476,704)
Balance at 31 December 2013		100,000	319,541	3,705,590	20,451,036	24,576,167	424,921	25,001,088

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital $	Fair value reserve $	Retained earnings $	Total equity $
Co-operative					
Balance at 1 January 2014		100,000	672,644	18,663,529	19,436,173
Profit for the financial year		-	-	160,400	160,400
Other comprehensive income for the financial year:					
Available-for-sale financial assets:					
- fair value loss	8	-	(121,500)	-	(121,500)
- transfer from a subsidiary		-	1,248,773	-	1,248,773
Total comprehensive income for the financial year		-	1,127,273	160,400	1,287,673
Distribution to owners of the parent					
Dividends	28	-	-	(2,500)	(2,500)
Balance at 31 December 2014		100,000	1,799,917	18,821,429	20,721,346
Balance at 1 April 2013		100,000	443,145	18,559,380	19,102,525
Profit for the financial period		-	-	107,149	107,149
Other comprehensive income for the financial period:					
Available-for-sale financial assets:					
- fair value gain	8	-	229,499	-	229,499
Total comprehensive income for the financial period		-	229,499	107,149	336,648
Distribution to owners of the parent					
Dividends	28	-	-	(3,000)	(3,000)
Balance at 31 December 2013		100,000	672,644	18,663,529	19,436,173

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group Year ended 31.12.2014 $	Group Period from 01.04.2013 to 31.12.2013 $
Operating activities			
Profit before income tax and contributions		1,950,392	1,600,399
Adjustments for:			
Amortisation of deferred income		(1,002,406)	(533,941)
Amortisation of building fund		-	(18,635)
Allowance for doubtful third parties trade receivables		15,855	15,073
Available-for-sale financial assets written off		-	10,009
Depreciation of property, plant and equipment		4,078,126	2,764,286
Depreciation of investment properties		235,172	176,378
Dividend income		(100,704)	(50,794)
Dividends paid to members in respect of share capital repayable on demand		548,339	456,018
Interest income		(109,066)	(35,939)
Inventories written off		225,585	163,798
Gain on disposal of available-for-sale financial assets		(5,445)	(247,094)
Loss on disposal of property, plant and equipment		79,015	3,000
Property, plant and equipment written off		-	169,902
Operating cash flows before working capital changes		5,914,863	4,472,460
Working capital changes:			
Inventories		(5,035,561)	(2,936,597)
Trade and other receivables		(3,285,984)	(1,333,501)
Prepayments		194,148	(354,556)
Trade and other payables		2,475,708	4,503,558
Community Silver Trust		-	(106,459)
Deferred income		914,129	360,370
Cash generated from operations		1,177,303	4,605,275
Contributions paid to:			
- Central Co-operative Fund		(50,000)	(25,000)
- Singapore Labour Foundation		(110,272)	(75,993)
Income tax paid		(211,406)	(118,475)
Interest received		109,066	35,939
Directors' honorarium paid		(80,192)	(122,250)
Net cash from operating activities		834,499	4,299,496

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group	
	Note	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $
Investing activities			
Dividend received from available-for-sale financial assets		100,704	50,794
Purchase of property, plant and equipment	9	(3,624,070)	(3,572,046)
Proceeds from acquisition of a subsidiary	7	-	1,880,340
Proceeds from acquisition of property, plant and equipment		121,947	-
Proceeds from disposal of available-for-sale financial assets		6,945	631,009
Net cash used in investing activities		(3,394,474)	(1,009,903)
Financing activities			
Dividends paid		(601,704)	(207,160)
Issuance of shares		-	10,000,000
Transfer to Eldercare Trust		(700,000)	(1,597,267)
Withdrawal of shares		(100,550)	(133,150)
Net cash (used in)/from financing activities		(1,402,254)	8,062,423
Net change in cash and cash equivalents		(3,962,229)	11,352,016
Cash and cash equivalents at beginning of financial year/period		29,141,324	17,789,308
Cash and cash equivalents at end of financial year/period	4	25,179,095	29,141,324

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

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

1. General corporate information

NTUC Health Co-operative Limited (formerly known as NTUC Unity Healthcare Co-operative Limited) (the "Co-operative") is a co-operative registered and domiciled in the Republic of Singapore. The Co-operative's registered office address and principal place of business is at 55 Ubi Avenue 1, #08-01, Singapore 408935. The Co-operative's registration number is S92CS0208D.

The Co-operative is a subsidiary of NTUC Enterprise Co-operative Limited ("NTUC Enterprise"). NTUC Enterprise is a co-operative registered in Singapore, which is the Co-operative's immediate and ultimate holding entity.

The principal activities of the Co-operative are those relating to retail pharmacy, provisions of dental services and dental care facilities to members and the public, and investment holding.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The consolidated financial statements of the Co-operative and its subsidiaries (the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Co-operative for the financial year ended 31 December 2014 were authorised for issue in accordance with a Directors' resolution dated 7 May 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with the provisions of the Co-operative Societies Act, Chapter 62 (the "Act") and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Although the Co-operative's current liabilities exceeded its current assets by $6,785,850 as at 31 December 2014, the financial statements have been prepared on the basis that Co-operative is going concern as the net current liabilities position is due mainly to the share capital repayable on demand. In the opinion of the Directors, based on past experience, the share capital, although repayable on demand will not be substantially redeemed in the next twelve months.

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and of the Co-operative are measured and presented in Singapore dollar, which is the functional currency of the Co-operative.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the current financial year, the Group and the Co-operative have adopted the new or revised FRS and INT FRS that are relevant to their operations and effective for the current financial year. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Co-operative's accounting policies and has no material effect on the amounts reported for the current financial year and prior financial periods, except as detailed below:

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 110 Consolidated Financial Statements and FRS 27 (Revised) Separate Financial Statements

FRS 110 introduces a single new control model, as the basis for determining which entities are consolidated in the Group's financial statements. Under FRS 110, control exists when the Group has:

- power over an investee;
- exposure, or rights, to variable returns from the investee; and
- the ability to use its power over an investee to affect the Group's returns from the investee.

FRS 110 is required to be applied retrospectively, in accordance with the transitional provisions of FRS 110 and changed its accounting policy for determining whether it has control over an entity and whether it is required to consolidate that interest. The adoption of FRS 110 did not result in any changes to the control conclusions reached by the Group in respect of its involvement with other entities as at the date of initial adoption on 1 January 2014. The adoption of FRS 27 (Revised) did not result in any material changes to the Group's or the Co-operative's financial statements.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries, associates, joint arrangements and unconsolidated structured entities. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance. Certain new disclosures are included in these financial statements following adoption of FRS 112 on 1 January 2014.

