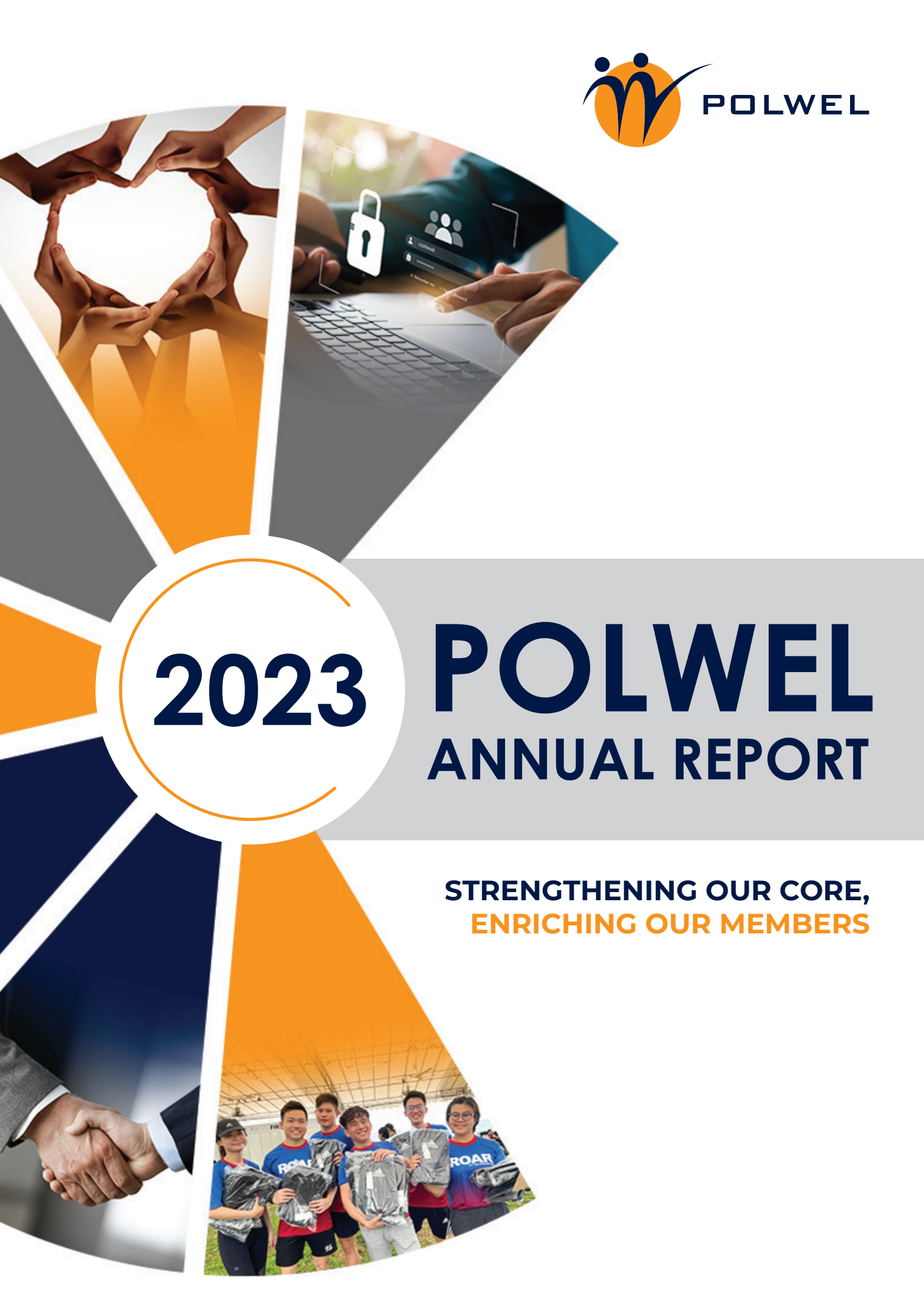




2023

POLWEL

ANNUAL REPORT

**STRENGTHENING OUR CORE,
ENRICHING OUR MEMBERS**

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EXPENDITURE FOR
2024 AND 2025

POLWEL 31st Annual Delegates' Meeting
1530 hours, 13 June 2024
Police Cantonment Complex
Auditorium, Level 8



AGENDA

1. Opening Address by Mr Wilson Lim, Chairman, POLWEL Committee of Management
2. Address by Mr Hoong Wee Teck, Commissioner of Police, President POLWEL
3. To confirm the Minutes of the 30th Annual Delegates' Meeting held on 6 June 2023
4. Matters arising from the said Minutes
5. To receive and if approved, to adopt the Annual Report of the Committee of Management for the year ended 31 December 2023
6. To receive and if approved, to adopt the Audited Statement of Accounts for the year ended 31 December 2023
7. To approve the appropriation of net surplus of \$5,200,196 as follows:

a. Central Co-operative Fund (CCF) at 5% on the first \$500,000 and 20% on the rest	\$ 965,039
b. Police Central Welfare Fund at 20.6%	\$ 872,442
c. Sports, Charity and Donation Fund at 10%	\$ 423,516
d. Building Fund	\$ 300,000
e. Honorarium	\$ 4,750
f. Unappropriated Profit Account	\$ 2,634,449

Note: Items (b) – (e) are appropriated based on amount after contribution to the CCF (a).
8. To approve the revised limit for maximum liability limit from members as per by-law 10.8
9. To approve the Revised Expenditure for FY2024 and Estimated Expenditure for FY2025
10. To elect members to the Committee of Management
11. To approve the following resolutions regarding the proposed purchase of investment properties by the Society:
 - (a) The Committee of Management ("**COM**") of the Society be and are hereby authorised to, by way of majority resolution of the COM, approve the purchase of any commercial property or properties (each, a "**Property**" and collectively, the "**Properties**") on behalf of the Society using the Society's existing funds (or otherwise if so approved), **PROVIDED ALWAYS THAT:**
 - (i) the aggregate purchase price of the Properties shall not exceed S\$7 million; and
 - (ii) as at the date of the execution of the Option to Purchase for the intended purchase of each such Property (each an "**Intended Purchase**"), (1) the total value of restricted investments (as defined in the Registry of Co-operative Societies' Written Direction to Credit Societies on Investments dated 12 July 2023 (the "**Written Direction**")) held by the Society does not exceed 10% of its total assets (as defined in the Written Direction); and (2) shall not exceed 10% of its total assets by reason of the Intended Purchase.

- (b) The COM of the Society be and are hereby authorised to do all acts and things on behalf of the Society (including authorising any 2 persons, acting jointly, from time to time to do all acts and things) as they may in their sole discretion deem necessary, desirable or expedient in the interests of the Society in connection with, incidental to or ancillary to each Intended Purchase.
 - (c) Without prejudice to the generality of Agenda Item 11(b), the COM of the Society (or any 2 such persons authorised by the COM) be and is hereby authorised for and on behalf of the Society to jointly approve, sign, accept and/or deliver, from time to time all documents, notices, and/or agreements (including but not limited to any offer to purchase, exercise any option to purchase or sale and purchase agreement) in connection with, incidental to or ancillary to each Intended Purchase, as the COM may in their sole discretion think fit, and to jointly execute the same, and the execution thereof by the said 2 persons authorised by the COM shall be conclusive evidence of such approval.
 - (d) If necessary, the Common Seal of the Society be affixed to any agreement and/or document pertaining to each Intended Purchase in accordance with the authority granted herein and by the By-Laws and the Co-operative Societies Act 1979 (the “Act”).
12. If Agenda Item 11 above is approved, to approve the following resolutions in connection with the Intended Purchase(s):
- (a) The Intended Purchase(s) be funded using the Society’s existing funds, non-member loans, or both.
 - (b) The maximum aggregate liability of the Society for loans from non-members (whether in the form of bank facilities, overdrafts, term loans, mortgage loan or otherwise) from banking institutions and/or any other non-members (the “**Lender(s)**”) to be used for the Intended Purchase(s) and/or to be taken up in connection with the Intended Purchase(s) (the “**Loan Facilities**”) shall not exceed S\$4.2 million.
 - (c) Pursuant to the aforesaid, the COM of the Society be and are hereby authorised to do all acts and things on behalf of the Society (including authorising any 2 persons, acting jointly, from time to time to do all acts and things) to obtain and enter into such Loan Facilities and provide such security as the Lender(s) may reasonably require, as security for the repayment of such Loan Facilities, as they may in their sole discretion deem necessary, desirable or expedient in the interests of the Society.
 - (d) Without prejudice to the generality of Agenda Item 12(c), the COM of the Society (or any 2 such persons authorised by the COM) be and is hereby authorised for and on behalf of the Society to jointly approve, sign, accept and/or deliver, from time to time all documents, notices, and/or agreements (including but not limited to any loan letter of offer, mortgage or security documentation) in connection with, incidental to or ancillary to obtaining the Loan Facilities, as the COM may in their sole discretion think fit, and to jointly execute the same, and the execution thereof by the said 2 persons authorised by the COM shall be conclusive evidence of such approval.
 - (e) Pursuant thereto and if necessary, the Common Seal of the Society be affixed to any mortgage document, agreement and/or document in accordance with the authority granted herein and by the By-Laws and the Act.
13. To transact any other matters of which notice has been received by the Honorary Secretary by 10 June 2024

For and on behalf of the Committee of Management



Sim Yang Lie, Wilbur
Honorary Secretary

EXPLANATORY NOTE TO AGENDA 11

Pursuant to the By-Laws and the Act, the funds of the Society may be invested *inter alia* in the purchase or leasing of land or properties or buildings or in the construction of buildings conducive for the conduct of its business and the welfare of the co-operative movement, or in such other manner as approved at a Delegates' Meeting and in accordance with any restrictions on investment contained in written direction issued by the Registrar.

In this regard, the Registry of Co-operative Societies' Written Direction to Credit Societies on Investments dated 12 July 2023 provides *inter alia* that the total value of restricted investments held at any time by a credit society that receives deposits shall not exceed 10% of its total assets.

The Society thus intends to purchase a property (or various properties), within the limits prescribed by the Registrar in the Written Direction, for investment purposes.

EXPLANATORY NOTE TO AGENDA 12

It is proposed that the Intended Purchase(s) under Agenda 11 be funded using the Society's existing funds, non-member loans, or both.

In this regard, we wish to highlight that the Society had determined at a general meeting on 6 June 2019 that the Society may incur loans up to S\$8 million from non-members to be used for the purchase of properties and/or general purposes of the Society as might be determined from time to time by the COM. Presently, the total aggregate amount of non-member loans taken by the Society does not exceed S\$1 million.



CORPORATE INFORMATION

PRESIDENT

Hoong Wee Teck
Commissioner of Police

VICE PRESIDENT

Christopher Ng
Director Manpower

COMMITTEE OF MANAGEMENT

Chairman
Wilson Lim Hock Lee

Vice Chairman
Zhang Weihan

Vice Chairman
Ang Eng Seng

Honorary Secretary
Sim Yang Lie, Wilbur

Assistant Honorary Secretary
Chin Yong Feng

Members
Ang Boon Sheng, Jeremy
Chiam May Fern Eleena
Chong Soo Pin
Koh Tee Meng
Malathi D/O Muthu Veran
Ng Khai Song
Adrian Sim Siao Ming
Tan Chi Chong
Tan Kiat Hee
Tan Tian Yeow
Tang Hak Lee
Tay Wee Li
Teo Zi-Ming
Yap Ker Sim, Aileen

ADVISORS TO COMMITTEE OF MANAGEMENT

Chan Soon Chee Joe
Wayne Koo Kim Heng

SENIOR MANAGEMENT

Chief Operating Officer
Keeve Chan

Head, Business Development
Lee Zhengwei

Manager, Finance
Sharyne Tee

Director, Corporate Development
Goh Leng Hong

Head, Business & Technology
Stanley Huang

BANKERS

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#10-00 OCBC Centre East
Singapore 049514

DBS Bank Ltd
12 Marina Boulevard, Level 3
Marina Bay Financial Centre Tower 3
Singapore 018982

Malayan Banking Berhad
101 Upper Cross Street
#01-22 People's Park Centre
Singapore 058357

Bank of China
Bank of China Building
4 Battery Road
Singapore 049908

EXTERNAL AUDITOR

OA Assurance PAC
112 Robinson Road
#03-04
Singapore 068902

INTERNAL AUDITOR

Foo Kon Tan Advisory Services Pte Ltd
1 Raffles Place
#04-61 One Raffles Place Tower 2
Singapore 048616

CORE VALUES

The six core values that guide POLWEL in making an IMPACT in everything we do:



Integrity

We conduct ourselves honourably, ethically and with utmost honesty and transparency in all our dealings.



Modern

We keep up to date with current trends, technology and industry norms to meet the needs of our members and stakeholders.



Professionalism

We are competent, effective and dependable in delivering quality work.



Accountability

We are responsible to our members and stakeholders for our actions and results.



Care

We care for our community and support one another for mutual benefit.



Tenacity

We are determined and committed in pursuing the best outcomes for our stakeholders.



MINUTES OF THE 30TH ANNUAL DELEGATES' MEETING (ADM)

Minutes of the 30th Annual Delegates' Meeting (ADM) of POLWEL Co-operative Society Limited held on 6 June 2023 (Tuesday) at the Police Cantonment Complex Auditorium, 391 New Bridge Road, Level 8, Singapore 088762

PRESENT

Hoong Wee Teck
Lian Ghim Hua
Wilson Lim Hock Lee
Wat Zhiwen, Sergius
Yue Kah Keong, Allan
Ang Eng Seng
Malathi D/O Muthu Veran
Ng Khai Song
Adrian Sim Siao Ming
Tan Chi Chong
Tan Kiat Hee
Tan Tian Yeow
Tay Wee Li
Teo Zi-Ming
Yap Ker Sim, Aileen

Wayne Koo Kim Heng

and 95 delegates from the various Divisions and Units.

ABSENT WITH APOLOGIES

Shee Tek Tze
Chiam May Fern Eleena
Goh Kong Wei
Zhang Wei Han

Chan Soon Chee Joe

President
Chairman
Vice Chairman
Honorary Secretary
Assistant Honorary Secretary
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors

Advisor

Vice Chairman
Member, Board of Directors
Member, Board of Directors
Member, Board of Directors

Advisor



MINUTES OF THE 30TH ADM

AGENDA 1: OPENING ADDRESS BY MR LIAN GHIM HUA, CHAIRMAN, POLWEL COMMITTEE OF MANAGEMENT

- 1.1 Chairman, Mr Lian Ghim Hua welcomed all the delegates present and announced that the necessary quorum had been attained. He called the meeting to order at 3.35pm.
- 1.2 The opening address of Chairman, Mr Lian Ghim Hua is attached at Annex A.

AGENDA 2: ADDRESS BY MR HOONG WEE TECK, COMMISSIONER OF POLICE, PRESIDENT OF POLWEL

- 2.1 Mr Hoong Wee Teck, President of POLWEL addressed the delegates and declared the 30th ADM open. The text of his address is attached at Annex B.
- 2.2 Following the address, Mr Hoong Wee Teck took his leave.

Voting Procedures

- 2.3 The master of the ceremony (emcee) informed delegates that they would cast votes electronically for the Agenda Items of the meeting, using the unique access key and password issued to the delegates during the registration.
- 2.4 The delegates would be given one minute to cast their vote once for each Agenda Item and more time would be given if required. The delegates were subsequently taken through the voting procedures and a test vote was cast to familiarise the delegates with the voting process.
- 2.5 As there were no further questions by the delegates on the voting process, Honorary Secretary of POLWEL, Mr Sergius Wat, took the meeting through the proceedings of the ADM.

AGENDA 3: TO CONFIRM THE MINUTES OF THE 29TH ANNUAL DELEGATES' MEETING HELD ON 13 JUNE 2022

- 3.1 Honorary Secretary called upon the meeting to cast their votes.
- 3.2 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:

For:	80
Against:	2
Abstention:	10
- 3.3 Honorary Secretary declared that the Minutes were approved with no amendments.

AGENDA 4: MATTERS ARISING FROM THE SAID MINUTES

- 4.1 There were no matters arising from the said Minutes.



MINUTES OF THE 30TH ADM

AGENDA 5: TO RECEIVE AND IF APPROVED, TO ADOPT THE ANNUAL REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

- 5.1 Honorary Secretary called upon the meeting to cast their votes.
- 5.2 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:
- | | |
|-------------|----|
| For: | 82 |
| Against: | 1 |
| Abstention: | 10 |
- 5.3 Honorary Secretary declared that the Annual Report of the Committee of Management for the year ended 31 December 2022 was received and approved.

AGENDA 6: TO RECEIVE AND IF APPROVED, TO ADOPT THE AUDITED STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

- 6.1 Honorary Secretary called upon the meeting to cast their votes.
- 6.2 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:
- | | |
|-------------|----|
| For: | 80 |
| Against: | 1 |
| Abstention: | 11 |
- 6.3 Honorary Secretary declared that the Audited Statement of Accounts for the year ended 31 December 2022 was received and approved.