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not effective:

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	: Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16 and FRS 41 (Amendments)	: Agriculture: Bearer Plants	1 January 2016
FRS 19 (Amendments)	: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 27 (Amendments)	: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	: Financial Instruments	1 January 2018
FRS 110 and FRS 28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 110, FRS 112 and FRS 28 (Amendments)	: FRS 28 – Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 111 (Amendments)	: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016

NTUC HEALTH CO-OPERATIVE LIMITED
(FORMERLY KNOWN AS NTUC UNITY HEALTHCARE CO-OPERATIVE LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

		Effective date (annual periods beginning on or after)
FRS 114	: Regulatory Deferral Accounts	1 January 2016
FRS 115	: Revenue from Contracts with Customers	1 January 2017
Improvements to FRSs 2014 (January 2014 and February 2014)		1 July 2014
Improvements to FRSs 2014 (November 2014)		1 January 2016

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of the above FRS and INT FRS in future periods, if applicable, will not have a material impact on the financial statements of the Co-operative in the period of initial adoption, except as disclosed below.

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

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2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, particularly those currently classified as available-for-sale, and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 January 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Co-operative and its subsidiaries made up to the end of the financial year. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment loss of the asset transferred.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interest in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.3 Business combinations

<u>Business combinations from 1 April 2010</u>

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and FRS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (Continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- the assets and liabilities of the combining entities are reflected at their carrying amounts;
- no adjustments are made to reflect the fair values, or recognise any new assets or liabilities;
- no goodwill is recognised as a result of the combination;
- any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve; and
- comparatives are presented as if the entities had always been combined since the date the entities had come under common control

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2. Summary of significant accounting policies (Continued)

2.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), held for maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition. As at the financial year end, there are only financial assets classified as loan and receivables and available-for-sale financial assets.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables and cash and cash equivalents.

Available-for-sale financial assets (AFS)

Certain investment held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and accumulated in the available-for-sale reserve, with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in profit or loss for the period.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any impairment loss.

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2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity, except for impairment losses on equity instruments at cost which are not reversed.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. As at the financial year end, there are only financial liabilities classified as other financial liabilities.

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2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables, excluding deferred revenue and advance billings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Share capital repayable on demand

Ordinary shares issued by the Co-operative which are repayable on demand as they are redeemable at the option of the shareholders are initially recorded at the proceeds received, net of direct issue costs.

Dividends paid to the shareholders are recognised in profit or loss as finance costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business less estimated costs of completion and costs incurred in marketing and distribution. When necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.7 Subsidiary

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The investments in subsidiaries are accounted for at cost less accumulated impairment losses in the Co-operative's separate financial statements.

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2. Summary of significant accounting policies (Continued)

2.8 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the Co-operative, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Depreciation is calculated using the straight-line method so as to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

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2. Summary of significant accounting policies (Continued)

2.9 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Depreciation is charged using the straight-line method, so as to write off the cost over their estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at the end of each reporting period. The effect of any revision is included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment properties, the property is accounted for in accordance with FRS 16 Property, Plant and Equipment, up to the date of change in use.

2.10 Impairment of non-financial assets

At the end of each financial year, the Group and the Co-operative review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Co-operative estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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2. Summary of significant accounting policies (Continued)

2.11 Provision

Provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of 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.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.12 Deferred income

Grants which relate to the purchase or the subsidy for the purchase of specific assets and/or capital expenditures are recognised initially at fair value as deferred income 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 as other income on a systematic basis over the useful life of the asset.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recognised as a liability in the financial year in which the dividends are approved by the members.

2.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is presented, net of rebates and discounts and sales related taxes.

Revenue from sale of goods is recognised upon passage of title to the customer which coincides with the delivery and acceptance, the significant risks and rewards of ownership has been transferred to customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

Revenue from rendering of services is recognised as and when the services are completed.

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

Dividend income is recognised in profit or loss when the shareholders' right to receive the payment is established.

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

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2. Summary of significant accounting policies (Continued)

2.14 Revenue recognition (Continued)

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.

2.15 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as expenses in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the reporting period.

2.16 Leases

When the Group and the Co-operative are the lessors of operating leases

Leases where the Group and the Co-operative retains substantially all risks and rewards incidental to the ownership are classified as operating leases.

Assets leased out under operating leases are included in investment properties.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

When the Group and the Co-operative are the lessees of operating leases

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

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

2.17 Government grants

Government grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

Operating and outright grant

Operating and outright grant is recognised upon approval of grant amount by Eldercare Trust. It is recognised as income to defray the costs incurred in operating the day care programmes.

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2. Summary of significant accounting policies (Continued)

2.18 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

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2. Summary of significant accounting policies (Continued)

2.19 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognised in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and the Co-operative's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's and the Co-operative's accounting policies and that have the significant effect on the amounts recognised in the financial statements.

(i) Impairment of investments in subsidiaries and financial assets

The Group and the Co-operative follow the guidance of FRS 36 and FRS 39 in determining whether an investment or a financial asset is impaired. This determination requires significant judgement. The Group and the Co-operative evaluate, among other factors, the duration and extent to which the fair value of an investment or a financial asset is less than its cost, and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

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3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty

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

(i) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Co-operative's trade and other receivables as at 31 December 2014 were $14,238,375 (2013: $10,986,246) and $8,484,116 (2013: $8,171,454) respectively.

(ii) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the weighted average method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales price and provide for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of its products. However, factors beyond its control, such as demand levels, could change from period to period. Such factors may require the Group and the Co-operative to reduce the value of their inventories. The carrying amounts of the Group's and the Co-operative's inventories as at 31 December 2014 were $21,478,444 (2013: $16,668,468) and $19,641,949 (2013: $15,266,023) respectively.

(iii) Depreciation of property, plant and equipment and investment properties

Property, plant and equipment and investment properties are depreciated on a straight-line method over their estimated useful lives. The management estimates the useful lives of these assets to be within 2 to 50 years. The carrying amounts of the Group's and the Co-operative's property, plant and equipment as at 31 December 2014 were $15,527,394 (2013: $16,062,562) and $15,477,073 (2013: $13,022,715) respectively. The carrying amounts of the Group's and the Co-operative's investment properties were $7,667,731 (2013: $7,902,903) and $7,667,731 (2013: $7,902,903) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Income taxes

The Group recognises expected liabilities for income tax based on estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions, in the period in which such determination is made. The carrying amounts of the Group's current income tax payable and deferred tax liabilities as at 31 December 2014 were $373,099 (2013: $251,831) and $1,988 (2013: $1,988).