AGENDA 7: TO APPROVE THE APPROPRIATION OF NET SURPLUS OF \$5,488,769

- 7.1 Honorary Secretary presented the appropriation of \$5,488,769 net surplus as follows:
- | | |
|--|--------------|
| a. Central Co-operative Fund @ 5% on the first \$500,000 and 20% on the rest | \$ 1,022,754 |
| b. Police Central Welfare Fund @ 20.6% | \$ 919,000 |
| c. Sports, Charity and Donation Fund @ 10% | \$ 446,602 |
| d. Building Fund | \$ 300,000 |
| e. Honorarium | \$ 4,850 |
| f. Unappropriated Profit Account | \$ 2,794,565 |
- 7.2 Honorary Secretary called upon the meeting to cast their votes.
- 7.3 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:
- | | |
|-------------|----|
| For: | 76 |
| Against: | 2 |
| Abstention: | 14 |
- 7.4 Honorary Secretary declared that the appropriation of the net surplus was approved.



MINUTES OF THE 30TH ADM

AGENDA 8: TO APPROVE THE APPOINTMENT OF OA ASSURANCE PAC AS THE EXTERNAL AUDITORS FOR FY 2023 AND FY 2024

- 8.1 Honorary Secretary said that during the ADM in 2021, Robert Yam & Co was appointed as the External Auditors for FY 2021 and FY 2022 to audit POLWEL's financial accounts.
- 8.2 As the 2-year appointment term had ended, POLWEL invited several audit firms to quote. Following an evaluation, the Corporate Governance & Audit Sub-Committee had recommended to the Committee of Management (COM) to appoint OA Assurance as POLWEL's external auditors for FY 2023 and FY 2024. The COM had supported the recommendation.
- 8.3 Honorary Secretary called upon the meeting to cast their votes.
- 8.4 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:
- | | |
|-------------|----|
| For: | 75 |
| Against: | 4 |
| Abstention: | 13 |
- 8.5 Honorary Secretary declared that the appointment of OA Assurance as the External Auditors for FY2023 and FY 2024 was approved.

AGENDA 9: TO APPROVE THE REVISED EXPENDITURE FOR 2023 AND ESTIMATED EXPENDITURE FOR 2024

- 9.1 Honorary Secretary referred the meeting to the revised expenditure for 2023 (\$14,107,386) which had been adjusted upwards by approximately \$30,000 compared to the Estimated Expenditure of 2023 (\$14,077,699) presented at the ADM in 2022.
- 9.2 He highlighted the following significant revisions to the budget:
- (i) Interest on Fixed Deposits (Placements by Members) - POLWEL ran several tranches of Fixed Deposits promotions for members in 2023 which were very well-received, and it planned to regularly do so for the remainder of 2023. The cumulative Fixed Deposit placements would therefore be significantly higher than initially forecasted. Consequently, the interest expenses had been revised upwards based on the projected increase in deposit placements by members.
 - (ii) Assessor Fees – As the assessment volume was expected to be lower in 2023 than what was initially projected due to the weak training demand from the private security industry, POLWEL had expected to incur lower fees to be paid to assessors. The amount spent on assessors' fees had therefore been revised downwards.
 - (iii) Certification Fees - POLWEL conducted assessments for several Workforce Skills Qualification (WSQ) courses. SkillsFuture Singapore (SSG) previously charged certification fees, for certificates generated by SSG for the WSQ courses. SSG had announced the cessation of certification fees from 1 January 2023 onwards. This resulted in cost savings from the initial estimate in 2022.



MINUTES OF THE 30TH ADM

- (iv) General Expenses – With the completion of key COVID 19-related projects and the removal of pandemic restrictions, Business & Employment Services Division (BESD) was no longer required to cater for Personal Protective Equipment (PPE) for its projects. Hence, the general expenses had been revised downwards.
- (v) Transportation Costs – BESD had been awarded a new contract term by the Ministry of Manpower (MOM) in April 2023 to conduct house visits, inspections, and investigation. As part of the service obligations, BESD was required to provide an increased number of vehicles for operational purposes. Thus, the transportation costs had been adjusted upwards.

9.3 Honorary Secretary added that the budget for Capital Expenditure had been adjusted upwards by approximately \$125,000, due to the necessity to upgrade POLWEL's old IT hardware to ensure operational stability. Additionally, the Centre for Protective Security (CPS) had appointed POLWEL to administer a refresher quiz for the private security industry and hence, POLWEL was also developing a new system in 2023 to deliver the new business requirement.

9.4 Honorary Secretary called upon the meeting to cast their votes.

9.5 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results:

For: 72
Against: 1
Abstention: 18

9.6 Honorary Secretary declared that the Revised Expenditure for 2023 and Estimated Expenditure for 2024 were approved.

AGENDA 10: TO ELECT MEMBERS TO THE COMMITTEE OF MANAGEMENT

10.1 Honorary Secretary informed the delegates that the President of POLWEL had appointed Mr Wilson Lim as Chairman of POLWEL Committee of Management and Mr Wilbur Sim as the Honorary Secretary. As they were appointed by President, they would not stand for election. He added that 11 nominees would be standing for election and re-election.

10.2 Honorary Secretary informed the meeting that the following nominees were elected to the Board in 2021 for a two-year term. They had been nominated by President, POLWEL to be re-elected for another term of two years. The nominees had no objections to their nominations, and they were:

- | | |
|--------------------|-------------------|
| 1. Mr Ang Eng Seng | 4. Mr Adrian Sim |
| 2. Ms Eleena Chiam | 5. Mr Teo Zi-Ming |
| 3. Mr Ng Khai Song | 6. Ms Aileen Yap |

10.3 Honorary Secretary called upon the meeting to cast votes for the individual nominee.

10.4 Honorary Secretary announced that Mr Shee Tek Tze, Mr Goh Kong Wei and he would step down from the Board after the ADM as they had reached the maximum term limit of six years. Ms Brenda Ong had stepped down from the Board in May 2023 to pursue her studies and Mr Allan Yue would step down after the ADM to pursue his studies in 2023.

10.5 He announced that five officers had been nominated by President of POLWEL to stand for election to the Committee of Management for a two-year term.



MINUTES OF THE 30TH ADM

10.6 The five nominees had no objections to their nominations, and they were:

- | | |
|----------------------|--------------------|
| 1. Mr Jeremy Ang | 4. Mr Koh Tee Meng |
| 2. Mr Chin Yong Feng | 5. Mr Tang Hak Lee |
| 3. Mr Chong Soo Pin | |

10.7 Honorary Secretary called upon the meeting to cast their votes for the individual nominee.

10.8 At the end of the voting period, the votes were tabulated. Honorary Secretary announced the following results for the 11 nominees:

1. Mr Ang Eng Seng

For: 78
Against: 6
Abstention: 9

5. Mr Teo Zi-Ming

For: 76
Against: 3
Abstention: 14

9. Mr Chong Soo Pin

For: 77
Against: 3
Abstention: 13

2. Ms Eleena Chiam

For: 80
Against: 2
Abstention: 11

6. Ms Aileen Yap

For: 79
Against: 4
Abstention: 10

10. Mr Koh Tee Meng

For: 71
Against: 5
Abstention: 17

3. Mr Ng Khai Song

For: 79
Against: 3
Abstention: 11

7. Mr Jeremy Ang

For: 80
Against: 4
Abstention: 9

11. Mr Tang Hak Lee

For: 68
Against: 7
Abstention: 18

4. Mr Adrian Sim

For: 75
Against: 3
Abstention: 15

8. Mr Chin Yong Feng

For: 77
Against: 6
Abstention: 10

10.9 Honorary Secretary declared that:

- | | |
|--------------------|----------------------|
| 1. Mr Ang Eng Seng | 7. Mr Jeremy Ang |
| 2. Ms Eleena Chiam | 8. Mr Chin Yong Feng |
| 3. Mr Ng Khai Song | 9. Mr Chong Soo Pin |
| 4. Mr Adrian Sim | 10. Mr Koh Tee Meng |
| 5. Mr Teo Zi-Ming | 11. Mr Tang Hak Lee |
| 6. Ms Aileen Yap | |

were elected to POLWEL Committee of Management for a two-year term.

10.10 The 11 elected members would serve alongside:

- | | |
|-------------------------------|---------------------|
| 1. Mr Wilson Lim | 5. Mr Tan Kiat Hee |
| 2. Mr Wilbur Sim | 6. Mr Tan Tian Yeow |
| 3. Ms Malathi D/O Muthu Veran | 7. Ms Tay Wee Li |
| 4. Mr Tan Chi Chong | 8. Mr Zhang Wei Han |



MINUTES OF THE 30TH ADM

AGENDA 11: TO TRANSACT ANY OTHER MATTERS OF WHICH NOTICE HAS BEEN RECEIVED BY THE HONORARY SECRETARY BY 31 MAY 2023

11.1 Honorary Secretary reported that no notices had been received.

There being no other matters to discuss, the meeting ended at 4.12pm.

Recorded by : Ms Neo Bee Ping
Assistant Manager, Corporate Affairs

Vetted by : Ms Goh Leng Hong
Director, Corporate Development

Mr Keeve Chan
Chief Operating Officer

Mr Wat Zhiwen, Sergius
Honorary Secretary

Mr Yue Kah Keong, Allan
Assistant Honorary Secretary

Approved by: Mr Lian Ghim Hua
Chairman

Date : 19 June 2023

OPENING ADDRESS BY MR LIAN GHIM HUA, CHAIRMAN OF POLWEL CO-OPERATIVE SOCIETY LIMITED (POLWEL) AT POLWEL'S 30TH ANNUAL DELEGATES' MEETING, 06 JUNE 2023, POLICE CANTONMENT COMPLEX

**Commissioner of Police and President of POLWEL, Mr Hoong Wee Teck,
Fellow Board Members,
Advisors,
POLWEL Management Team,
Delegates.**

Good afternoon

Thank you for attending POLWEL's Annual Delegates' Meeting (ADM) this afternoon. We have attained the quorum and will commence with the ADM proceedings.

2 I will start my address with a summary of POLWEL's financial and business performance in 2022, followed by an update on POLWEL's organisational developments, and conclude with key highlights for 2023.

FINANCIAL AND BUSINESS PERFORMANCE IN 2022

3 In 2022, POLWEL recorded a total business revenue of \$18.6 million and a healthy net surplus of \$5.4 million. While business revenue registered a 15% decline from 2021, it was nonetheless, the third highest year on record for POLWEL.

4 The COVID-19 related projects undertaken by the Business & Employment Services Division (BESD) drove POLWEL's exceptional business growth to record levels in 2020 and 2021. Despite the conclusion of many of the COVID-19 related projects, BESD managed to generate more than \$10 million in revenue in 2022, through securing long-term high value contracts with government agencies we had worked with previously, as well as contracts with new agencies.

5 During the year, BESD clinched a new contract with the Attorney-General's Chambers (AGC) to provide prosecutorial services. The Health Sciences Authority (HSA) also became one of BESD's new clients, with a five-year contract awarded to perform seizure management services. Going forward, BESD will continue to cultivate new business relationships, strengthen the relationships with existing clients and build capabilities in the provision of enforcement and other related services for more public agencies.

6 The business revenue from POLWEL's Approved Assessment Organisation (AAO) fell by 35% as compared to 2021. This was due to the weak training and assessment demand from the private security industry.

7 However, assessment demand is expected to pick up next year as the industry gears up for the new mandatory training requirements to upskill security officers, and this will be completed by 2025. In addition, POLWEL was appointed by the Centre for Protective Security (CPS) last year to administer a refresher quiz for security officers who are seeking to renew their security licence, and this will be effective from 2024. This will further strengthen POLWEL AAO's position as the independent assessment body for the private security industry and serve as an additional income stream for the coming years.

8 POLWEL's Financial Services Division (FSD) recorded a 6% increase in interest revenue in 2022 compared to 2021, due to the higher loan demand from members, reversing the decline in the previous year. Since August last year, FSD has been running regular Fixed Deposit promotions that offer market-competitive interest rates and these promotions had received overwhelming responses from members. These promotions will continue to be offered to members in upcoming months.

9 POLWEL has also been adjusting the application requirements for certain categories of loans, while ensuring that POLWEL remains prudent in risk management. A significant change was the removal of guarantor requirements for loans quantum of \$20,000 and below, subject to a credit evaluation by POLWEL. This move has made it easier for members who require financial assistance to secure the necessary loans at competitive interest rates.

10 POLWEL's retail business, which was negatively impacted by the restrictions from the pandemic, rebounded to almost triple its revenue as compared to 2021. The strong performance was largely attributed to more corporate orders received, as well as POLWEL's concerted efforts in digital marketing on various online platforms. The \$472,000 in revenue achieved was also a record high since POLWEL was awarded the contract six years ago to manage the production and merchandising of SPF souvenirs. In December 2022, a new long-term contract was awarded to POLWEL to continue the important work of supporting SPF in its branding and outreach efforts.

11 Riding on the good momentum, the Retail Business Unit has further expanded its business with new product launches. For example, the Next Generation FRC diecast model was launched three months ago, which proved to be very popular among officers and members of the public. POLWEL will also be participating in more roadshows to drive sales, such as the Police Community Roadshows this month and Home Team Festival in the later part of this year.

12 Set up in late 2021, POLWEL's Professional Development & Career Services Division (PDCS) reported encouraging results for its first full year of business, with more than \$600,000 in revenue. Last year, more than 500 SPF officers across 28 police units attended various training programmes offered by PDCS, including leadership courses and technical workshops such as Data Analytics with Excel.

13 PDCS is also seeing positive outcomes from its collaboration efforts with the Institutes of Higher Learning (IHLs), which have helped to strengthen its course offerings. For example, in response to the requests from some SPF units, PDCS worked with Ngee Ann Polytechnic to develop the 'Essential Skills in Mobile Photography and Videography' workshop. This was very well-received by officers whose work involved public education and community outreach. PDCS will continue its outreach efforts to provide customised learning solutions for various SPF units and other enforcement agencies, with the key objective of assisting units and agencies develop relevant competencies for their learners.

14 With the good financial performance achieved in 2022, POLWEL will contribute more than \$900,000 to the Police Central Welfare Fund (PCWF) in 2023, which will be used to provide welfare benefits for members. Apart from the annual PCWF contribution, POLWEL has funded numerous welfare initiatives over the years. This year, POLWEL is looking into new ways to contribute towards members' well-being. For example, it is exploring funding welfare-related events organised by Police-affiliated associations, such as the Police Sports Association.

ORGANISATIONAL DEVELOPMENT

15 Next, I will cover the key organisational developments for POLWEL in 2022.

16 POLWEL has invested significantly in the past few years to strengthen the IT security. In 2022, POLWEL focused on educating its staff on the prevailing cybersecurity threats, through initiatives such as enrolling staff in cyber-wellness programmes and conducting red-teaming exercises to address human factor vulnerabilities. POLWEL will continue its efforts to strengthen this area, as cybersecurity remains a priority for the organisation.

17 On staff development, POLWEL has also been investing heavily in the learning and development of its staff to facilitate their personal and professional development. Last year, a Leadership & Professional Development Framework was introduced to further enhance the knowledge and capabilities of POLWEL's senior management staff. This will be complemented by a new Learning Development Framework to be implemented this year, for all staff levels. This new framework introduces a structured approach that covers different competency areas and the relevant training courses to be attended by staff.

18 Earlier this year, POLWEL also established a new marketing unit to strengthen its efforts in creating greater visibility and awareness of the wide-ranging services offered to members and stakeholders. The stronger marketing efforts will allow members to better understand POLWEL's contributions to SPF, including in the area of members' welfare.

LOOKING AHEAD

19 Despite the challenging macro-environment, all of POLWEL's business divisions are projected to remain profitable in 2023. POLWEL is also expected to maintain a healthy cash flow position, which is important given the current uncertain economic situation.

20 With the strong business performance achieved in the past few years, POLWEL took a decision last year to fully repay the outstanding property loan which was taken in 2020 to fund its acquisition of an additional office unit to accommodate its growing business operations. As such, POLWEL does not expect to be adversely impacted by the current interest rate environment.

21 Going forward, POLWEL will remain prudent and strategically invest in business areas that will place the organisation in a better position to achieve long-term growth and develop the necessary business capabilities to do so.

ACKNOWLEDGEMENTS

22 This is my last year addressing you as Chairman of POLWEL as I will be stepping down after this ADM, having served eight years on the POLWEL Board. Mr Wilson Lim, who joined the POLWEL Board in 2021, has been appointed by POLWEL President to be the next Chairman. With his experience as the Vice-Chairman overseeing POLWEL's Business Development and Operations, I am confident that Mr Wilson Lim will lead POLWEL to new heights in the coming years.

23 It has been my pleasure and privilege to serve with POLWEL over the past eight years and be part of its journey in serving our members. I would like to take this opportunity to express my gratitude to President of POLWEL, CP Hoong Wee Teck for his guidance and support over the years, and to my fellow Board Members and Advisors for your contributions to POLWEL. The growth of POLWEL would not have been possible without POLWEL management and staff, and I would like to thank the team for their dedication in advancing the organisation.

24 Last but not least, I would like to thank all members for their strong support throughout the years. Please continue to give your support to POLWEL under Mr Wilson Lim's leadership.

Thank you.

ADDRESS BY COMMISSIONER OF POLICE MR HOONG WEE TECK, PRESIDENT OF POLWEL CO-OPERATIVE SOCIETY LIMITED (POLWEL) AT POLWEL'S 30TH ANNUAL DELEGATES' MEETING, 06 JUNE 2023, POLICE CANTONMENT COMPLEX

**Chairman, Directors and Advisors,
Management Team,
Delegates,**

Good afternoon and welcome to POLWEL's 30th Annual Delegates' Meeting.

BUSINESS STABILITY

2 I am happy to note from Chairman's speech, that POLWEL has continued to generate stable revenue and a healthy surplus in 2022, despite the challenging and dynamic external environment. These positive financial figures are the tangible results of the significant business development efforts by POLWEL over the years.

3 From an earlier update provided by POLWEL to me, I am glad to note that POLWEL has gotten off to a promising start this year by securing two high value projects with the Ministry of Manpower and SPF Training Command. This emphasises the need for POLWEL to remain committed to good service delivery and to continuously strengthen operational capabilities.

DOING WELL & DOING GOOD

4 POLWEL, as the welfare co-operative for SPF, aims not only to do well by achieving good financial results, but also to do good for the members it serves. On this front, POLWEL advances the welfare of its members in three key areas.

5 First, financial contributions towards members' welfare. Last year, from its annual surplus, POLWEL contributed more than \$1.4 million to the Police Central Welfare Fund (PCWF), which was channelled to members through their respective unit welfare funds. POLWEL also sponsored prizes to support the welfare events organised by various SPF units. In 2023, POLWEL will be increasing this sponsorship amount to about \$200,000, which represents an increase of 30% as compared to 2022. All of these are significant contributions to members made possible by POLWEL's good business performance.

6 Second, POLWEL continues to expand its efforts in supporting retiring officers as part of their retirement transition. Last year, POLWEL reached out to more than 300 retiring officers to create awareness of its career advisory and transition support services. I am glad to note POLWEL also introduced a new Learning Advisory Service that helps retiring officers to identify relevant training courses to fulfil their post-retirement career plans.

7 Finally, engagement of retired officers for suitable job roles. Last year at POLWEL's 30th Anniversary Gala Dinner, I was heartened to see many retired officers being meaningfully engaged by POLWEL in different capacities for more than a decade after they have retired from the Force. In 2023, POLWEL will be employing more retired officers with these valuable skills and wealth of experience to take on the newly secured projects. These roles include Tactical Trainers, State Prosecuting Officers, Investigation and Enforcement Officers.

NOTE OF APPRECIATION

8 Before I conclude, I would like to take this opportunity to thank POLWEL Chairman, the Board of Directors and Advisers, and the POLWEL team for their hard work last year.

9 To facilitate the ongoing renewal of the Board, Vice Chairman – Mr Shee Tek Tze, Honorary Secretary – Mr Sergius Wat, Assistant Honorary Secretaries – Mr Allan Yue and Ms Brenda Ong, and Director – Mr Goh Kong Wei will be stepping down from the Board this year. Thank you for your service and contributions to POLWEL.

10 As shared earlier, Mr Lian Ghim Hua will be stepping down as Chairman of the POLWEL Board, after having served for eight years on the board, four of which as the Chairman. Under his leadership, POLWEL achieved significant progress in the areas of business, corporate governance and organisational development, and made significant contributions to the welfare of members. During the COVID-19 pandemic, he worked closely with the Board of Directors to steer POLWEL through the challenging and uncertain times, ensuring business continuity and the safety of the staff and associates. I would like to congratulate Mr Lian Ghim Hua for his achievements and thank him for his valuable contributions.

11 On this note, I wish the new Chairman, Mr Wilson Lim and the Board of Directors, as well as POLWEL management and staff, every success. I now declare our 30th ADM open.

Thank you.





COMMITTEE OF MANAGEMENT'S REPORT

1 BUSINESS AND FINANCIAL PERFORMANCE 2023

POLWEL registered another year of healthy financial performance in FY2023. All three business divisions – Approved Assessment Organisation (AAO), Business & Employment Services Division (BESD) and Financial Services Division (FSD) were profitable, with a total business turnover of \$18.2 million – a marginal year-on-year decline of 2.7%, as compared to the year prior. Net surplus (profit) stood at \$5.2 million – a 5.3% decline as compared to same period the year prior.

POLWEL FSD's core business of supporting members in their financial needs recorded a 10% year-on-year increase in interest revenue from its loan portfolio. Its fixed deposit promotions that were ran throughout 2023 garnered robust response from members who were seeking to park their savings in a safe place that earns attractive interest.

The business turnover of POLWEL AAO remained relatively unchanged as the assessment volume held steady in 2023. Two key developments in 2023 – the introduction of two new modules in line with the industry's mandatory training requirements, and the commissioning of a new system to administer the refresher quiz for security officers who are renewing their licence, are expected to continue providing AAO with a stable revenue stream in 2024.

POLWEL Retail Business Unit and POLWEL Professional Development & Career Services Division (PDCS) – under the portfolio of POLWEL BESD – posted robust growth rates of 37.4% and 25.9% respectively. This helped to cushion the decline in the overall business turnover of POLWEL BESD, ending the year with an overall decrease of 7.6% in business turnover as compared to 2022.

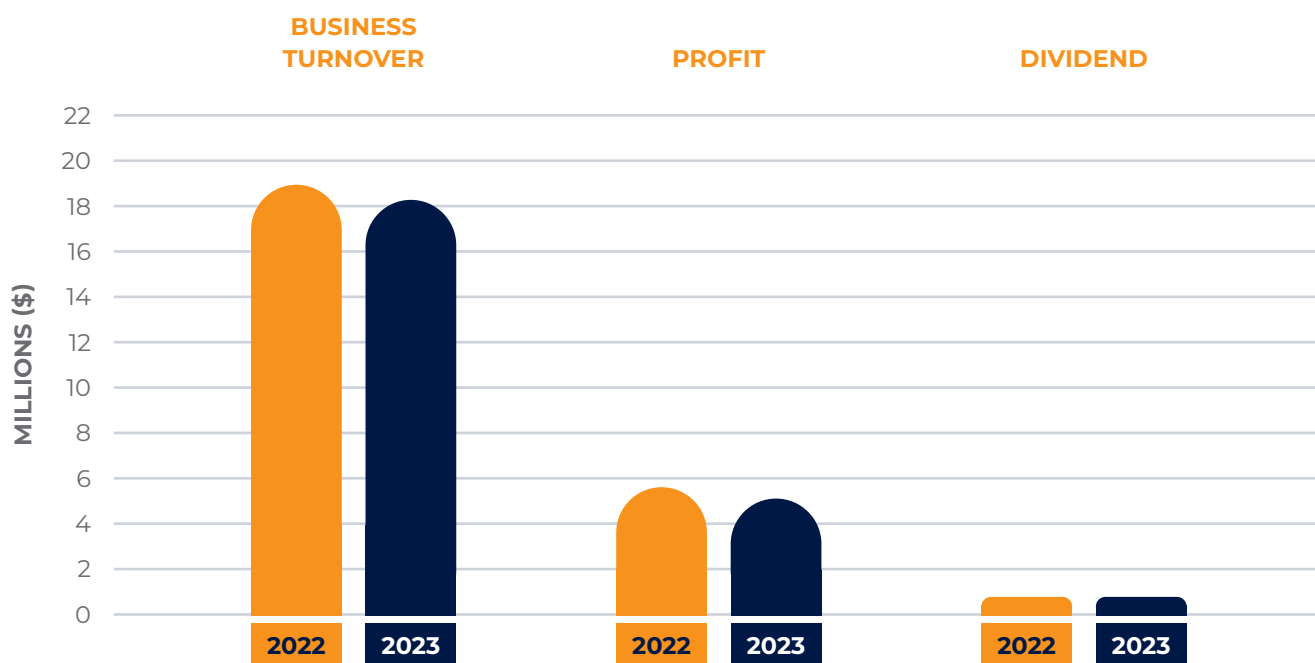
Based on the reported financial performance for FY2023, POLWEL is expecting to contribute \$872,442 to the Police Central Welfare Fund (PCWF). The contribution will support various welfare initiatives aimed at enhancing the well-being of our members.

	2022 (\$)	2023 (\$)	% Change
Business Turnover*	18,726,950	18,227,808	↓ 2.7
Profit	5,488,769	5,200,196	↓ 5.3
Dividend	919,999	872,442	↓ 5.2

** Refers to interest income generated from loans granted to members, and revenue generated from business activities by AAO, BESD, PDCS and Retail Business Unit (before Cost of Goods Sold).*



COMMITTEE OF MANAGEMENT'S REPORT



2 COMMITTEE OF MANAGEMENT

One Annual Delegates' Meeting (ADM) and four Committee of Management (COM) meetings were held during the year. Five new Committee Members – Mr Ang Boon Sheng, Jeremy, Mr Chin Yong Feng, Mr Chong Soo Pin, Mr Koh Tee Meng and Mr Tang Hak Lee were elected to the COM in June 2023.

Mr Wilson Lim (previously Vice Chairman) and Mr Sim Yang Lie, Wilbur were appointed as Chairman and Honorary Secretary respectively by the President of POLWEL in June 2023.

The COM formed four sub-committees to assist in the efficient functioning of specific areas. The Terms of Reference of the respective sub-committees are as follows:

i. BUSINESS DEVELOPMENT AND MANAGEMENT SUB-COMMITTEE

Members: Yap Ker Sim, Aileen (Chairperson)
Ang Boon Sheng, Jeremy
Chong Soo Pin
Sim Yang Lie, Wilbur
Teo Zi-Ming

- To explore and identify new business opportunities that are aligned to POLWEL's mission and core strengths and ensure all businesses are conducted in accordance with the By-Laws.
- To review and develop the management and reporting structure for all POLWEL's businesses.
- To review and further develop existing businesses to ensure profitability and competitiveness.
- To give greater emphasis to business opportunities that create jobs for ex-members / police retirees.



COMMITTEE OF MANAGEMENT'S REPORT

ii. CORPORATE GOVERNANCE AND AUDIT SUB-COMMITTEE

Members: Tay Wee Li (Chairperson)
Chin Yong Feng
Adrian Sim Siao Ming
Tan Chi Chong

Authority

The Corporate Governance and Audit Sub-Committee has:

- Explicit authority to investigate any matter within its terms of reference;
- Full access to and co-operation by staff; and
- Full discretion to invite any board member or staff member to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Duties

- Meet at least four times a year.
- Review and approve the quarterly Corporate Governance and Audit report to be tabled for the COM's information.
- Review the scope and cost effectiveness, independence and objectivity of the auditors (internal and external).
- Review the monthly and annual financial statements.
- Review the integrity of the financial reporting issues and audit findings to ensure the integrity of the financial statements of the co-op and any formal announcements relating to the co-op.
- Review the adequacy of the co-op's internal controls.
- Review the effectiveness of the co-op's internal audit functions.
- Make recommendations to the COM on the appointment, reappointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditors.
- Review the report of the auditors (internal and external) and ensure that issues highlighted are being addressed by relevant officers and findings and follow up actions are reported to the Board.
- Meet with the auditors (internal and external), without the presence of the co-op's staff, at least once a year.
- Review the policy and arrangements by which the co-op staff and any other persons may, in confidence, raise concerns about the possible improprieties in matters of financial reporting or other matters.
- Ensure that arrangements are in place for the independent investigation of complaints or concerns raised about possible improprieties in matters of financial reporting or other matters, and for appropriate follow up action.
- Ensure that all its meetings are properly recorded.



COMMITTEE OF MANAGEMENT'S REPORT

iii. HUMAN RESOURCE AND WELFARE SUB-COMMITTEE

Members: Ang Eng Seng (Chairperson)
Chiam May Fern Eleena
Malathi D/O Muthu Veran
Tan Tian Yeow

The Human Resource and Welfare Sub-Committee is responsible for recommendations to the POLWEL COM on human resource policies and personnel matters such as:

- Recruitment and retention;
- Learning and development;
- Remuneration, bonuses and benefits;
- Performance management and appraisals; and
- Staff and members' welfare.

iv. FINANCE AND INVESTMENT SUB-COMMITTEE

Members: Tan Kiat Hee (Chairperson)
Koh Tee Meng
Ng Khai Song
Tang Hak Lee

- To review and advise on financial matters and investment plans and policies.
- To consider and approve loans in accordance with POLWEL's policies and directives.
- To consider and approve the terms and conditions for fixed deposit promotions, including the minimum sum, interest rate and tenure offered to its members.
- To consider and recommend acquisitions and investment decisions to the COM in accordance with POLWEL's policies and directives.
- To provide oversight on corporate financial matters such as cash flows.

SUMMARY OF CORPORATE GOVERNANCE AND AUDIT SUB-COMMITTEE ACTIVITIES

The Corporate Governance and Audit Sub-Committee (hereinafter referred to as "Committee" in this section) convened four times in 2023. POLWEL's Chief Operating Officer, Director, Corporate Development, staff from the Corporate Affairs, Finance, and Technology Development departments and advisor of POLWEL COM were also in attendance.

Committee Members	13 Mar 2023	26 May 2023	11 Sep 2023	4 Dec 2023
Tay Wee Li	✓	✓	✓	✓
Chin Yong Feng ¹	Not on the Committee yet		✗	✓
Adrian Sim Siao Ming	✓	✓	✓	✓
Tan Chi Chong	✓	✓	✓	✓
Allan Yue Kah Keong ²	✓	✓	Stepped down from the Committee of Management	

¹ Mr Chin Yong Feng was elected to the COM and appointed to the Corporate Governance and Audit Sub-Committee on 6 June 2023.

² Mr Allan Yue Kah Keong stepped down as a COM member on 6 June 2023.



COMMITTEE OF MANAGEMENT'S REPORT

The Committee's activities for 2023 included the following:

1. AUDITS

- 1.1 The Committee reviews and evaluates, with the external auditors and internal auditors, the adequacy and effectiveness of POLWEL's controls, including Financial, Operational, Compliance, Information Technology Controls and Risk Management Policies. Compliance with standard operating procedures is also reviewed periodically by POLWEL staff team and their findings are reported to the Committee accordingly.
- 1.2 The Committee met with Robert Yam & Co PAC (external auditors) virtually on 10 May 2023 via Cisco Webex, without the presence of Management. The Committee reviewed the scope and results of the FY2022 audit and there were no significant issues.
- 1.3 Internal Auditors, Foo Kon Tan Advisory Services Pte Ltd (FKT) conducted an audit on Loans and Enterprise Risk Management (ERM) between May to June 2023, followed by Cash Management, Operating Expenses and Payroll from September to October 2023. The Committee also met with FKT on 3 August 2023 and 27 November 2023 for the respective audits via Cisco Webex and Microsoft Teams, without the presence of Management. The Committee reviewed the audit findings and ensured that adequate measures had been put in place by Management to minimise risk exposure in POLWEL. No lapses of "High Priority" were detected during both audits.
- 1.4 The Committee reviewed audits conducted by the POLWEL staff team on Retail Operations, Safety and Security Measures, Authorised Personnel and Access to Premises and POLWEL Business Management System (PBMS), Fixed Assets Management, and Sponsorships Procurement and Collection. The Smart Audit application using Audit Command Language (ACL) Analytics was used on Authorised Personnel and Access to premises and PBMS.
- 1.5 The Committee also reviewed the compliance assessment of POLWEL's current practices against the Governance Evaluation Checklist issued by the Ministry of Culture, Community and Youth (MCCY).

2. REVIEW OF ADMINISTRATIVE RULES AND POLICIES

- 2.1 The Committee oversaw the reviews of Administrative Rules / Policies for Loans, Loan Recovery, Fixed Deposits, Sponsorship, Provision of Doubtful Debts and Policies, Conflict of Interest, Personal Data Governance, Information Security, Related Party Transaction, Whistle Blowing, and Data Protection Management Manual in 2023.

3. POLWEL DATA PROTECTION MANAGEMENT PROGRAMME

- 3.1 POLWEL attained the Data Protection TrustMark (DPTM) certification – awarded by the Infocomm Media Development Authority (IMDA) – on 9 June 2023, with a 3-year validity till June 2026.
- 3.2 The Committee oversaw the internal audit on POLWEL Data Protection Management Programme conducted by the appointed advisory consultant – Lloyd McGill Pte Ltd on 19 and 20 June 2023. No non-conformities were detected during the audit.
- 3.3 The Committee also reviewed the data protection quarterly compliance checks conducted by the POLWEL Data Protection Committee (DPC) during the year. No major findings were detected. POLWEL also conducts awareness training and refresher on data protection matters for staff periodically to inculcate the importance of compliance in this area.



COMMITTEE OF MANAGEMENT'S REPORT

4. CYBERSECURITY MEASURES

- 4.1 In 2023, POLWEL Technology Development Department (TD) intensified its efforts to strengthen systems and information security in response to the evolving cybersecurity threats. For the second consecutive year, POLWEL staff participated in a cyberwellness e-learning programme to enhance cybersecurity awareness and stay vigilant to cyber threats. Additionally, an external consultant was also appointed by POLWEL in Q4 2023 to support POLWEL in strengthening its incident response capabilities to manage any potential cybersecurity incidents.
- 4.2 On the technological front, POLWEL has completed the implementation of a Next-Generation Antivirus (NGAV) solution for its network to improve capabilities on cyber threat detection and response, using a combination of advanced prevention technologies, comprehensive attack visibility, and embedded threat intelligence.