(v) Provision

Provision for reinstatement costs refers to costs required to reinstate its office premise and retail outlets to its original state according to the terms and conditions of the respective tenancy agreements. The calculation requires the management to estimate the expected future cash outflows as a result of site restoration and review the estimates used on an annual basis to reflect current market assessments with reference to the area of the rented space. Due to the nature of such provisions, estimates are subject to significant uncertainty.

The carrying amounts of the Group's and the Co-operative's provision for reinstatement costs as at 31 December 2014 were $1,139,850 (2013: $1,020,000) and $1,139,850 (2013: $1,020,000) respectively.

4. Cash and cash equivalents

	Group		Co-operative	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Cash at bank	12,923,979	6,971,256	11,397,135	4,941,946
Fixed deposits	12,000,000	21,968,801	12,000,000	20,000,726
Cash on hand	255,116	201,267	243,200	197,600
	25,179,095	29,141,324	23,640,335	25,140,272

The Group's and the Co-operative's fixed deposits mature on varying dates between 2 to 9 months (2013: 1 months to 1 year) and 2 to 9 months (2013: 1 to 6 months) respectively for the financial year ended 31 December 2014. The weighted average effective interest rates on the fixed deposits range from 0.38% to 1.25% (2013: 0.12% to 0.70%) per annum.

Cash and cash equivalents are denominated in Singapore dollar.

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5. Trade and other receivables

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Trade receivables				
- third parties	4,545,914	3,668,140	2,864,855	2,236,943
- subsidiaries	-	-	-	1,900
- related parties	2,193	-	2,193	-
	4,548,107	3,668,140	2,867,048	2,238,843
Allowance for doubtful trade receivables				
- third parties	(49,085)	(33,230)	(49,085)	(33,230)
	4,499,022	3,634,910	2,817,963	2,205,613
Non-trade receivables				
- third parties	6,449,436	4,544,336	1,822,778	293,662
- subsidiaries	-	-	1,781,523	4,158,964
- related parties	729,320	329,727	729,320	329,727
	7,178,756	4,874,063	4,333,621	4,782,353
Allowance for doubtful non-trade receivables				
- third parties	(74,982)	(74,982)	(74,982)	(74,982)
- subsidiaries	-	-	(1,209,239)	(1,209,239)
	(74,982)	(74,982)	(1,284,221)	(1,284,221)
	7,103,774	4,799,081	3,049,400	3,498,132
Deposits	2,635,579	2,534,255	2,616,753	2,467,709
	14,238,375	10,968,246	8,484,116	8,171,454

Trade amounts due from third parties, subsidiaries and related parties are unsecured, non-interest bearing and generally on 30 to 60 (2013: 30 to 60) days credit terms.

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

The Group's and the Co-operative's deposits includes $2,412,151 (2013: $2,287,883) of security deposits from operating lease.

The Group's non-trade receivables includes grant and subsidy receivable of $3,470,759 (2013: $156,070) and $1,740,528 (2013: $3,391,508) respectively.

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5. Trade and other receivables (Continued)

Movement in the allowance for doubtful third parties trade receivables are as follows:

	Group and Co-operative	
	2014	2013
	$	$
Balance at beginning of financial year/period	33,230	42,106
Allowance made during the financial year/period	15,855	15,073
Amounts written off	-	(23,949)
Balance at end of financial year/period	49,085	33,230

Movement in the allowance for doubtful non-trade receivables are as follows:

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Balance at beginning of financial year/period	74,982	74,982	1,284,221	74,982
Allowance made during the financial year/period	-	-	-	1,209,239
Balance at end of financial year/period	74,982	74,982	1,284,221	1,284,221

As at 31 December 2014, the Group and the Co-operative carried out a review on the recoverable amount of their trade and other receivables. The review led to the recognition of an allowance for doubtful trade and non-trade receivables of $15,855 (2013: $15,073) and $Nil (2013: $1,209,239) respectively that have been recognised in the Group's and the Co-operative's profit or loss and included in "Other operating expenses" line item.

Trade and other receivables are denominated in the following currencies:

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Singapore dollar	14,019,022	10,589,041	8,484,116	8,171,454
United States dollar	147,964	137,935	-	-
Australian dollar	71,363	200,205	-	-
New Zealand dollar	-	37,673	-	-
Other	26	3,392	-	-
	14,238,375	10,968,246	8,484,116	8,171,454

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6. Inventories

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Finished goods	21,478,444	16,668,468	19,641,949	15,266,023

The cost of inventories recognised as an expense and included in "Consumables used" line item in the Group's and the Co-operative's profit or loss amounted to $78,491,880 (2013: $57,328,525) and $72,345,087 (2013: $53,248,294) respectively.

During the financial year, the Group and the Co-operative recognised an inventories written off of $225,585 (2013: $163,798) and $147,747 (2013: $104,494) respectively in "Consumables used" in the profit or loss subsequent to a review carried out by the management on the realisable value of the inventories.

7. Investments in subsidiaries

	Co-operative	
	2014	2013
	$	$
Unquoted equity shares, at cost	1,926,764	1,926,764
Allowance for impairment loss	(231,258)	(231,258)
	1,695,506	1,695,506

Movement in allowance for impairment loss is as follows:

	Co-operative	
	2014	2013
	$	$
Balance at beginning and end of financial year/period	231,258	231,258

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7. Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of company/entity	Principal activities	Effective equity interest 2014	Effective equity interest 2013
		%	%
NHC Health Resources Pte Ltd (Singapore)[1]	Dormant	100	100
Unicare Health Pte Ltd (Singapore)[1]	Dormant	100	100
NTUC Unity TCM Wellness Pte Ltd (Singapore)[1]	Dormant	100	100
Origins Healthcare Pte Ltd (Singapore)[2]	Trading of health products	80	80
NTUC Eldercare Co-operative Limited (Singapore)[3]	Provide eldercare services and the promotion of eldercare-related activities	98	98

Notes:

(1) Not audited as the subsidiaries are insignificant and in the progress of striking off under Section 344 of Companies Act

(2) Audited by BDO LLP, Singapore

(3) Audited by KPMG LLP, Singapore

Acquisition of a subsidiary

In previous financial year, the Co-operative acquired 420,000 ordinary share in the issued and paid-up share capital of NTUC Eldercare Co-operative Limited, a co-operative incorporated in the Republic of Singapore, at a cash consideration of $420,000. Following the acquisition, the Co-operative is holding 425,000 ordinary share (including 5,000 ordinary shares reclassified from available-for-sale financial assets) and NTUC Eldercare Co-operative Limited became a subsidiary of the Co-operative.

The group restructuring was undertaken in order to consolidate all health and community care services in NTUC Enterprise Co-operative Limited, the ultimate entity of the group under a common control single entity.

Identifiable assets acquired and liabilities assumed in the business combination were measured at their fair values at date of acquisition. There were no contingent liabilities and intangible assets identified.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

7. Investments in subsidiaries (Continued)

Management has determined the fair values of the identifiable assets and liabilities of NTUC Eldercare Co-operative Limited as at the date of acquisition were:

	Eldercare 2013 $
Plant and equipment	2,969,432
Available-for-sale financial assets	4,982,324
Cash and cash equivalents	2,300,340
Trade and other receivables	4,134,956
	14,387,052
Trade and other payables	(3,449,808)
Community Silver Trust	(1,405,028)
Deferred income	(2,961,941)
Building Fund	(2,342,495)
	(10,159,272)
Net identifiable assets at fair value	4,227,780
Non-controlling interests measured at the non-controlling interests' proportionate share of NTUC Eldercare Co-operative Limited's net identifiable assets	97,190

The acquisition did not give rise to any goodwill.

The effect on the consolidated statement of cash flows is as follows:

- cash paid	(420,000)
- cash and cash equivalents of subsidiaries acquired	2,300,340
Net cash inflow on the acquisition of business	1,880,340

Novation of service contracts

During the financial year, the Co-operative has completed the novation of service contracts from NTUC Eldercare Co-operative Limited to the Co-operative. Upon completion of novation of service contract, NTUC Eldercare Co-operative Limited has transferred its identifiable assets and liabilities to the Co-operative under Section 75 of the Co-operative Societies Act (Chapter 62).

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8. Available-for-sale financial assets

	Group		Co-operative	
	2014 $	2013 $	2014 $	2013 $
Balance at beginning of financial year/period	5,498,493	1,047,005	1,261,495	1,047,005
Transfer from a subsidiary	-	-	4,375,961	-
Acquisition of a subsidiary	-	4,982,324	-	-
Written off	-	(10,009)	-	(10,009)
Disposals	(1,500)	(632,229)	-	-
Reclassification to a subsidiary	-	(5,000)	-	(5,000)
Fair values changes recognised in other comprehensive income	18,963	116,402	(121,500)	229,499
Balance at end of financial year/period	5,515,956	5,498,493	5,515,956	1,261,495

Details of the available-for-sale financial assets are as follows:

	Group		Co-operative	
	2014 $	2013 $	2014 $	2013 $
Unquoted equity investments, at cost	678,495	679,995	678,495	678,495
Allowance for impairment loss	(200,000)	(200,000)	(200,000)	(200,000)
	478,495	479,995	478,495	478,495
Quoted equity investment, at fair value	3,187,461	3,178,498	3,187,461	783,000
Other unquoted equity investments, at fair value	1,850,000	1,840,000	1,850,000	-
Total	5,515,956	5,498,493	5,515,956	1,261,495

As the unquoted investments do not have quoted market prices in an active market and there are no other available methods to reasonably estimate the fair values, it is not practicable to determine the fair values of the unquoted investments with sufficient reliability and these are stated at cost less impairment loss, if any.

Quoted equity investment has no fixed maturity date nor coupon rate. The fair value of this investment is based on closing quoted market prices on the last market day of the financial year/period.

Quoted equity and other unquoted equity investments carried at fair values, offer the Group the opportunity for return through dividend income and fair value gains. The fair values of these securities are either based on closing quoted market prices on the last market day of the financial year/period or estimated by reference to the current valuation provided by the custodian banks as at 31 December 2014. There have no fixed maturity date nor coupon rate.

Available-for-sale financial assets are denominated in Singapore dollar.

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9. Property, plant and equipment

	Freehold property $	Leasehold building $	Leasehold properties $	Dental equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Group									
Cost									
At 1 January 2014	1,712,781	7,778,521	1,174,048	1,354,739	14,057,687	2,037,665	2,090,863	481,215	30,687,519
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	1,732,719	15,093,967	2,288,069	2,124,023	545,391	32,449,519
Accumulated depreciation									
At 1 January 2014	435,793	2,177,987	266,400	879,390	8,216,225	1,139,830	1,220,619	288,713	14,624,957
Depreciation	39,494	155,570	27,000	241,504	2,900,116	365,745	288,486	60,211	4,078,126
Disposals	-	-	-	(106,863)	(1,585,024)	(85,302)	(3,769)	-	(1,780,958)
At 31 December 2014	475,287	2,333,557	293,400	1,014,031	9,531,317	1,420,273	1,505,336	348,924	16,922,125
Carrying amount									
At 31 December 2014	1,237,494	5,444,964	880,648	718,688	5,562,650	867,796	618,687	196,467	15,527,394

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9. Property, plant and equipment (Continued)

	Freehold property $	Leasehold building $	Leasehold properties $	Dental equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Group									
Cost									
At 1 April 2013	1,712,781	7,778,521	1,174,048	1,195,421	7,327,203	1,179,394	1,684,510	17,013	22,068,891
Acquisition of a subsidiary	-	-	-	-	5,172,322	468,968	378,228	400,627	6,420,145
Additions	-	-	-	286,306	2,666,777	494,543	180,845	63,575	3,692,046
Disposals	-	-	-	-	-	(6,460)	-	-	(6,460)
Written off	-	-	-	(126,988)	(1,108,615)	(98,780)	(152,720)	-	(1,487,103)
At 31 December 2013	1,712,781	7,778,521	1,174,048	1,354,739	14,057,687	2,037,665	2,090,863	481,215	30,687,519
Accumulated depreciation									
At 1 April 2013	406,172	2,061,309	246,150	911,378	4,486,254	793,728	818,200	7,428	9,730,619
Acquisition of a subsidiary	-	-	-	-	2,757,734	237,834	210,405	244,740	3,450,713
Depreciation	29,621	116,678	20,250	95,000	1,988,874	207,065	270,253	36,545	2,764,286
Disposals	-	-	-	-	-	(3,460)	-	-	(3,460)
Written off	-	-	-	(126,988)	(1,016,637)	(95,337)	(78,239)	-	(1,317,201)
At 31 December 2013	435,793	2,177,987	266,400	879,390	8,216,225	1,139,830	1,220,619	288,713	14,624,957
Carrying amount									
At 31 December 2013	1,276,988	5,600,534	907,648	475,349	5,841,462	897,835	870,244	192,502	16,062,562