5. TRAINING

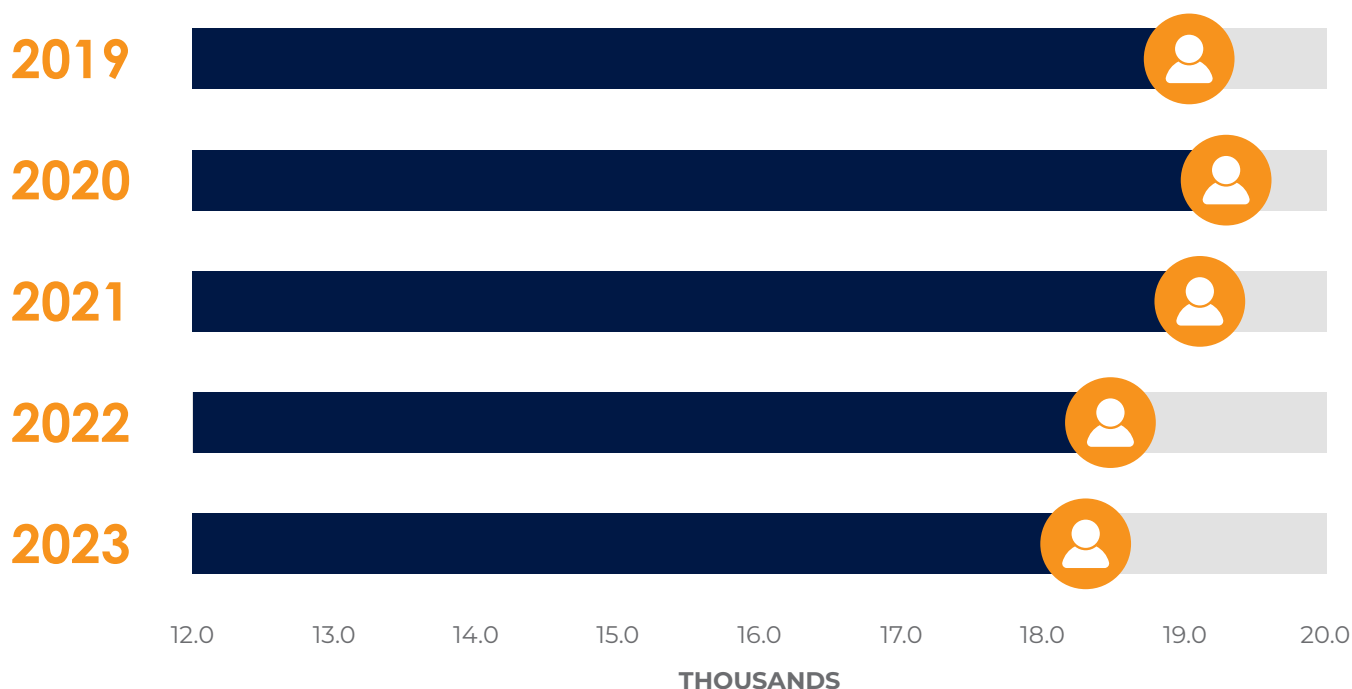
- 5.1 The Registry of Co-operative Societies had stipulated in September 2019 that key officers of credit co-operatives were required to attend Mandatory Induction Courses ("MIC"). The MIC modules are designed to equip the key officers with basic understanding of the regulatory requirements and best practices for good governance. POLWEL COM members have a period of two years to attend the MIC modules upon election / appointment to COM. COM members who fail to complete the MIC modules within the stipulated time frame will not be eligible for re-election to the COM. The two modules are Co-operative Legislation and Code of Governance, and Governance Guides on Internal Controls, Loan Management and Investment Management, and the courses are organised by the Singapore National Co-operative Federation (SNCF).
- 5.2 Ms Malathi D/O Muthu Veran and Mr Tang Hak Lee attended a training on the Co-operative Legislation and Code of Governance for Credit Co-operatives on 31 August 2023.
- 5.3 Mr Tan Chi Chong attended training on Governance Guides on Internal Controls, Loan Management, and Investment Management for Credit Co-operatives on 18 January 2023, while Mr Chong Soo Pin attended the same training on 23 August 2023.

COMMITTEE OF MANAGEMENT'S REPORT

3 MEMBERSHIP

The total membership stood at 18,216 in 2023 as compared to 18,479 in 2022. This decrease is primarily attributed to a drop in ordinary PWCF memberships. Ordinary members of Police Central Welfare Fund (PCWF) are automatically the ordinary members of POLWEL.

Year	Ordinary	Associate	Total	% Change
2019	18,811	220	19,031	↓ 2.1
2020	18,935	259	19,194	↑ 0.9
2021	18,791	266	19,057	↓ 0.7
2022	18,198	281	18,479	↓ 3.0
2023	17,933	283	18,216	↓ 1.4





COMMITTEE OF MANAGEMENT'S REPORT

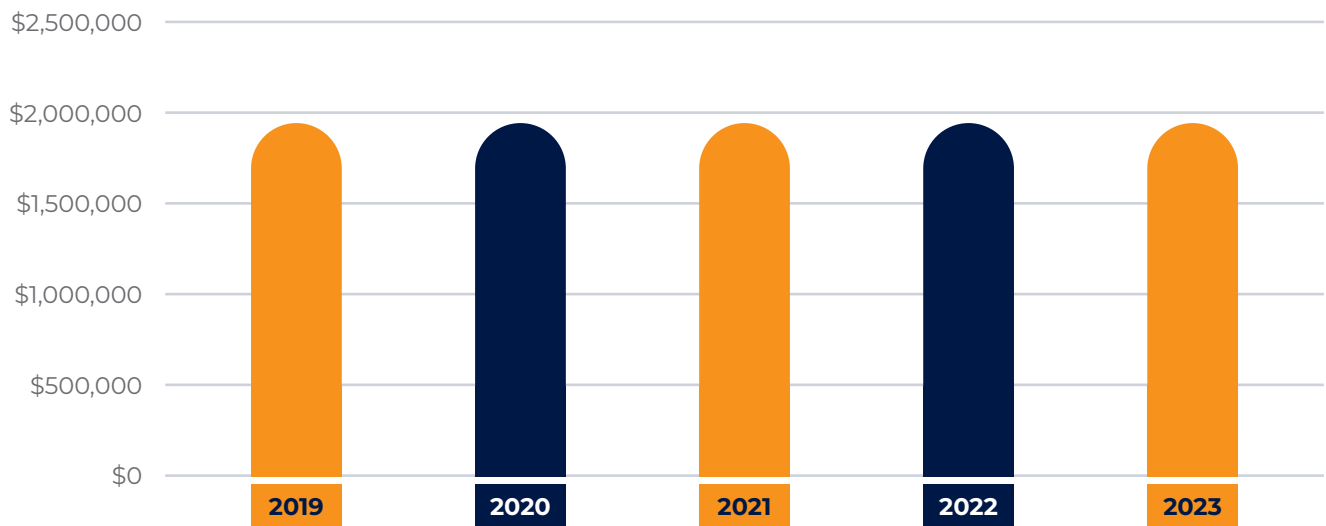
4 SHARE CAPITAL AND DIVIDEND

From 2008, the number of membership and share capital is pegged at the highest point registered, unless another highest point is reached subsequently. The highest point registered was \$1,965,600 in 2004. This would be used as POLWEL's share capital ceiling until the next higher point is reached. This practice helps to do away with the tedious process of transferring share capital between POLWEL and the Police Central Welfare Fund (PCWF).

In February 2009, it was approved by the Management Committee that 20.6% of the surplus will be paid out annually to PCWF as a single contribution as PCWF dividend.

Year	Share Capital (\$)	% Change
2019	1,965,600	-
2020	1,965,600	-
2021	1,965,600	-
2022	1,965,600	-
2023	1,965,600	-

Share Capital

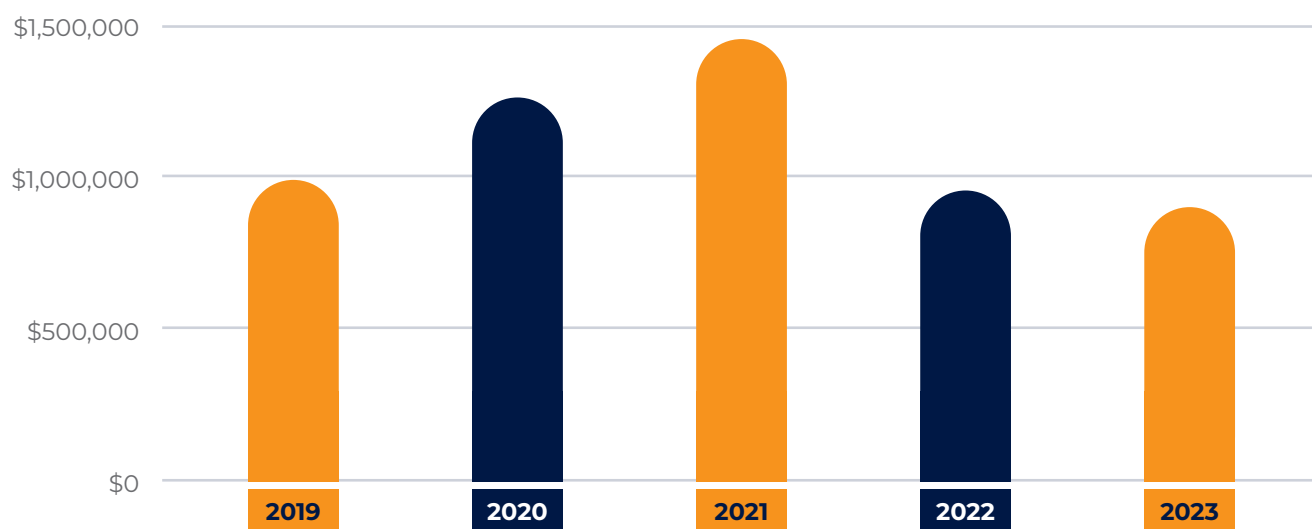




COMMITTEE OF MANAGEMENT'S REPORT

Year	Dividend (\$)	% of Net Surplus
2019	990,190	20.6
2020	1,298,488	20.6
2021	1,419,599	20.6
2022	919,999	20.6
2023	872,442	20.6

Dividend



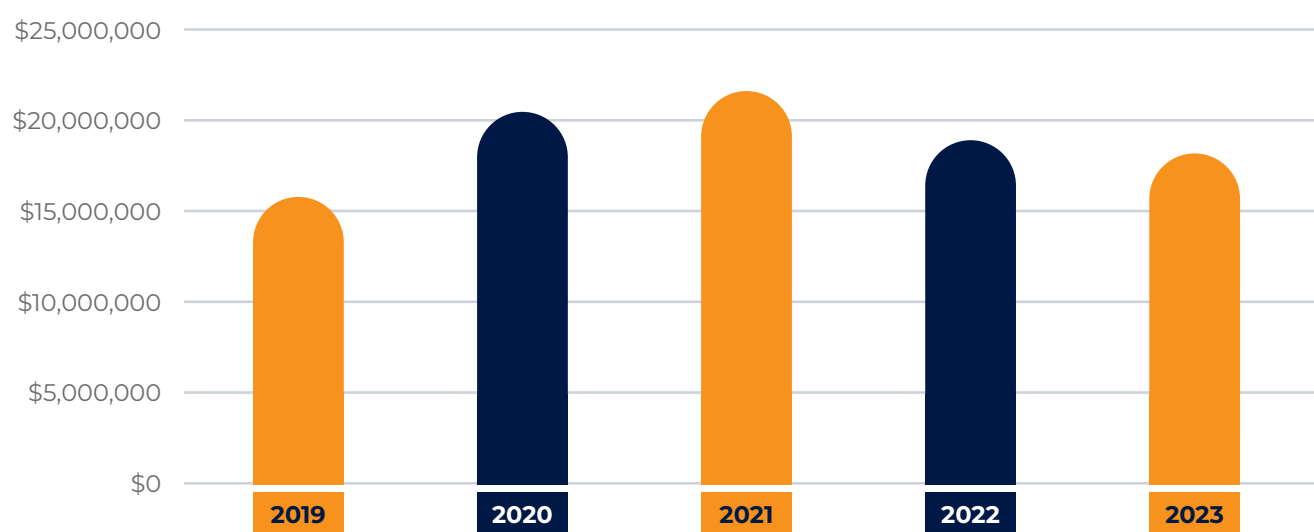
COMMITTEE OF MANAGEMENT'S REPORT

5 FINANCIAL HIGHLIGHTS

POLWEL's business turnover registered a reduction of 2.7% from \$18,726,950 in 2022 to \$18,227,808 in 2023.

Year	Business Turnover (\$)	% Change
2019	15,713,658	↑ 16.3
2020	20,183,064	↑ 28.4
2021	21,939,423	↑ 8.7
2022	18,726,950	↓ 14.6
2023	18,227,808	↓ 2.7

Business Turnover



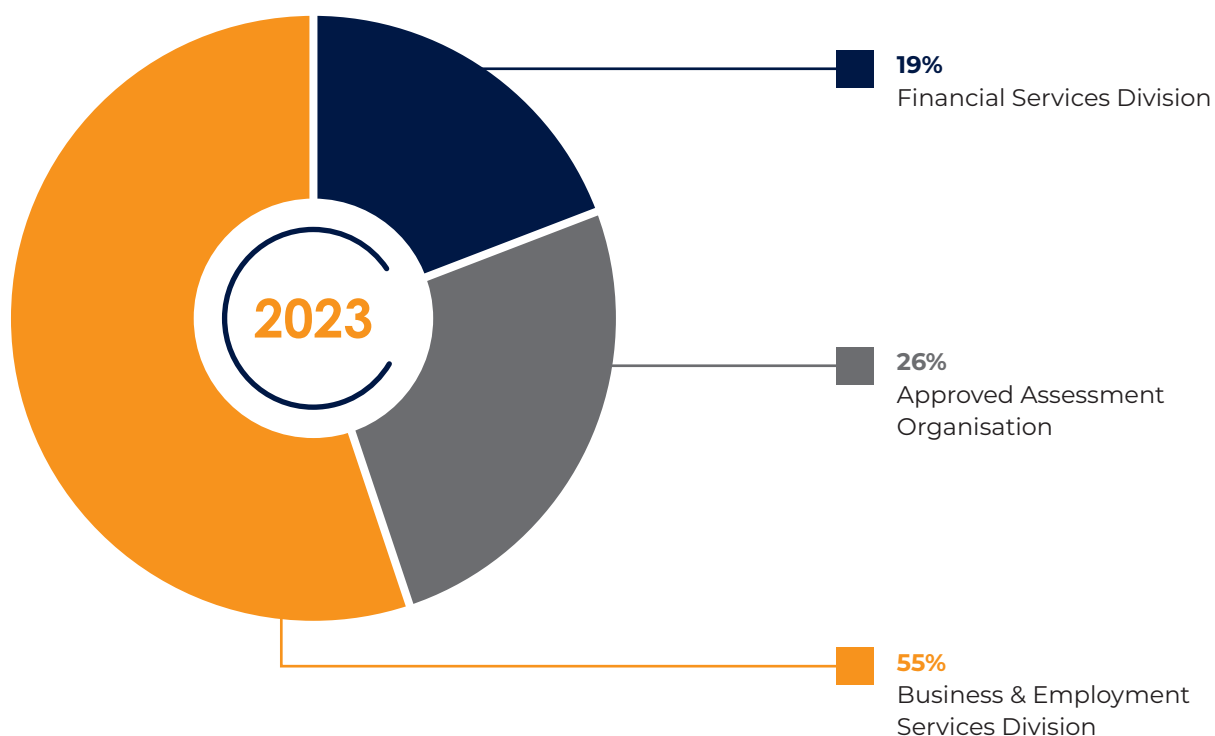
The composition of the business turnover by the different business divisions is as follows:

Business Division	2022	2023	% Change
Financial Services Division	\$3,162,710	\$3,486,755	↑ 10.2
Approved Assessment Organisation	\$4,702,489	\$4,709,153	↑ 0.1
Business & Employment Services Division*	\$10,861,751	\$10,031,900	↓ 7.6
Total	\$18,726,950	\$18,227,808	↓ 2.7

* Inclusive of the business turnover generated by the Professional Development & Career Services Division (PDCS) and the Retail Business Unit

COMMITTEE OF MANAGEMENT'S REPORT

Business Division Performance



Profits

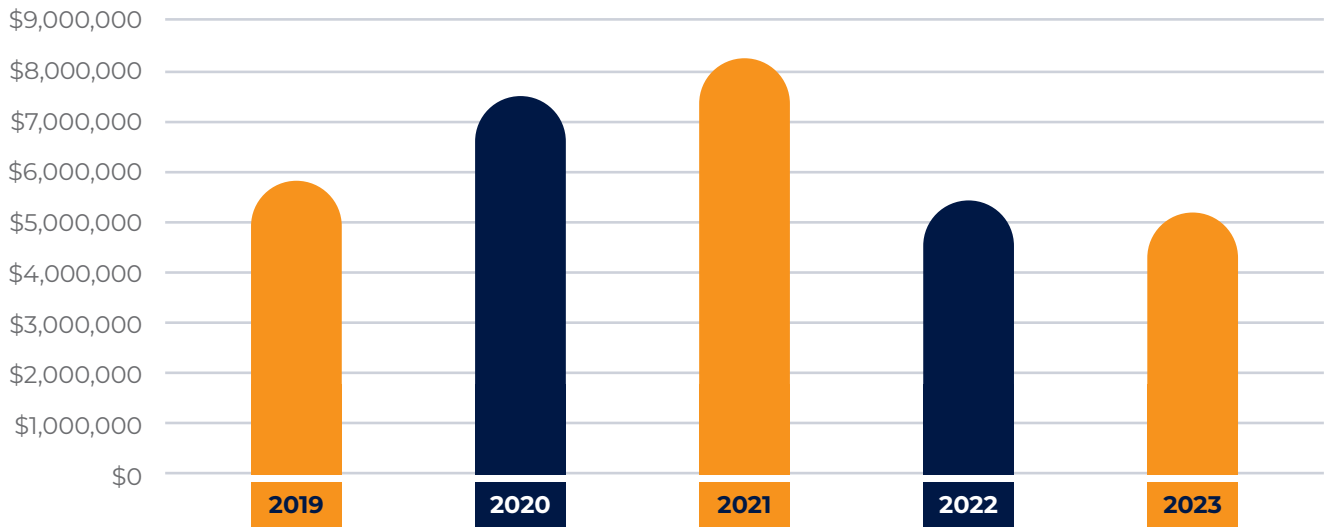
The overall net surplus decreased by 5.3% from \$5,488,769 in 2022 to \$5,200,196 in 2023.