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9. Property, plant and equipment (Continued)

	Freehold property $	Leasehold building $	Leasehold properties $	Dental equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Co-operative									
Cost									
At 1 January 2014	1,712,781	7,778,521	1,174,048	1,354,739	8,575,288	1,148,374	1,655,721	17,013	23,416,485
Transfer	-	-	-	-	5,419,381	742,353	378,228	464,202	7,004,164
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	1,732,719	15,025,649	2,127,192	2,067,109	545,391	32,163,410
Accumulated depreciation									
At 1 January 2014	435,793	2,177,987	266,400	879,391	4,947,091	769,213	908,310	9,585	10,393,770
Transfer	-	-	-	68,189	3,767,973	409,720	283,627	331,956	4,861,465
Depreciation	39,494	155,570	27,000	173,315	2,315,488	221,024	272,786	7,383	3,212,060
Disposal	-	-	-	(106,863)	(1,585,024)	(85,302)	(3,769)	-	(1,780,958)
At 31 December 2014	475,287	2,333,557	293,400	1,014,032	9,445,528	1,314,655	1,460,954	348,924	16,686,337
Carrying amount									
At 31 December 2014	1,237,494	5,444,964	880,648	718,687	5,580,121	812,537	606,155	196,467	15,477,073

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9. Property, plant and equipment (Continued)

	Freehold property $	Leasehold building $	Leasehold properties $	Dental equipment $	Furniture and fittings $	Computer and office equipment $	Computer software $	Motor vehicles $	Total $
Co-operative									
Cost									
At 1 April 2013	1,712,781	7,778,521	1,174,048	1,195,421	7,266,485	1,029,764	1,656,996	17,013	21,831,029
Additions	-	-	-	286,306	2,417,418	199,748	151,445	-	3,054,917
Written off	-	-	-	(126,988)	(1,108,615)	(81,138)	(152,720)	-	(1,469,461)
At 31 December 2013	1,712,781	7,778,521	1,174,048	1,354,739	8,575,288	1,148,374	1,655,721	17,013	23,416,485
Accumulated depreciation									
At 1 April 2013	406,172	2,061,309	246,150	911,379	4,418,287	694,942	796,218	7,428	9,541,885
Depreciation	29,621	116,678	20,250	95,000	1,545,441	152,917	190,331	2,157	2,152,395
Written off	-	-	-	(126,988)	(1,016,637)	(78,646)	(78,239)	-	(1,300,510)
At 31 December 2013	435,793	2,177,987	266,400	879,391	4,947,091	769,213	908,310	9,585	10,393,770
Carrying amount									
At 31 December 2013	1,276,988	5,600,534	907,648	475,348	3,628,197	379,161	747,411	7,428	13,022,715

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9. Property, plant and equipment (Continued)

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2014	2013
	$	$
Additions during the financial year/period	3,743,920	3,692,046
Less: Provision for reinstatement costs	(119,850)	(120,000)
Cash payment to acquire plant and equipment	3,624,070	3,572,046

10. Investment properties

	Group and Co-operative
	$
Cost	
At 1 January 2014 and 31 December 2014	11,345,933
Accumulated depreciation	
At 1 January 2014	3,443,030
Depreciation for the financial year	235,172
At 31 December 2014	3,678,202
Carrying amount	
At 31 December 2014	7,667,731
Cost	
At 1 April 2013 and 31 December 2013	11,345,933
Accumulated depreciation	
At 1 April 2013	3,266,652
Depreciation for the financial period	176,378
At 31 December 2013	3,443,030
Carrying amount	
At 31 December 2013	7,902,903

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10. Investment properties (Continued)

As at 31 December 2014, the Group and the Co-operative's investment properties are held under the following tenure:-

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Freehold	1,860,000	3,500,000	1,922,000	3,450,000
Leasehold	5,807,731	10,606,000	5,980,903	10,606,000
	7,667,731	14,106,000	7,902,903	14,056,000

The above fair value has been determined on the basis of valuation carried out by an independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and was performed in accordance with International Valuation Standards. Details of valuation techniques and inputs used disclosed in Note 32 to the financial statements.

Rental income earned by the Group and Co-operative from the investment properties amounted to $589,976 (2013: $411,511). Direct operating expenses arising from rental-generating investment properties during the financial period amounted to $227,847 (2013: $169,977).

Included in investment properties is a carrying amount of approximately $3,845,000 (2013: $3,955,000) 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 2014, the Group and the Co-operative have no contingent liabilities and capital commitments in respect of those units.

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11. Trade and other payables

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Trade payables				
- third parties	20,614,233	19,044,706	20,249,494	18,713,595
- subsidiaries	-	-	-	78,131
	20,614,233	19,044,706	20,249,494	18,791,726
Non-trade payables				
- third parties	2,833,510	2,529,983	2,810,047	1,590,417
- subsidiaries	-	-	-	902,247
- related parties	347,132	761,527	347,132	225,239
- shareholder	-	125,000	-	-
	3,180,642	3,416,510	3,157,179	2,717,903
Dividend payable	373,065	476,704	-	-
Central Co-operative Fund	50,000	50,000	50,000	25,000
Singapore Labour Foundation	70,300	149,219	70,300	41,115
Honorarium to directors	126,875	79,042	126,875	79,042
Accrued operating expenses	6,535,794	5,279,223	5,452,999	3,729,989
Advance receipt of subsidy	487,617	116,994	487,617	-
	31,438,526	28,612,398	29,594,464	25,384,775

Trade and non-trade amounts due to third parties are unsecured, non-interest bearing and generally on 60 (2013: 60) days term.

Trade amount due to subsidiaries are unsecured, non-interest bearing and repayable within trade credit terms.