Year	Profit (\$)	% Change
2019	5,883,433	↑ 10.7
2020	7,553,794	↑ 28.4
2021	8,328,838	↑ 10.3
2022	5,488,769	↓ 34.1
2023	5,200,196	↓ 5.3



COMMITTEE OF MANAGEMENT'S REPORT

Net Profit

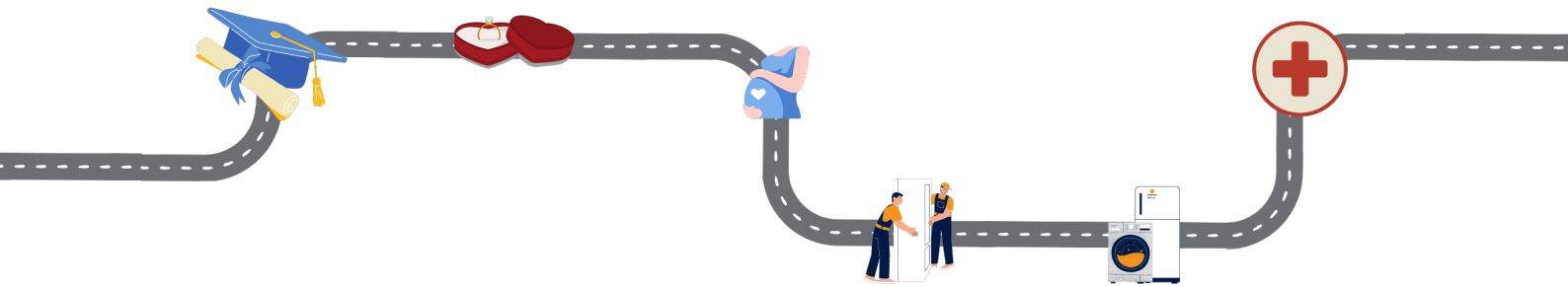




COMMITTEE OF MANAGEMENT'S REPORT

6 BUSINESS DIVISIONS HIGHLIGHTS

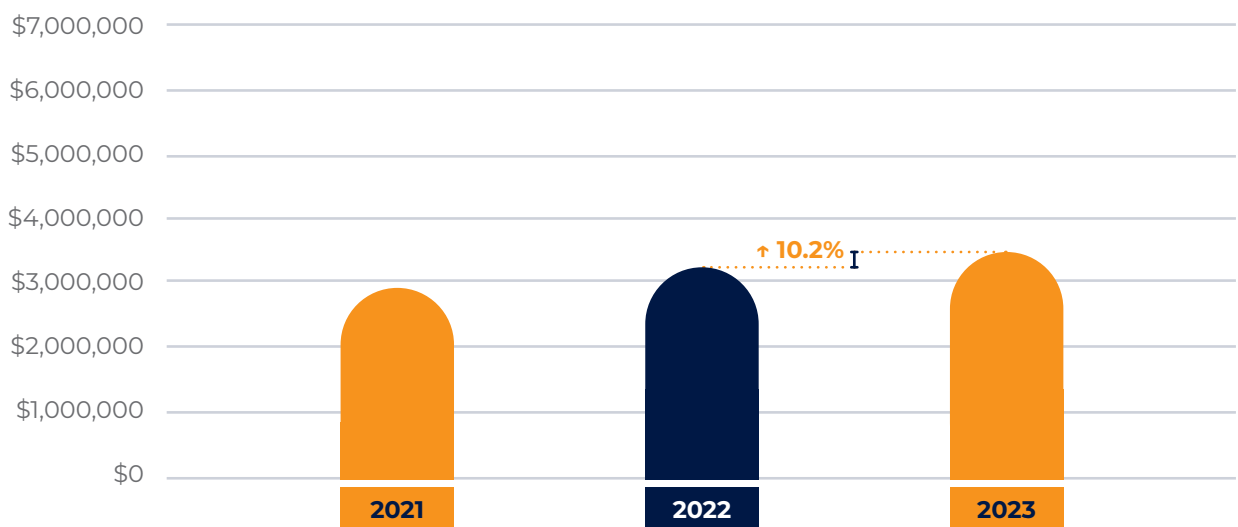
a. POLWEL FINANCIAL SERVICES DIVISION



The steady demand for loan from members contributed to a year-on-year increase of 10.2% in revenue to almost \$3.5 million in 2023.

Last year, POLWEL Financial Services Division (FSD) calibrated its loan offerings and loan application requirements to benefit more members and would continue to build on its efforts in this area.

FSD	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Business Turnover	2,958,912	3,162,710	3,486,755	↑ 10.2



COMMITTEE OF MANAGEMENT'S REPORT

POLWEL

JANUARY 2023 SPECIAL

FIXED DEPOSIT PROMOTION

16 to 20 January 2023

40% P.A.*
for 12 months

4.15% P.A.*
for 12 months

Exclusively for members with active August 2022 FD Placement(s) with us!

Scan to find out more!

How to Apply?
Scan QR code for online application

<https://polwel.org.sg/fd-promotion-2023/>

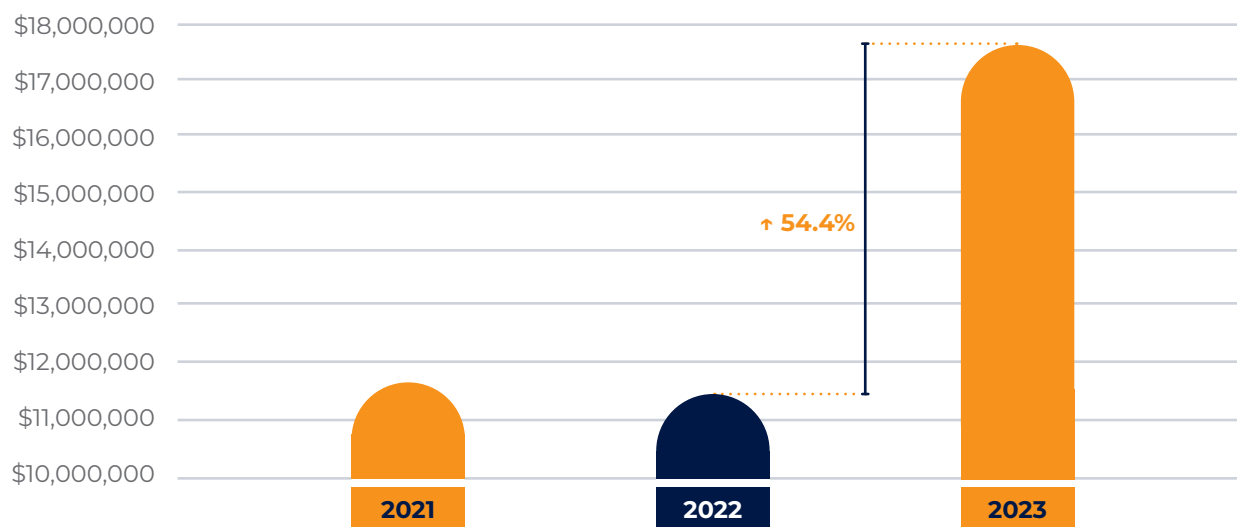
*Terms and conditions apply.
Promotion may end earlier at the absolute discretion of POLWEL.

6235 6428 (option 1) | fds@polwel.org.sg | <https://polwel.org.sg/financial-services/>

The total deposits balance placed by members stood at \$17.7 million at the end of 2023. The 54% year-on-year surge was attributed to a series of fixed deposit promotions that offered market competitive interest rates throughout the year. With the encouraging responses, POLWEL FSD will be extending the fixed deposit promotions in 2024.

Deposits

	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Savings	11,632,509	11,466,856	17,707,732	↑ 54.4



COMMITTEE OF MANAGEMENT'S REPORT

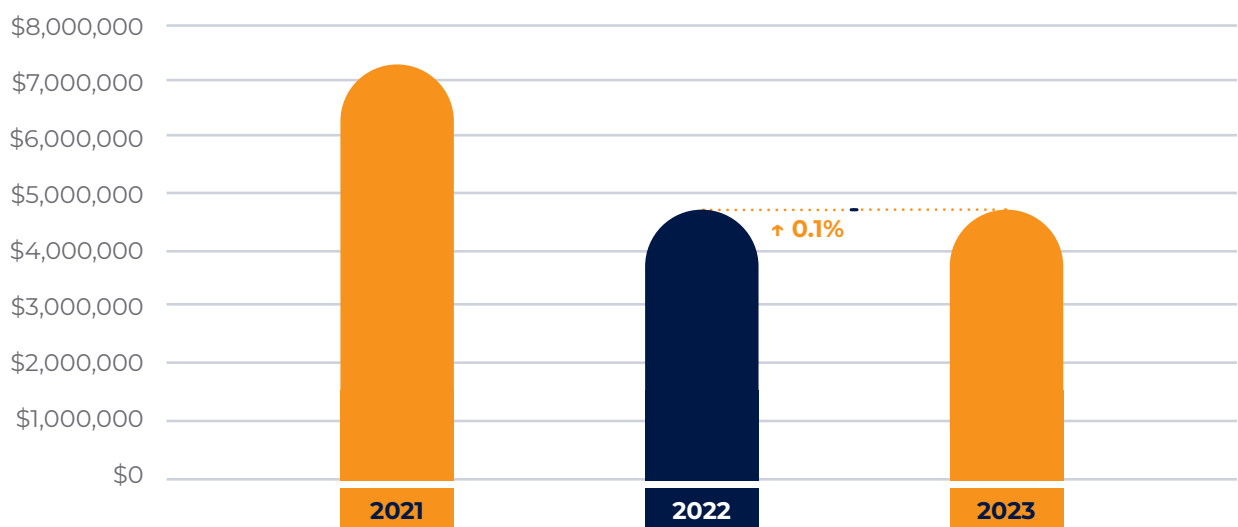
b. POLWEL APPROVED ASSESSMENT ORGANISATION

The business revenue of POLWEL Approved Assessment Organisation (AAO) held steady at \$4.7 million in 2023 with more than 45,000 assessments conducted in 2023. After a year of development, POLWEL AAO successfully commissioned its refresher quiz system in Q4 2023 to enable security officers who are seeking to renew their security licence to undertake the online quiz at a fee. This is expected to contribute incremental revenue to AAO from 2024 onwards.



The assessment volume for 2024 is projected to remain comparable as 2023, supported by the mandatory training requirements for security officers to upskill themselves by the end of 2025.

AAO	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Business Turnover	7,283,635	4,702,489	4,709,153	↑ 0.1



COMMITTEE OF MANAGEMENT'S REPORT

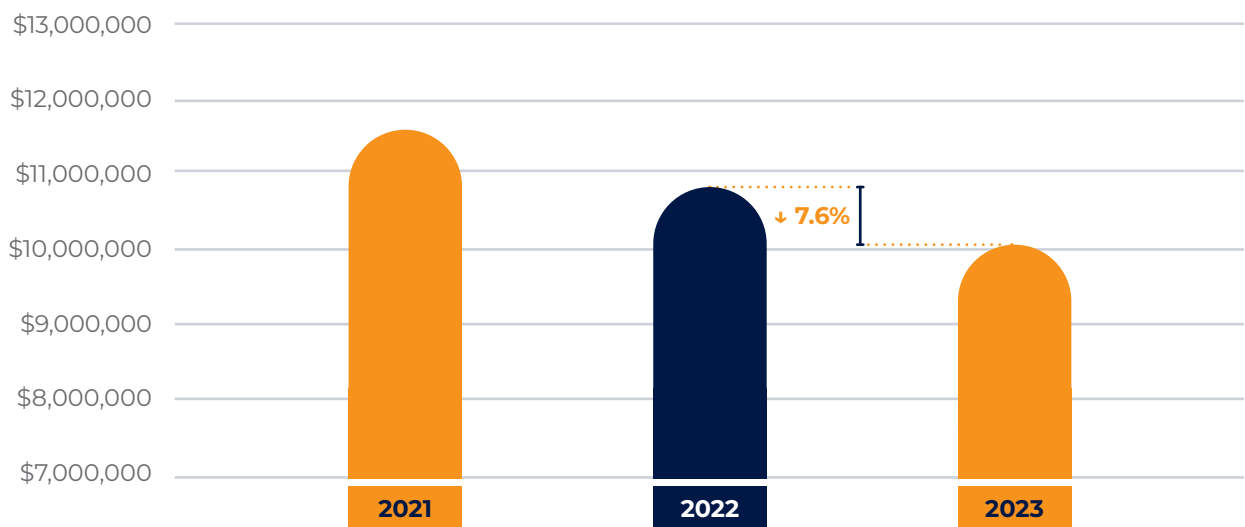
c. POLWEL BUSINESS & EMPLOYMENT SERVICES DIVISION



While the business turnover of POLWEL Business & Employment Services Division (BESD) registered a year-on-year decline in 2023 – primarily due to the highly competitive business environment, its overall business portfolio remained primed for future revenue growth as it managed to secure the renewal of major key projects, such as the project with the Ministry of Manpower to conduct house visits and inspections related to the employment of foreign workers, on top of the new contracts secured during the year.

In the coming year, POLWEL BESD is focused on operationalising the new projects that were awarded, while continuing to expand its business portfolio that would leverage its business strength.

BESD	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Business Turnover	11,696,876	10,861,751	10,031,900	↓ 7.6



COMMITTEE OF MANAGEMENT'S REPORT

d. POLWEL PROFESSIONAL DEVELOPMENT & CAREER SERVICES DIVISION

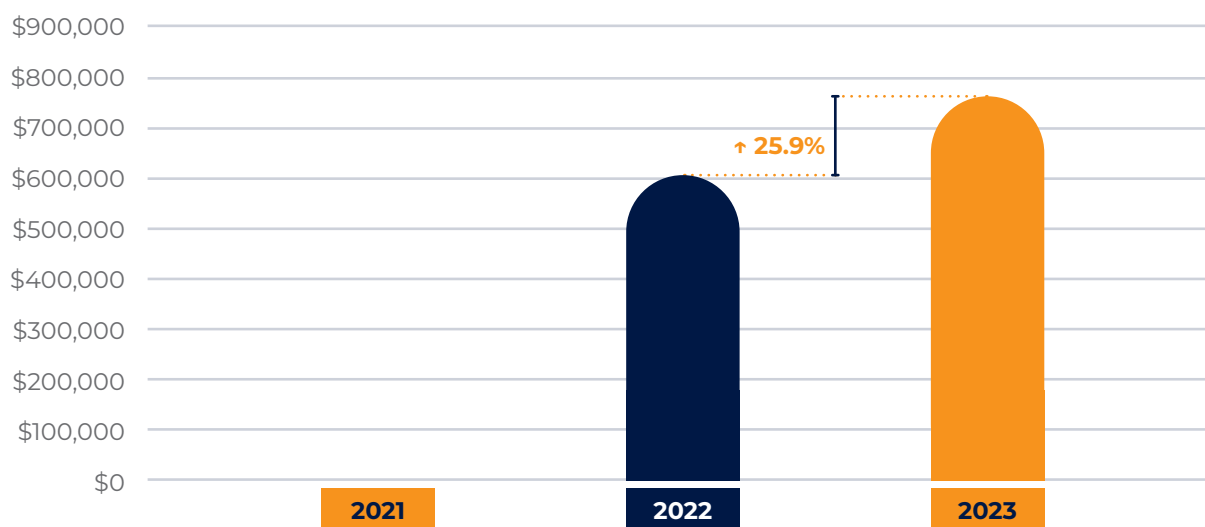
POLWEL Professional Development & Career Services Division (PDCS) sustained its growth momentum, posting a year-on-year increase of 25.9% in business turnover to \$775,559 in 2023, as it accomplished its second full year of business.