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

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Singapore dollar	31,336,755	28,539,125	29,594,464	25,384,775
New Zealand dollar	62,055	-	-	-
Euro	23,906	43,724	-	-
United States dollar	274	28,479	-	-
Other	15,536	1,070	-	-
	31,438,526	28,612,398	29,594,464	25,384,775

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12. Deferred income

The deferred income relates to grants received to:

(i) purchase or to subsidise the purchase of specific assets and/or capital expenditure, and

(ii) 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	
	2014	2013	2014	2013
	$	$	$	$
At beginning of the financial year/period	2,814,963	-	-	-
Transfer from a subsidiary	-	-	2,814,963	-
Acquisition of a subsidiary	-	2,961,941	-	-
Increase during the financial year/period	1,240,754	360,370	1,240,754	-
Transfer from building fund	-	26,593	-	-
Less: Transfer to profit or loss	(1,002,406)	(533,941)	(1,002,406)	-
At end of the financial year/period	3,053,311	2,814,963	3,053,311	-
Analysed as follow:				
Current liabilities	1,176,185	893,030	1,176,185	-
Non-current liabilities	1,877,126	1,921,933	1,877,126	-
	3,053,311	2,814,963	3,053,311	-

13. Provision

	Group and Co-operative	
	2014	2013
	$	$
Provision for reinstatement costs	1,139,850	1,020,000

Movements in provision for reinstatement costs:

	Group and Co-operative	
	2014	2013
	$	$
Balance at beginning of financial year/period	1,020,000	900,000
Provision made	119,850	120,000
Balance at end of financial year/period	1,139,850	1,020,000

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13. Provision (Continued)

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.

14. Share capital

	Group and Co-operative			
	2014	2013	2014	2013
	Number of ordinary shares		$	$
Issued and paid up :				
At beginning of financial year/period	27,334,674	17,467,824	27,334,674	17,467,824
Issued during the financial year/period	-	10,000,000	-	10,000,000
Withdraw during the financial year/period	(100,550)	(133,150)	(100,550)	(133,150)
At end of financial year/period	27,234,124	27,334,674	27,234,124	27,334,674

	2014	2013
	$	$
The share capital is represented by:		
Share capital repayable on demand as current liabilities (a)	27,134,124	27,234,674
Share capital classified as equity (b)	100,000	100,000
	27,234,124	27,334,674

(a) This relates to the shares held by members where the Co-operative does not have the right of refusal to redeem the members' shares. Members include an individual person or institution or organisation duly admitted to the membership of the Co-operative in accordance with the By-Law of the Co-operative.

(b) This comprised only the portion that relates to founder member National Trade Union Congress.

(c) In accordance with By-laws 4.6, every member shall, unless otherwise disqualified under the Co-operative Societies Act, Chapter 62 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.

(d) The Co-operative has one class of ordinary share which carries no right to fixed income.

During the financial year ended 31 December 2014, in accordance with the By-Laws of the Co-operative, $100,550 (31 December 2003: $133,150) ordinary shares of $1 each were withdrawn.

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15. Deferred tax liabilities

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Deferred tax liabilities	1,988	1,988	-	-

The following are the major deferred tax liabilities recognised by the Group and movements thereon during the financial year/period:

	Accelerated tax depreciation
	$
Balance at 1 January 2014 and 31 December 2014	1,988
Balance at 1 April 2013 and 31 December 2013	1,988

16. 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.

17. 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.

Pursuant to the directors' resolution passed by NTUC Eldercare Co-operative Limited on 14 May 2013, it was resolved that the Building Fund be dissolved with the balance donated to Eldercare Trust Fund for better governance and administration and to better serve the elderly. This was approved by the Board of Trustees of Eldercare Trust on 27 August 2013.

During the financial year, $700,000 (2013: $1,597,267) was transferred to Eldercare Trust Fund and the remaining $Nil (2013: $700,000) is expected to be transferred in the following financial year.

	Group	
	2014	2013
	$	$
As at 1 April and 1 January	700,000	-
Acquisition of a subsidiary	-	2,342,495
Transfer to deferred income	-	(26,593)
Transfer to profit or loss	-	(18,635)
Transfer to Eldercare Trust	(700,000)	(1,597,267)
As at 31 December	-	700,000

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18. Fair value reserve

The fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

	Group		Co-operative	
	2014 $	2013 $	2014 $	2013 $
At beginning of financial year/period	319,541	443,145	672,644	443,145
Transfer from a subsidiary	-	-	1,248,773	-
Fair value gains/(losses)	15,734	119,002	(121,500)	229,499
Transfer to profit or loss upon disposal	-	(242,606)	-	-
At end of financial year/period	335,275	319,541	1,799,917	672,644

19. Merger reserves

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

20. Revenue

	Group		Co-operative	
	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $
Sales of goods	100,679,914	74,156,758	88,990,687	67,307,431
Dental services	14,799,028	9,433,927	14,799,028	9,433,927
Eldercare services	3,424,043	1,199,106	455,201	-
	118,902,985	84,789,791	104,244,916	76,741,358

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21. Other operating income

	Group		Co-operative	
	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $
Advertising income	6,696,784	4,821,554	6,696,784	4,821,554
Amortisation of building fund	-	18,635	-	-
Amortisation of deferred income	1,002,406	533,941	231,116	-
Customer redemption income	127,437	80,058	127,437	80,058
Dividend income	100,704	50,794	1,537,670	1,957,523
Foreign exchange gain, net	18,834	5,904	-	-
Gain on disposal of available-for-sale financial assets	5,445	247,094	-	-
Government grant	11,529,273	4,795,441	3,176,271	214,524
Interest income	109,066	35,939	99,883	28,881
Operating and outright grant received from eldercare trust	-	151,659	-	-
Rental income	1,116,559	936,105	1,260,462	1,013,886
Wellness activities income	-	240,987	-	-
Others	677,519	336,306	447,942	186,742
	21,384,027	12,254,417	13,577,565	8,303,168

22. Staff costs

	Group		Co-operative	
	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $	Year ended 31.12.2014 $	Period from 01.04.2013 to 31.12.2013 $
Salaries, bonuses and other short-term benefits	28,481,895	17,704,664	18,640,051	12,297,575
Employer's contribution to defined contribution plans	2,774,073	1,829,811	1,908,096	1,410,070
	31,255,968	19,534,475	20,548,147	13,707,645

Included in staff costs were key management remuneration as shown in Note 30 to the financial statements.