Last year, more than 800 officers from various SPF units attended training courses and customised workshops organised by PDCS. It also successfully organised its first outreach event 'Ready Set Grow' to engage the training leaders and liaison officers from various SPF units to share the training offerings by PDCS. New courses in emerging areas such as, digital skills, leadership coaching and emotional well-being were also introduced to meet the training needs of the client organisations. With the concerted efforts to establish its business foundation, PDCS remains optimistic of its growth prospects in 2024.



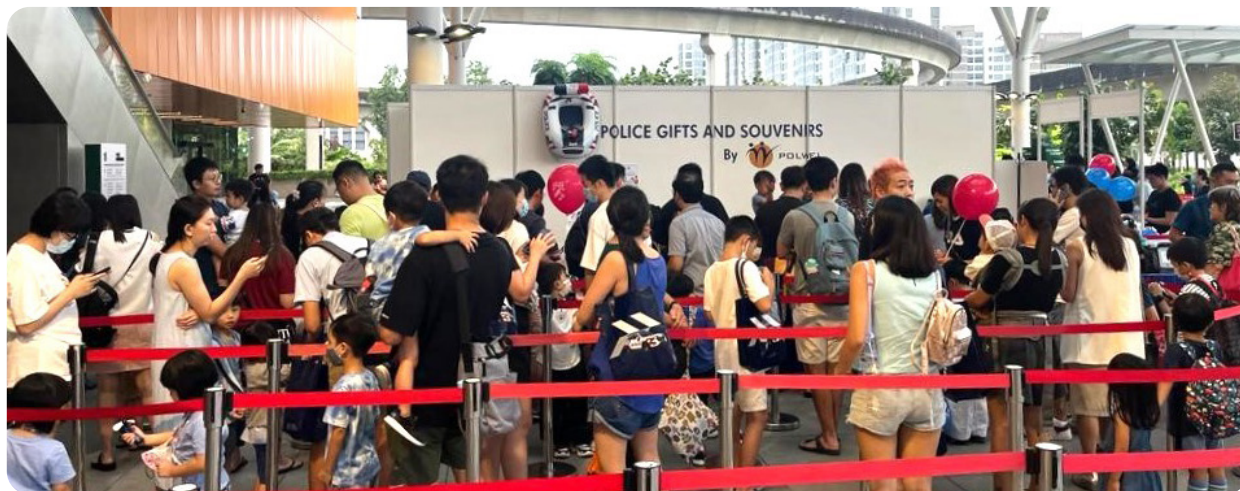
On career transition services, PDCS reached out to more than 500 retiring and retired officers to support them on their career transition journey, and facilitated the successful job placements for numerous retired officers last year.

BESD - PDCS	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Business Turnover	-	616,152	775,559	↑ 25.9



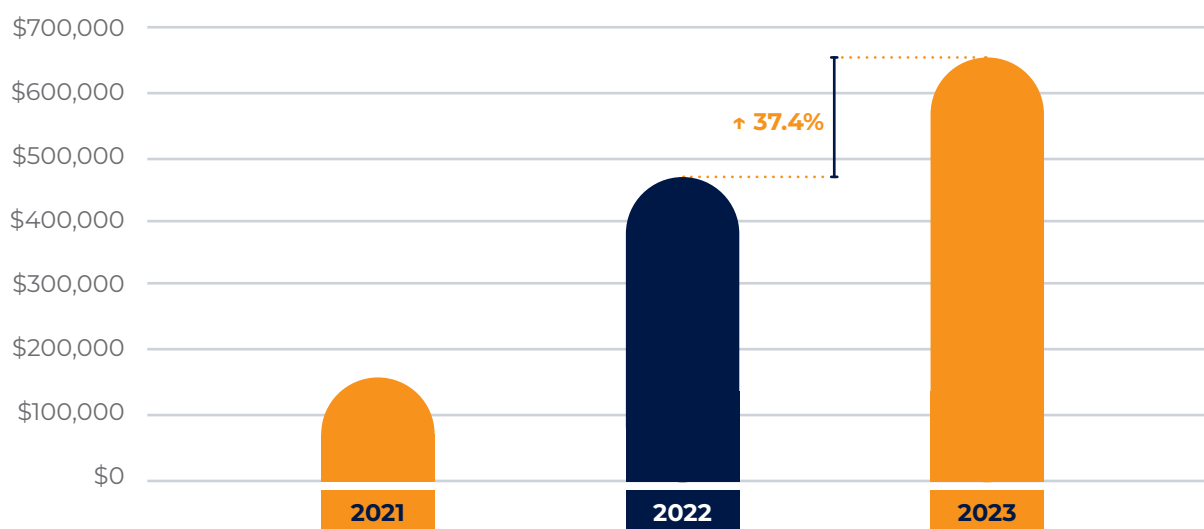
COMMITTEE OF MANAGEMENT'S REPORT

e. POLWEL RETAIL BUSINESS UNIT



The business turnover for the Retail Business Unit achieved a new record high of almost \$650,000 in 2023, a 37% year-on-year increase from the year prior. The surge in sales was driven by the launch of popular new products, increased marketing initiatives and the active participation in SPF and Home Team roadshows throughout the year. Plans are in the pipeline to launch more new products and to continue the sales and marketing activities to drive sales in 2024.

BESD – Retail Business Unit	2021 (\$)	2022 (\$)	2023 (\$)	% Change (2023-2022)
Business Turnover	159,285	472,785	649,720	↑ 37.4





COMMITTEE OF MANAGEMENT'S REPORT

7 ORGANISATIONAL DEVELOPMENTS

Beyond just pursuing business growth, POLWEL continued to achieve progress in other areas in the past year.

a. **DIGITALISATION DRIVE**

Over the years, POLWEL Technology Development Department (TD) had led the digitalisation efforts within POLWEL to streamline work processes and improve productivity.

In 2023, POLWEL TD implemented the digitalisation of key tasks and workflows, such as automation of the Statement of Accounts (SOAs) dissemination to members and a tracking system to enhance the oversight and management of key contracts handled by different departments.

TD also initiated a “Supercharge your Productivity” series – an internal workshop aimed at supporting staff in POLWEL’s digital journey by enhancing their digital skills and boosting productivity via bite-sized learning of the productivity tools made available to them.



COMMITTEE OF MANAGEMENT'S REPORT

b. DATA PROTECTION TRUSTMARK (DPTM)

POLWEL was awarded the DPTM certification by the Infocomm Media and Development Authority (IMDA) for its accountable data protection practices. The attainment of DPTM and adoption of the certification standards by POLWEL in 2023 served to reinforce its commitment towards data protection to the stakeholders, as well as to further strengthen its data governance through regular compliance monitoring.



c. TALENT MANAGEMENT



Following the inaugural Employee Engagement Survey (EES) conducted in 2021, a second EES was conducted to assess the progress and results of the follow-up actions taken to address the findings. The 2023 EES reported a marked improvement in the scores across all categories surveyed, with a favourable 87% score in the Sustainable Engagement Index as an overall positive indicator.

POLWEL has continued to place emphasis on staff development and a new Learning and Development Framework was introduced in 2023 to map out the competency areas and training requirements for different staff levels. POLWEL staff also had the opportunity to visit Woodlands Police Division in April 2023 to learn about the work undertaken by its members (i.e. the SPF officers).



COMMITTEE OF MANAGEMENT'S REPORT

8 GIVING BACK TO MEMBERS & ENGAGEMENT

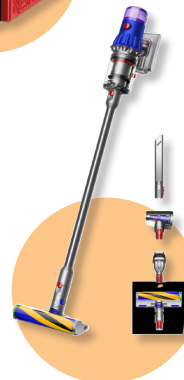
As a welfare co-operative for SPF, the promotion of members' welfare and supporting SPF-aligned causes remain central to POLWEL's work.

a. GIVING BACK TO MEMBERS

Besides the contributions to the Police Central Welfare Fund (PWCF), a total of more than \$360,000 worth of sponsorships were given to members via different channels in 2023.

SPF Units / Home Team Departments

Procured over **\$196,000** worth of lucky draw prices
for more than 40 SPF Units / Home Team Departments





COMMITTEE OF MANAGEMENT'S REPORT

Police Associations



Junior Officers' Mess (JOM)



Police Sports Association (PSA)



Police Officers' Association (POA)



Senior Police Officers' Mess (SPOM)

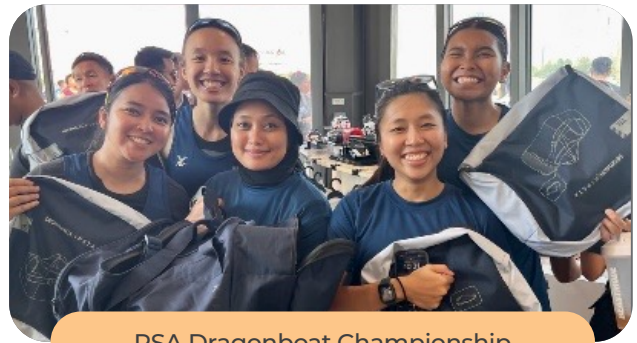


Singapore Senior Police Officers' Association (SSPOA)

Supported cash and in-kind sponsorship
worth over **\$110,000** for various events



PSA Cross Country Championship



PSA Dragonboat Championship



JOM Movie Mania



SSPOA x POA Overseas Study Visit



SPOM November Fest



POA Local Study Visit

COMMITTEE OF MANAGEMENT'S REPORT

Other Events & Initiatives

Over **\$52,000** for other events organised by SPF and affiliated organisations, such as the Yellow Ribbon Prison Run 2023 by Singapore Anti-Narcotics Association (SANA) and Singapore Road Safety Council's Fundraising Gala Dinner 2023.



b. ENGAGEMENTS

Last year, POLWEL reached out to more than 2,000 officers over 33 outreach sessions which aimed to increase awareness of the range of services offered by POLWEL to benefit its members.

Additionally, an inaugural online members survey was conducted to gauge members' awareness and perception of POLWEL, along with the satisfaction level of the services rendered by POLWEL. More than 500 responses were received in which members gave positive and encouraging ratings. The insights gained from the survey will support POLWEL in curating its ongoing engagement efforts with members as well as improving the service offerings.





COMMITTEE OF MANAGEMENT'S REPORT

9 GOING FORWARD

Despite the uncertainties from the macro business environment, POLWEL expects its business portfolios to remain profitable in 2024 and to report healthy key financial metrics. POLWEL will maintain its stance of being financially prudent while seeking growth avenues that are aligned to its business objectives. Deepening the engagement with members and enhancing the welfare for members will continue to be key priorities for the year. POLWEL will also continue to invest significant resources to strengthen the areas of cybersecurity and data security, in line with the efforts to enhance overall corporate governance.

10 PRUDENTIAL REQUIREMENTS FOR CREDIT CO-OPERATIVES

Prudential requirements are put in place by the Ministry of Culture, Community and Youth (MCCY) to ensure prudence in financial management and improve risk management standards for credit co-operatives.

Measure	Prudential Requirement	POLWEL's Compliance as at 31 Dec 2023
Minimum Liquid Assets (MLA)	Minimum 15% of total deposits (placed by members)	68.85%
Capital Adequacy Ratio (CAR)	Minimum 10%	58.86%
Restricted Investments (RI)	Not exceeding 10% of total assets	0.003%

11 APPRECIATION

The Committee of Management expresses their appreciation to the staff for their dedication and commitment to their work and to the members for their continued support. The Committee of Management also expresses its sincere appreciation to the following officers for their advice and guidance:

- I. The President, Mr Hoong Wee Teck, Commissioner of Police;
- II. The Vice-President, Mr Christopher Ng, Director Manpower;
- III. The Advisors to the Committee of Management, Mr Chan Soon Chee Joe and Mr Wayne Koo Kim Heng; and
- IV. The Registrar of Co-operative Societies.

For and on behalf of the Committee of Management



Sim Yang Lie, Wilbur
Honorary Secretary



COMMITTEE OF MANAGEMENT MEETINGS (ATTENDANCE)

No.	Directors	9 May 2023 ¹	16 Aug 2023	17 Nov 2023	22 Feb 2024
1.	Wilson Lim Hock Lee Chairman	✓	✓	✓	✓
2.	Zhang Weihan Vice Chairman	✓	✗	✗	✓
3.	Ang Eng Seng Vice Chairman	✓	✓	✓	✓
4.	Sim Yang Lie, Wilbur Honorary Secretary	Not Appointed Yet	✗	✓	✓
5.	Chin Yong Feng Assistant Honorary Secretary	Not Elected Yet	✓	✓	✓
6.	Ang Boon Sheng, Jeremy Member	Not Elected Yet	✓	✓	✗
7.	Chiam May Fern Eleena Member	✓	✓	✗	✓
8.	Chong Soo Pin Member	Not Elected Yet	✓	✓	✓
9.	Koh Tee Meng Member	Not Elected Yet	✓	✓	✓
10.	Malathi D/O Muthu Veran Member	✗	✓	✗	✓
11.	Ng Khai Song Member	✓	✓	✗	✓
12.	Adrian Sim Siao Ming Member	✓	✗	✓	✗
13.	Tan Chi Chong Member	✓	✓	✓	✓
14.	Tan Kiat Hee Member	✓	✗	✗	✓
15.	Tan Tian Yeow Member	✓	✗	✓	✓
16.	Tang Hak Lee Member	Not Elected Yet	✓	✓	✓
17.	Tay Wee Li Member	✓	✓	✗	✗
18.	Teo Zi-Ming Member	✓	✓	✓	✓
19.	Yap Ker Sim, Aileen Member	✓	✓	✓	✓

¹The table reflects the meeting attendance of the COM of the current term. Mr Lian Ghim Hua, Mr Shee Tek Tze, Mr Wat Zhiwen, Sergius, Ms Brenda Ong Bi Hui, Mr Yue Kah Keong Allan, Mr Goh Kong Wei stepped down on 6 June 2023 and hence, their attendances are not reflected.

AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS FY2023

POLWEL CO-OPERATIVE SOCIETY LIMITED

(Incorporated in Singapore. Registration Number: S92CS0207H)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

OA Assurance PAC
Public Accountants and
Chartered Accountants of Singapore

POLWEL CO-OPERATIVE SOCIETY LIMITED

(Incorporated in Singapore)

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors are pleased to present their statement to the members together with the audited financial statements of POLWEL Co-operative Society Limited (the "Society") for the financial year ended 31 December 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Society are drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Society for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.
- (c) the receipts, expenditure, investment of monies, acquisition and disposal of assets by the Society during the year ended 31 December 2023 have been made in accordance with the By-Laws of the Society and the Provisions of the Act.

2. DIRECTORS

The directors of the Society in office at the date of this statement are:

Chairman

Wilson Lim Hock Lee

Vice Chairman

Zhang Weihai

Vice Chairman

Ang Eng Seng

Honorary Secretary

Sim Yang Lie, Wilbur

Assistant Honorary Secretary

Chin Yong Feng

Directors

Ang Boon Sheng, Jeremy

Chiam May Fern Eleena

Chong Soo Pin

Koh Tee Meng

Malathi D/O Muthu Veran

Ng Khai Song

Adrian Sim Siao Ming

Tan Chi Chong

Tan Kiat Hee

Tan Tian Yeow

Tang Hak Lee

Tay Wee Li

Teo Zi-Ming

Yap Ker Sim, Aileen



DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Singapore Co-operative Society Act, Chapter 62 (the Act), none of the directors of the Society who held office at the end of the financial year had any interest in the shares or debentures of the Society or its related corporations.

5. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Society.

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

There were no unissued shares of the Society under option at the end of the financial year.

6. AUDITOR

OA Assurance PAC has expressed its willingness to accept appointment as auditor.

On behalf of the Board of Directors

Wilson Lim Hock Lee
Chairman

Sim Yang Lie, Wilbur
Honorary Secretary

18 APR 2024



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLWEL CO-OPERATIVE SOCIETY LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of POLWEL Co-operative Society Limited (the "Society"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Co-operative Society Act, Chapter 62 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Society for the financial year ended 31 December 2022 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 14 April 2023.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 49 to 50.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLWEL CO-OPERATIVE SOCIETY LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLWEL CO-OPERATIVE SOCIETY LIMITED FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion

In our opinion:

- (a) the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Act;
- (b) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Society during the year are, in all material respects, in accordance with the By-laws of the Society and the provisions of the Act.