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23. Finance costs

	Group		Co-operative	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Dividends paid to members in respect of share capital repayable on demand	548,339	456,018	548,339	456,018

24. Profit before income tax and contributions

The above is arrived at after charging:

	Group		Co-operative	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Other operating expenses				
Advertisement and promotion expenses	1,168,045	575,279	828,037	413,174
Allowance for doubtful trade receivable – third parties	15,855	15,073	15,855	15,073
Loss on disposal of plant and equipment	79,015	3,000	79,015	-
Management fee expense	1,344,979	498,541	727,187	149,817
Patronage rebates/discounts	1,388,002	1,012,104	1,388,002	1,012,104
Write off of available-for-sale financial assets	-	10,009	-	10,009
Write off of plant and equipment	-	169,902	-	168,951

25. Income tax expense

	Group	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$
Current income tax		
- current financial year/period	317,999	170,000
- underprovision in prior financial years/periods	14,675	-
Total income tax expense recognised in profit or loss	332,674	170,000

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25. Income tax expense (Continued)

Reconciliation of effective income tax rate

	Group	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$
Profit before income tax and contributions	1,950,392	1,600,399
Income tax at Singapore's statutory income tax rate of 17%	331,567	272,068
Tax effect of expenses not deductible for income tax purposes	109,333	5,000
Tax effect of co-operative's income not subject to income tax	(65,038)	(61,615)
Income tax exemption	(25,925)	(25,925)
Productivity and innovation credit	(8,352)	(17,294)
Underprovision of current income tax in prior financial years/periods	14,675	-
Corporate income tax rebate	(30,000)	-
Others	6,414	(2,234)
	332,674	170,000

The Co-operative and its Co-operative subsidiary are co-operative societies 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.

Unrecognised deferred tax assets

The movement of unrecognised deferred tax assets is as follows:

	Group	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$
Balance at beginning and end of financial year/period	253,699	253,699
Unutilised tax losses	227,493	227,493
Unabsorbed capital allowances	26,206	26,206
	253,699	253,699

As at 31 December 2014, the Group has unutilised tax losses of approximately $1,338,000 (2013: $1,338,000) and unabsorbed capital allowances of approximately $154,000 (2013: $154,000) available to offset against future taxable profits subject to the agreement by the tax authorities and provisions of the tax legislations of Singapore. No deferred tax assets have been recognised in respect of the unutilised tax losses and unabsorbed capital allowance of approximately $254,000 (2013: $254,000) as the management is not confident that there will be sufficient future taxable profits to realise these future benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements of the Group in accordance with the accounting policy in Note 2.18 to the financial statements.

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26. Central Co-operative Fund

In accordance with Section 71 of the Co-operative Societies Act, Chapter 62, the Co-operative is required to contribute 5% of the first $500,000 of its profit before contributions and distributions to the Central Co-operative Fund. During the financial year ended 31 December 2014, the Group and the Co-operative made a contribution of $50,000 (2013: $50,000) and $25,000 (2013: $25,000) respectively towards the Central Co-operative Fund.

27. Singapore Labour Foundation

In accordance with Section 71 of the Co-operative Societies Act, Chapter 62, the Co-operative opted to contribute 20% of its profit before contributions and distributions in excess of $500,000 to the Singapore Labour Foundation. During the financial year ended 31 December 2014, the Group and the Co-operative made a contribution of $91,810 (2013: $156,711) to the Singapore Labour Foundation.

	Group		Co-operative	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Contribution				
- current financial year/period	107,692	156,711	86,182	41,115
- over provision in prior financial period	(15,882)	-	(15,882)	-
	91,810	156,711	70,300	41,115

28. Dividends

	Group		Co-operative	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Dividends to owners of the parent				
First and final exempt (one-tier) dividend paid of $0.025 (2013: $0.03) per share in respect of the previous financial year/period	2,500	3,000	2,500	3,000

	Group	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$
Dividends to non-controlling interest		
Interim exempt (one-tier) dividend paid of $9.33 (2013: $11.92) per share in respect of the current financial year/period	373,064	476,704

In respect of the current financial year ended 31 December 2014, the Directors propose that a final dividend of $0.025 (2013: $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.

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29. Operating lease commitments

The Group and the Co-operative as lessees

The Group and the Co-operative lease various retail outlets under non-cancellable operating leases. The leases have variable lease charge of 0.25% to 8.00% (31 December 2013: 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	
	2014	2013	2014	2013
	$	$	$	$
Within one year	10,672,507	9,406,897	10,606,324	9,267,062
After one year but within five years	10,338,581	8,148,195	10,338,581	8,008,481
	21,011,088	17,555,092	20,944,905	17,275,543

The Group and the Co-operative as lessors

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

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

	Group and Co-operative	
	2014	2013
	$	$
Within one year	1,858,105	1,538,631
After one year but within five years	1,180,769	712,679
	3,038,874	2,251,310

30. Significant related party transactions

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.

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30. Significant related party transactions (Continued)

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/period:

	Group		Co-operative	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
With subsidiaries				
Purchase of goods	-	-	537,309	370,205
Rental income	-	-	112,853	83,226
Dividend income	-	-	1,492,256	1,906,820
With related parties				
Rental paid	3,669,172	2,493,680	3,669,172	2,493,680
Patronage rebates/discounts	1,388,002	1,012,104	1,388,002	1,012,104
Management fee expense	1,344,979	498,541	727,187	149,817
Consultancy fees	647,955	281,844	-	-

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	
	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013	Year ended 31.12.2014	Period from 01.04.2013 to 31.12.2013
	$	$	$	$
Salaries and other benefits	478,877	817,134	478,877	817,134
Employer's contribution to defined contribution plan	19,626	26,950	19,626	26,950
Directors' honorarium	126,875	80,192	126,875	79,042
	625,378	924,276	625,378	923,126

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31. Financial instruments, financial risks and capital management

The Group's and the Co-operative's activities expose them to credit risk, market risk (including foreign currency risk, interest rate risks and equity price risk), and liquidity risk. The Group's and the Co-operative's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's and the Co-operative's financial performance.

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

31.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Co-operative. The Group and the Co-operative have adopted a policy of only dealing with creditworthy counterparties. The Group and the Co-operative perform ongoing credit evaluation of its counterparties' financial condition and does not require collaterals.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Co-operative's maximum exposure to credit risk. There is no significant concentration of credit risk with any single customer or group of customers of the total trade and other receivables of the Group and the Co-operative as at the end of the reporting period.

The Group's and the Co-operative's major classes of financial assets are trade and other receivables and cash and cash equivalents.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Co-operative.