OA Assurance PAC

OA Assurance PAC
Public Accountants and
Chartered Accountants

Singapore

18 April 2024



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
INCOME			
Revenue	4	18,286,873	18,621,704
Other income	5	284,944	642,997
		18,571,817	19,264,701
Less: EXPENDITURE			
Amortisation of intangible assets	12	145,670	162,243
Assessor fees		1,957,308	2,007,761
Compensation and benefits	6	7,657,827	7,576,207
Depreciation of property, plant and equipment	11	211,155	242,987
Impairment loss on loan to members	14	1,010	-
Interest expenses	7	411,964	214,512
Legal and professional fees		43,355	59,288
Operating lease expenses	25c	47,914	42,791
Other expenses	8	1,066,085	977,455
Repair and maintenance		329,779	302,886
Service and contract fees		1,136,476	1,515,764
Sponsorship and donations		363,078	674,038
		13,371,621	13,775,932
Net surplus before contribution		5,200,196	5,488,769
Honorarium		(4,719)	(4,850)
Contribution to: Central Co-operative Fund	9	(965,039)	(1,022,754)
Net surplus after contribution		4,230,438	4,461,165
Profit for the year, representing total comprehensive income for the year		4,230,438	4,461,165

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



STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	(Reclassified) 2022 \$
ASSETS			
Non-current assets			
Property, plant and equipment	11	6,044,688	6,181,778
Intangible assets	12	160,866	197,559
Other investments	13	-	-
Loan to members	14	36,064,635	33,343,923
Cash and cash equivalents	18	335,916	-
		42,606,105	39,723,260
Current assets			
Inventories	15	434,460	428,045
Prepayments		148,880	154,089
Loan to members	14	16,507,723	13,844,854
Trade receivables	16	977,920	1,088,845
Other receivables	17	137,800	65,508
Contract assets	4b)	1,039,744	793,401
Cash and cash equivalents	18	13,133,515	9,508,278
		32,380,042	25,883,020
Total assets		74,986,147	65,606,280
EQUITY AND LIABILITIES			
Equity			
Share capital	19	1,965,600	1,965,600
Retained earnings		44,137,469	41,502,989
Fair value reserves	13	(2,000)	(2,000)
Specific funds	20	5,644,520	5,845,585
		51,745,589	49,312,174
Non-current liabilities			
Term deposits	21	716,119	9,377,732
Bank credit facilities		721,633	-
Other financial liabilities	22	87,669	139,164
		1,525,421	9,516,896
Current liabilities			
Amount payable to Central Co-operative Fund	9	1,476,416	2,220,738
Trade payables	23	58,554	49,954
Other payables	24	2,611,472	1,988,805
Contract liabilities	4b)	525,587	379,843
Term deposits	21	16,991,613	2,089,124
Other financial liabilities	22	51,495	48,746
		21,715,137	6,777,210
Total equity and liabilities		74,986,147	65,606,280

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



STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	SHARE CAPITAL \$	RETAINED EARNINGS \$	FAIR VALUE RESERVE \$	SPECIFIC FUNDS \$	TOTAL EQUITY \$
At 1 January 2022	1,965,600	38,708,425	(2,000)	5,601,219	46,273,244
Net surplus for the year	-	2,794,564	-	1,666,601	4,461,165
Transactions with owners, recognised directly in equity contribution by and distribution to owners					
<i>Payments relating to contributions approved by members of the Society:</i>					
Contributions paid to Police Central Welfare Fund	-	-	-	(1,362,201)	(1,362,201)
Contributions paid to Sports, Charity and Donation Fund	-	-	-	(60,034)	(60,034)
At 31 December 2022	1,965,600	41,502,989	(2,000)	5,845,585	49,312,174
At 1 January 2023	1,965,600	41,502,989	(2,000)	5,845,585	49,312,174
Net surplus for the year	-	2,634,480	-	1,595,958	4,230,438
Transactions with owners, recognised directly in equity contribution by and distribution to owners					
<i>Payments relating to contributions approved by members of the Society:</i>					
Contributions paid to Police Central Welfare Fund	-	-	-	(1,219,760)	(1,219,760)
Contributions paid to Sports, Charity and Donation Fund	-	-	-	(577,263)	(577,263)
At 31 December 2023	1,965,600	44,137,469	(2,000)	5,644,520	51,745,589

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



STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	(Reclassified) 2022 \$
Cash flows from operating activities			
Net surplus before contribution		5,200,196	5,488,769
Adjustments for:			
Interest expense	7	411,964	214,512
Loss on disposal of property, plant and equipment	8	358	513
Depreciation of property, plant and equipment	11	211,155	242,987
Amortisation of intangible asset	12	145,670	162,243
Bad debt recovery	5	(10,288)	-
Impairment on loan to members	14	1,010	-
Lease modification	8	-	(851)
		5,960,065	6,108,173
Change in working capital:			
Inventories		(6,415)	52,926
Prepayments		5,209	(12,314)
Loan to members		(5,374,302)	(9,356,943)
Trade receivables		110,925	(361,165)
Other receivables		(72,292)	(24,284)
Trade payables		8,600	(38,242)
Other payables		1,339,581	(673,483)
Term deposits		6,240,876	(165,652)
Contract assets		(246,343)	528,320
Contract liabilities		145,744	(216,938)
Cash generated from/ (used in) operations		8,111,648	(4,159,602)
Interest paid on term deposits	7	(403,387)	(180,116)
Contributions paid to Central Co-operative Fund	9	(1,709,361)	(1,254,925)
Net cash generated from/ (used in) operating activities		5,998,900	(5,594,643)
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	(75,146)	(20,761)
Acquisition of intangible asset	12	(108,977)	(13,876)
Net cash used in investing activities		(184,123)	(34,637)
Cash flows from financing activities			
Repayment of loans		-	(1,283,023)
Payment of principal portion of lease liabilities		(48,023)	(86,082)
Contributions paid to Police Central Welfare Fund	20 (ii)	(1,219,760)	(1,362,202)
Contributions paid to Sports, Charity and Donation Fund	20 (iii)	(577,264)	(60,034)
Interest paid on other financial liabilities	7	(8,577)	(34,396)
Movement in restricted cash		42,968	136,413
Net cash used in financing activities		(1,810,656)	(2,689,324)
Net increase/ (decrease) in cash and cash equivalents		4,004,121	(8,318,604)
Cash and cash equivalents at 1 January	18	8,664,062	16,982,666
Cash and cash equivalents at 31 December	18	12,668,183	8,664,062

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

1. GENERAL

POLWEL Co-operative Society Limited (the “Society”) is incorporated and domiciled in Singapore with its registered office and principal place of business at 175A Bencoolen Street, Burlington Square #12-08, Singapore 189650.

The principal activities of the Society, which are governed by the Co-operative Societies Act, Chapter 62, are those relating to the promoting and popularising the buying and selling of consumer goods and services on a Co-operative basis, to promote the welfare of its members via the introduction of saving schemes, to provide low interest loans and refinancing schemes to its members and to undertake any welfare scheme, ventures and projects which are subject to the approval of the Registrar of Co-operative Societies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Society have been drawn up in accordance with Financial Reporting Standards in Singapore (“FRS”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. Certain comparative figures have been reclassified to conform with current disclosures.

The financial statements are presented in Singapore Dollars (\$), which is the Society’s functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

The financial statements of the Society have been prepared on the basis that it will continue to operate as a going concern.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Society.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Society has not adopted the following standards applicable to the Society that have been issued but not yet effective:

DESCRIPTION	EFFECTIVE FOR ANNUAL YEARS BEGINNING ON OR AFTER
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows</i> and FRS 107 <i>Financial Instruments: Disclosures</i> : Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025

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

2.4 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	<u>Useful lives</u>
Leasehold building	80 years
Computers	3 years
Furniture, fittings and equipment	5 years
Office equipment	5 years
Renovation	5 years
Leasehold office	Over the lease period of 2 - 5 years

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

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

2.6 INTANGIBLE ASSETS

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful life are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as change in accounting estimates.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 INTANGIBLE ASSETS (CONTINUED)

COMPUTER SOFTWARE LICENSE

Computer software license was acquired separately and is amortised on straight line basis over its finite useful life of 3 to 5 years.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Impairment losses are recognised in profit or loss.

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS

a) FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

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

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

SUBSEQUENT MEASUREMENT

Debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Society only has debt instruments at amortised cost.

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

DERECOGNITION

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 FINANCIAL INSTRUMENTS (CONTINUED)

b) FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

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

SUBSEQUENT MEASUREMENT

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

DERECOGNITION

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

2.9 IMPAIRMENT OF FINANCIAL ASSETS

The Society recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables, the Society applies a general approach in calculating ECLs. Therefore, the Society has used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

The Society considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Society's cash management.

2.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method 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 in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.12 PROVISIONS

GENERAL

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

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 GOVERNMENT GRANTS

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

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

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

a) CENTRAL CO-OPERATIVE FUND DEVELOPMENT GRANT

The Central Co-operative Fund (CCF) can be used to further co-operative education, training, research, audit and for the general development of the co-operative movement in Singapore. The CCF supports the development and growth of co-operatives through the provision of CCF grants

The CCF development grant provides co-funding to co-operatives to cover various qualifying expenses. The scheme aims to help enhance co-operatives' capabilities, governance and operational efficiency.

The CCF special grants provide co-funding for specific scheme and projects.

b) WAGE CREDIT SCHEME

The Wage Credit Scheme was introduced to support businesses in uplifting the wages of their lower-wage workers. The scheme aims to promote fair wages and productivity growth.

2.14 BORROWING COSTS

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.15 EMPLOYEE BENEFITS

a) DEFINED CONTRIBUTION PLANS

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 EMPLOYEE BENEFITS (CONTINUED)

b) SHORT-TERM EMPLOYEE BENEFITS

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

2.16 LEASES

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

AS LESSEE

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

RIGHT-OF-USE ASSETS

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

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Society's right-of-use assets are presented within Property, plant and equipment (Note 11).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 LEASES

AS LESSEE (CONTINUED)

LEASE LIABILITIES

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The Society's lease liabilities are included in other financial liabilities (Note 22).

SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 REVENUE

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

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

a) SALES OF GOODS

The Society sells a range of goods.

Revenue is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Society's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

b) RENDERING OF SERVICES

The Society provides services relating to assessment for organisation in security industries and provision of manpower services to government agencies. Revenue from service income is recognised when the Society satisfied the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. These services are invoiced at an agreed rate and recognised when the performance obligation is satisfied.

c) INTEREST INCOME

The Society provides loans to its members. Interest income is recognised on a time proportion basis using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 TAXES

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the 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 GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.20 FUND ACCOUNTING

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the financial statements of the Society are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

The management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (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 are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

a) USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Society's property, plant and equipment as at 31 December 2023 was \$6,044,688 (2022: \$6,181,778). If the future expected realisable value lower by 10% of its carrying amount, the carrying amount of the Society's property, plant and equipment would have been \$604,469 (2022: \$618,178) lower.

b) INVENTORY VALUATION METHOD

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Society's inventories as at 31 December 2023 was \$434,460 (2022: \$428,045). If the future expected realisable value lower by 10% of its carrying amount, the carrying amount of the Society's inventories would have been \$43,446 (2022: \$42,805) lower.

c) PROVISION FOR EXPECTED CREDIT LOSSES OF LOAN TO MEMBERS AND TRADE RECEIVABLES

The Society uses a provision matrix to calculate ECLs for loan to members and trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

c) PROVISION FOR EXPECTED CREDIT LOSSES OF LOAN TO MEMBERS AND TRADE RECEIVABLES (CONTINUED)

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

When measuring ECL, the Society uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Society's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Society's loan to members and trade receivables are disclosed in Note 14 and 28.

The carrying amount of the Society's loan to members and trade receivables as at 31 December 2023 was \$52,572,358 (2022: \$47,188,777) and \$977,920 (2022: \$1,088,845) respectively.

4. REVENUE

a) DISAGGREGATION OF REVENUE

	2023 \$	2022 \$
<u>Type of good or service</u>		
Interest income from loan to members	3,347,200	2,987,920
Interest income from fixed deposits	198,620	69,545
Rendering of services	14,091,333	15,091,455
Sale of goods	649,720	472,784
	18,286,873	18,621,704
<u>Timing of transfer of goods or service</u>		
At point in time	14,741,053	15,564,239
Over time	3,545,820	3,057,465
	18,286,873	18,621,704



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE (CONTINUED)

b) CONTRACT BALANCES

	2023 \$	2022 \$
Contract assets	1,039,744	793,401
Contract liabilities	525,587	379,843

Contract asset relates to services performed but not yet billed.

Contract liabilities relate to the Society's obligation to transfer control of the services to the customers for which the Society has billed in advance. Contract liabilities are recognised as revenue as the Society performs under the contract.

i) Significant changes in contract liabilities are explained as follows:

	2023 \$	2022 \$
Revenue reversed from performance obligation	379,843	596,781

5. OTHER INCOME

	2023 \$	2022 \$
Loan default cover fee	119,075	153,265
Document and processing fee	20,480	21,525
Government grant	-	209,862
Bad debt recovery	10,288	-
CCF development grants	134,940	253,427
Other income	161	4,918
	284,944	642,997

6. COMPENSATION AND BENEFITS

	2023 \$	2022 \$
Salaries, bonuses and other costs	6,686,868	6,623,860
Contributions to Central Provident Fund	970,959	952,347
	7,657,827	7,576,207



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INTEREST EXPENSES

	Note	2023 \$	2022 \$
Interest expenses from lease liabilities	22	8,577	9,918
Interest expenses from bank borrowings	22	-	24,478
Interest expenses from term deposits		403,387	180,116
		411,964	214,512

8. OTHER EXPENSES

	Note	2023 \$	2022 \$
Advertisement expenses		5,380	3,910
Business fees charges		75,752	47,046
Certification fees		-	26,125
Commission fees		7,947	7,245
Courier charges		20	75
General expenses		98,766	146,320
Insurance cost		33,925	29,045
Inventories recognised as an expense	15	340,446	316,558
Lease modification		-	(851)
Loss on disposal of plant and equipment		358	513
Medical expenses		9,819	6,420
Printing and stationery		19,844	18,062
Property tax		20,690	19,027
Property maintenance		30,996	30,996
Reward and welfare		91,978	57,862
Training expenses		52,682	30,666
Transportation		211,135	169,424
Telephone and fax		40,373	43,247
Utilities		25,974	25,765
		1,066,085	977,455



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. AMOUNT PAYABLE TO CENTRAL CO-OPERATIVE FUND

	2023 \$	2022 \$
At 1 January	2,220,738	2,452,909
Contributions paid to Central Co-operative Fund	(1,709,361)	(1,254,925)
Net surplus appropriated for the year	965,039	1,022,754
At 31 December	1,476,416	2,220,738

In accordance with Section 71(2)(a) of the Co-operative Societies Act, Chapter 62, the Society shall contribute 5% of the first \$500,000 (2022: \$500,000) of the surplus resulting from the operations of the Society during the preceding financial year to Central Co-operative Fund. In accordance with Section 71(2)(b), of the Co-operative Societies Act, Chapter 62, the Society had opted to contribute 20% of any surplus in excess of \$500,000 (2022: \$500,000) from the operations of the Society during the preceding financial year either to the Central Co-operative Fund or to the Singapore Labour Foundation as the Society may opt. The Society had opted to contribute to Central Co-operative Fund.

10. INCOME TAX EXPENSES

The Society is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD BUILDING	COMPUTERS	FURNITURE, FITTINGS AND EQUIPMENT	OFFICE EQUIPMENT	RENOVATION	LEASEHOLD OFFICE	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 1 January 2022	6,852,760	253,244	145,319	109,482	123,570	240,274	7,724,649
Additions	-	12,725	550	4,780	2,706	225,632	246,393
Disposals	-	(555)	(956)	(1,671)	-	(158,259)	(161,441)
Lease modification	-	-	-	-	-	(82,015)	(82,015)
At 31 December 2022	6,852,760	265,414	144,913	112,591	126,276	225,632	7,727,586
At 1 January 2023	6,852,760	265,414	144,913	112,591	126,276	225,632	7,727,586
Additions	-	39,433	3,755	6,100	25,858	-	75,146
Disposals	-	(51,269)	(14,721)	(3,233)	-	-	(69,223)
Written off	-	-	-	-	-	(723)	(723)
At 31 December 2023	6,852,760	253,578	133,947	115,458	152,134	224,909	7,732,786



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LEASEHOLD BUILDING	COMPUTERS	FURNITURE, FITTINGS AND EQUIPMENT	OFFICE EQUIPMENT	RENOVATION	LEASEHOLD OFFICE	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Accumulated depreciation							
At 1 January 2022	890,482	148,822	138,003	57,088	116,457	174,409	1,525,261
Depreciation	81,113	52,273	2,445	18,277	2,481	86,398	242,987
Disposals	-	(555)	(956)	(1,158)	-	(158,259)	(160,928)
Lease modification	-	-	-	-	-	(61,512)	(61,512)
At 31 December 2022	971,595	200,540	139,492	74,207	118,938	41,036	1,545,808
At 1 January 2023	971,595	200,540	139,492	74,207	118,938	41,036	1,545,808
Depreciation	81,112	53,847	2,284	16,819	5,929	51,164	211,155
Disposals	-	(51,269)	(14,721)	(2,875)	-	-	(68,865)
At 31 December 2023	1,052,707	203,118	127,055	88,151	124,867	92,200	1,688,098
Carrying amount							
At 31 December 2022	5,881,165	64,874	5,421	38,384	7,338	184,596	6,181,778
At 31 December 2023	5,800,053	50,460	6,892	27,307	27,267	132,709	6,044,688

During the previous financial year, the Society modified an existing lease contract for office space by termination the lease term by 6 months. As this termination is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with disposal to the right-of-use assets, presented under 'Property, plant and equipment'. The corresponding remeasurement to lease liability is presented under 'Other financial liabilities' (Note 22).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. INTANGIBLE ASSETS

	COMPUTER SOFTWARE \$
Cost	
At 1 January 2022	1,725,318
Additions	13,876
At 31 December 2022	1,739,194
At 1 January 2023	1,739,194
Additions	108,977
At 31 December 2023	1,848,171
Accumulated amortisation	
At 1 January 2022	1,379,392
Amortisation	162,243
At 31 December 2022	1,541,635
At 1 January 2023	1,541,635
Amortisation	145,670
At 31 December 2023	1,687,305
Carrying amount	
At 31 December 2022	197,559
At 31 December 2023	160,866

13. OTHER INVESTMENTS

FINANCIAL INSTRUMENTS	2023 \$	2022 \$
At fair value through other comprehensive income		
- Equity securities (unquoted)		
Choice Decor Co-operative Society Limited	-	-

The Society has elected to measure these unquoted equity securities at fair value through other comprehensive income due to the Society's intention to hold these equity securities for long-term appreciation.