The age analysis of past due trade receivables but not impaired is as follows:

	Group		Co-operative	
	2014	2013	2014	2013
	$	$	$	$
Past due 1 to 30 days	796,005	515,963	397,774	238,433
Past due 31 to 60 days	226,737	241,084	78,956	53,374
Past due 61 to 90 days	193,412	39,156	178,598	14,372
Past due more than 90 days	310,352	116,141	173,027	35,083

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31. Financial instruments, financial risks and capital management (Continued)

31.2 Market Risk

(i) Foreign exchange risk

Currency risk arises from transactions denominated in currency other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily Australian dollar, New Zealand dollar and United States dollar.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities of the Group denominated in currencies other than the functional currency of the entities within the Group are as follows:

	Assets		Liabilities	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Group				
United States dollar	147,964	137,935	274	28,479
Australian dollar	71,363	200,205	-	-
New Zealand dollar	-	37,673	62,055	-

Foreign currency sensitivity analysis

The Group's and the Co-operative's exposure to foreign currency risks are mainly in Australian dollar, New Zealand dollar and United States dollar.

The following table details the Group's and the Co-operative's sensitivity to a 5% change in Australian dollar, New Zealand dollar and United States dollar against the respective functional currencies of the entities within the Group. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Australian dollar, New Zealand dollar and United States dollar are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. Financial instruments, financial risks and capital management (Continued)

31.2 Market Risk (Continued)

(i) Foreign exchange risk (Continued)

Foreign currency sensitivity analysis (Continued)

	Profit or Loss	
	2014	**2013**
	$	**$**
Group		
Australian dollar		
Strengthens against Singapore dollar	3,568	10,010
Weakens against Singapore dollar	(3,568)	(10,010)
New Zealand dollar		
Strengthens against Singapore dollar	(3,103)	1,884
Weakens against Singapore dollar	3,103	(1,884)
United States dollar		
Strengthens against Singapore dollar	7,385	5,473
Weakens against Singapore dollar	(7,385)	(5,473)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Co-operative do not have significant exposure to interest-bearing financial instrument at the end of the reporting period.

(iii) Equity price risk

The Group and the Co-operative are exposed to equity price risks arising from equity investments classified as 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.

Further details of these equity investments can be found in Note 8 to the financial statements.

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	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Available-for-sales financial assets	275,798	274,925	275,798	63,075

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. Financial instruments, financial risks and capital management (Continued)

31.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Co-operative encounter difficulties in meeting their short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group and the Co-operative actively manage their operating cash flows so as to finance the Group's and the Co-operative's operations. As part of its overall prudent liquidity management, the Group and the Co-operative maintain sufficient levels of cash to meet their working capital requirement.

All financial liabilities mature in one year and are non-interest bearing.

31.4 Capital management policies and objectives

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/period.

The Group and the Co-operative monitor capital using a gearing ratio, which is calculated as net debt divided by equity attributable to owners of the parent plus net debt. The Group and the Co-operative include within net debt, trade and other payables and share capital repayable on demand less cash and cash equivalents.

	Group		Co-operative	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Trade and other payables	31,438,526	28,612,398	29,594,464	25,384,775
Share capital repayable on demand	27,134,124	27,234,674	27,134,124	27,234,674
Total debt	58,572,650	55,847,072	56,728,588	52,619,449
Less: Cash and cash equivalents	(25,179,095)	(29,141,324)	(23,640,335)	(25,140,272)
Net debt	33,393,555	26,705,748	33,088,253	27,479,177
Total equity	25,993,520	25,001,088	20,721,346	19,436,173
Total capital	59,387,075	51,706,836	53,809,599	46,915,350
Gearing ratio	56.2%	51.6%	61.5%	58.6%

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. Financial instruments, financial risks and capital management (Continued)

31.5 Financial instruments by category

The carrying amounts of financial assets and financial liabilities recorded at amortised costs, which approximate their fair value, are as follows:

	2014	**2013**
	$	**$**
Financial assets		
Available-for-sale	5,515,956	5,498,493
Loans and receivables		
Trade and other receivables	14,238,375	10,968,246
Cash and cash equivalents	25,179,095	29,141,324
Total loan and receivables	39,417,470	40,109,570
Financial liabilities		
Other financial liabilities		
Trade and other payables	31,438,526	28,612,398
Total financial liabilities at amortised cost	31,438,526	28,612,398

32. Fair value measurement

For the financial reporting purposes, the fair value measurement of the Group's and the Co-operative's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

32.1 Financial instruments that are not carried at fair value

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value due to their respective short term maturity.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

32. Fair value measurement (Continued)

32.2 Assets and liability that are carried at fair value

Assets of the Group and the Co-operative carried at fair value classified by level of fair value hierarchy is as follows:

	Fair value measurement using:		
	Level 1	Level 2	Level 3
	$	$	$
2014			
Group			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	661,500	2,525,961	-
- Other unquoted equity investments	-	1,850,000	-
Co-operative			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	661,500	2,525,961	-
- Other unquoted equity investments	-	1,850,000	-
2013			
Group			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	783,000	2,395,498	-
- Other unquoted equity investments	-	1,840,000	-
Co-operative			
Assets			
Available-for-sale financial assets			
- Quoted equity investments	783,000	-	-

There were no transfers between levels during the financial year.

The financial instruments included in level 1 are traded in active markets and their fair values are based on quoted market prices at the reporting date.

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.

MEMBERSHIP LISTING AND SHAREHOLDINGS

AS AT 31 DECEMBER 2014

S/N	Name of Institutional Shareholder	Total Shares
1	NTUC Enterprise Co-operative Ltd	14,546,944
2	National Trades Union Congress	100,000
3	AUPE Multi-purpose Co-operative Ltd	10,000
4	Ngee Ann Polytechnic Consumer Co-operative Society Ltd	10,000
5	NTUC FairPrice Co-operative Limited	1,000,000
6	NTUC First Campus Co-operative Ltd	10,000
7	NTUC Income Insurance Co-operative Limited	1,000,000
8	Singapore Mercantile Co-operative Society Ltd	10,000
9	The Singapore Government Staff Credit Co-operative Society Ltd	10,000
10	The Singapore Teachers' Co-operative Society Limited	50,000
	Institutional Share Capital as at 31 December 2014	**16,746,944**
	Ordinary Share Capital (18,365 members)	**10,487,180**
	Total Share Capital as at 31 December 2014	**27,234,124**

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