During 2018, a sub-contractor of Choice Decor Co-operative Society Limited had ran into financial problems as a result of which it affected Choice Decor's financials and Management had reason to believe that the fair value of the shares would become nil. Choice Decor Co-operative Society Limited went into liquidation in 2020.

The fair value reserve of \$2,000 (2022: \$2,000) is relating to the fair value loss of the investment in Choice Decor Co-operative Society Limited.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. LOAN TO MEMBERS

	2023 \$	2022 \$
At 1 January	47,188,777	37,831,834
Add: Loans disbursed during the year	40,162,135	40,737,139
	87,350,912	78,568,973
Less: Repayments received during the year	(34,777,544)	(31,380,196)
	52,573,368	47,188,777
Less: Accumulated impairment of loan to members	(1,010)	-
At 31 December	52,572,358	47,188,777
Amount receivables		
Within 1 year – current	16,507,723	13,844,854
More than 1 year – non-current	36,064,635	33,343,923
	52,572,358	47,188,777

The loan to members are unsecured, bears interest between 4.0% and 6.5% per annum (2022: 5.0% to 6.5%) and is to be repaid within a period of 2 month to 10 years (2022: 1 month to 10 years). As at 31 December 2023, the loan still carries a tenure of 10 years.

Expected credit losses

The movement in allowance for impairment losses of loan to members as in accordance to FRS 109 was as follows:

	2023 \$
Movement in allowance accounts:	
At 1 January 2023	-
Charge for the year	1,010
At 31 December 2023	1,010



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVENTORIES

	Note	2023 \$	2022 \$
Statement of financial position:			
Finished goods		434,460	428,045
Statement of profit or loss:			
Inventories recognised as an expense in other expenses	8	340,446	316,557

16. TRADE RECEIVABLES

	2023 \$	2022 \$
Trade receivables	977,920	1,088,845

Trade receivables due from third parties are unsecured, interest free and are generally on cash on delivery term (2022: cash on delivery term).

17. OTHER RECEIVABLES

	2023 \$	2022 \$
Other receivables	82,949	47,776
Deposits	54,851	17,732
	137,800	65,508

18. CASH AND CASH EQUIVALENTS

	Note	2023 \$	2022 \$
Current			
Cash at bank		6,645,575	3,806,985
Cash on hand		684	605
Fixed deposits - short-term		5,686,008	4,856,472
Banker's guarantees	26	801,248	844,216
As per statement of financial position		13,133,515	9,508,278
Non-current			
Fixed deposits		335,916	-
Total cash and cash equivalents		13,469,431	9,508,278
Less: Restricted cash – banker's guarantees	26	(801,248)	(844,216)
As per statement of cash flows		12,668,183	8,664,062



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. CASH AND CASH EQUIVALENTS (CONTINUED)

Short-term deposits at the reporting date had an average tenure of 15 months (2022: 18 months) with effective interest rates per annum ranging from 0.50% to 3.95% (2022: 2.05% to 3.00%).

Banker's guarantees amounting to \$801,248 (2022: \$844,216) are subjected to an interest rate of 1.0% to 1.50% (2022: 1.0% to 1.50%). The banker's guarantees are not freely remissible for use by the Society because of performance bound restriction.

19. SHARE CAPITAL

	2023		2022	
	NO. OF SHARES	\$	NO. OF SHARES	\$
Issued and fully paid ordinary shares				
At 1 January and 31 December	19,656	1,965,600	19,656	1,965,600

The Society's share capital comprises fully paid-up 19,656 (2022: 19,656) ordinary shares with no par value, amounting to a total of \$1,965,600 (2022: \$1,965,600).

All members of POLWEL Co-operative Society Limited subscribe to a minimum shareholding of 1 share at \$100 upon admission. To minimise fluctuation in share capital, POLWEL management had decided to maintain the share capital at \$1,965,600 based on the highest membership attained in 2004. Share capital would be increased if the total membership exceeds 19,656 members. However, any decrease in membership will not be adjusted in the share capital.

20. SPECIFIC FUNDS

Specific funds comprise of:

	2023 \$	2022 \$
(i) Building Fund	1,870,000	1,570,000
(ii) Police Central Welfare Fund	1,424,442	1,771,759
(iii) Sports, Charity and Donation Fund	2,350,078	2,503,826
	5,644,520	5,845,585



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. SPECIFIC FUNDS (CONTINUED)

(i) BUILDING FUND

	2023 \$	2022 \$
At 1 January	1,570,000	1,270,000
Net surplus appropriated for the year	300,000	300,000
At 31 December	1,870,000	1,570,000

The fund was created for the purpose of purchasing a building for the Society. The amount appropriated from financial year 2023's net surplus to the fund is subject to the approval of members at the POLWEL Annual Delegates' Meeting 2024.

(ii) POLICE CENTRAL WELFARE FUND

	2023 \$	2022 \$
At 1 January	1,771,759	2,213,961
Contributions paid	(1,219,759)	(1,362,201)
Net surplus appropriated for the year	872,442	919,999
At 31 December	1,424,442	1,771,759

The fund was created for the purpose of contributing a share of surplus to Police Central Welfare Fund for the benefits of its members who are also members of the Society.

(iii) SPORTS, CHARITY AND DONATION FUND

	2023 \$	2022 \$
At 1 January	2,503,826	2,117,258
Contributions paid	(940,342)	(734,072)
Amount expensed	363,078	674,038
Net surplus appropriated for the year	423,516	446,602
At 31 December	2,350,078	2,503,826

The fund was created for the purpose of promoting healthy lifestyles and greater camaraderie, and developing a framework to manage and enhance the Society's social responsibility to charitable or good causes as well as for the welfare of its members.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. TERM DEPOSITS

	2023 \$	2022 \$
At 1 January	11,466,856	11,632,509
Add: new term deposits placed by members	9,229,752	8,080,531
	20,696,608	19,713,040
Less: withdrawals of term deposits by members	(2,988,876)	(8,246,184)
At 31 December	17,707,732	11,466,856
Amount payable:		
Within 1 year	16,991,613	2,089,124
After 1 year but within 5 years	716,119	9,377,732
	17,707,732	11,466,856

The term deposits are unsecured deposits placed by members and attract interest rates between 0.65% and 4.15% (2022: 0.65% and 2.45%). As at 31 December 2023, these deposits are matured between 1 month to 3 years. (2022: 1 month to 4 years). Upon maturity, members may choose to either roll over the term deposits or withdraw the term deposits.

22. OTHER FINANCIAL LIABILITIES

	2023 \$	2022 \$
Current		
- Lease liabilities	51,495	48,746
- Bank borrowings	-	-
	51,495	48,746
Non-current		
- Lease liabilities	87,669	139,164
- Bank borrowings	-	-
	87,669	139,164
	139,164	187,910

The weighted average effective interest rate of bank borrowings was 2.08% per annum for prior year.

The borrowings were secured by a mortgage over leasehold building (Note 11) and were denominated in Singapore Dollar.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. OTHER FINANCIAL LIABILITIES (CONTINUED)

Bank borrowings

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2023	Cash Flows	Non-cash changes				31 December 2023
	\$	\$	ACQUISITION \$	WRITTEN OFF \$	ACCRETION OF INTEREST \$	OTHERS \$	\$
Lease liabilities							
- current	48,746	(56,600)	-	(723)	8,577	51,495	51,495
- non-current	139,164	-	-	-	-	(51,495)	87,669
	187,910	(56,600)	-	(723)	8,577	-	139,164

	1 January 2022	Cash Flows	Non-cash changes				31 December 2022
	\$	\$	ACQUISITION \$	MODIFICATION OF LEASE LIABILITY \$	ACCRETION OF INTEREST \$	OTHERS \$	\$
Lease liabilities							
- current	55,413	(96,000)	86,468	(21,355)	9,918	14,302	48,746
- non-current	14,302	-	139,164	-	-	(14,302)	139,164
Bank borrowings							
- current	274,019	(1,307,501)	-	-	24,478	1,009,004	-
- non-current	1,009,004	-	-	-	-	(1,009,004)	-
	1,352,738	(1,403,501)	225,632	(21,355)	34,396	-	187,910



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. TRADE PAYABLES

	2023 \$	2022 \$
Trade payables	58,554	49,954

Trade payables due to third parties are unsecured, interest free and are generally on 30 to 60 days' term (2022: 30 to 60 days' term).

24. OTHER PAYABLES

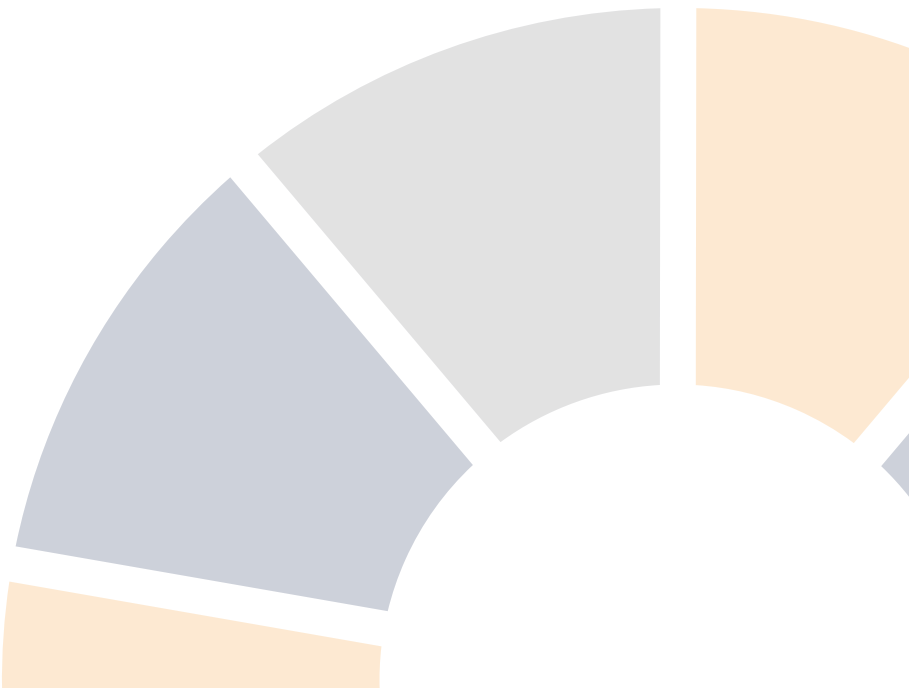
	2023 \$	2022 \$
Other payables - third parties	1,106,219	597,509
GST payables	294,241	285,429
Accruals	1,204,900	1,098,365
Others	6,112	7,502
	2,611,472	1,988,805

25. LEASES

Society as a lessee

The Society has leases contracts for warehouse and office space. The Society's obligations under these leases are secured by the lessor's title to the leased assets. The Society is restricted from assigning and subleasing the leased assets. The lease contracts that include extension options are further discussed below.

The Society also has certain leases of warehouse with lease terms of 12 months or less and lease of office equipment with low value. The Society applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.





NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. LEASES (CONTINUED)

a) CARRYING AMOUNT OF RIGHT-OF-USE ASSETS CLASSIFIED WITHIN PLANT AND EQUIPMENT

	LEASEHOLD OFFICE \$
At 1 January 2022	65,865
Additions	225,632
Depreciation	(86,398)
Lease modifications	(20,503)
At 31 December 2022	184,596
At 1 January 2023	184,596
Depreciation	(51,164)
Written off	(723)
At 31 December 2023	132,709

b) LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 22 and the maturity analysis of lease liabilities is disclosed in Note 28.

c) AMOUNT RECOGNISED IN PROFIT OR LOSS

	Note	2023 \$	2022 \$
Depreciation of right-of-use assets	11	51,164	86,398
Interest expense on lease liabilities	7	8,577	9,918
Lease expense not capitalised in lease liabilities			
- Expense relating to leases of low value and short-term lease assets (included in expenditure)		47,914	42,791
Total amount recognised in profit or loss		107,655	139,107

d) TOTAL CASH OUTFLOW

The Society had total cash outflows for leases of \$104,514 (2022: \$138,791).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. CONTINGENT LIABILITIES

The Society obtained banker guarantees amounting to \$801,248 (2022: \$844,216) for various projects as at 31 December 2023.

27. FAIR VALUE OF ASSETS AND LIABILITIES

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE

Cash and cash equivalents, other receivables, amount payable to Central Co-operative Fund and other payables

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

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Loan to members, term deposits and bank borrowings

The carrying amounts of loan to members, term deposits and bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

28. FINANCIAL RISK MANAGEMENT

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

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

The following sections provide details regarding the Society's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK

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

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

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

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 91 days or there is significant difficulty of the counterparty.

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 91 days past due in making contractual payment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

The Society determined that its financial assets are credit-impaired when:

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

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 days past due. Financial assets are written off when there is evidence indication that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

CATEGORY	DEFINITION OF CATEGORY	BASIS FOR RECOGNISING EXPECTED CREDIT LOSS (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL / Lifetime ECL – not credit-impaired
II	Amount is > 91 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 360 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

The table below details the credit quality of the Society's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	NOTE	CATEGORY	12-MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT \$	LOSS ALLOWANCE \$	NET CARRYING AMOUNT \$
31 December 2023						
Trade receivables	16	Note 1	Lifetime ECL (simplified)	977,920	-	977,920
Other receivables	17	I	12-month ECL	137,800	-	137,800
Contract assets	4b)	I	12-month ECL	1,039,744	-	1,039,744
Loan to members	14	I	12-month ECL	52,573,368	(1,010)	52,572,358
					(1,010)	
31 December 2022						
Trade receivables	16	Note 1	Lifetime ECL (simplified)	1,088,845	-	1,088,845
Other receivables	17	I	12-month ECL	65,508	-	65,508
Contract assets	4b)	I	12-month ECL	793,401	-	793,401
Loan to members	14	I	12-month ECL	47,188,777	-	47,188,777
					-	

Trade receivables (Note 1)

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

Trade receivables						
Days past due						
	NOT PAST DUE \$	1 - 30 DAYS \$	31 – 60 DAYS \$	61 – 90 DAYS \$	MORE THAN 90 DAYS \$	TOTAL \$
31 December 2023						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	-	841,335	131,939	4,646	-	977,920
ECL	-	-	-	-	-	-
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount – loan to members	52,573,368	-	-	-	-	52,573,368
ECL	(1,010)	-	-	-	-	(1,010)
						52,572,358
						53,550,278



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

Trade receivables						
Days past due						
	NOT PAST DUE \$	1 - 30 DAYS \$	31 – 60 DAYS \$	61 – 90 DAYS \$	MORE THAN 90 DAYS \$	TOTAL \$
31 December 2022						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	-	1,077,079	8,228	3,538	-	1,088,845
ECL	-	-	-	-	-	-
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount – loan to members	47,188,777	-	-	-	-	47,188,777
ECL	-	-	-	-	-	-
						48,277,622



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

CREDIT RISK (CONTINUED)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables and loan to members

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

LIQUIDITY RISK

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

Analysis of financial instruments by remaining contractual maturities

The table on the next page summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

	2023				
	CARRYING AMOUNT \$	CONTRACTUAL CASH FLOWS \$	ONE YEAR OR LESS \$	ONE TO FIVE YEARS \$	MORE THAN FIVE YEARS \$
Financial assets					
Loan to members	52,572,358	52,572,358	16,507,723	35,862,437	202,198
Trade receivables	977,920	977,920	977,920	-	-
Other receivables	137,800	137,800	137,800	-	-
Contract assets	1,039,744	1,039,744	1,039,744	-	-
Cash and cash equivalents	13,469,431	13,469,431	13,133,515	335,916	-
Total undiscounted financial assets	68,197,253	68,197,253	31,796,702	36,198,353	202,198
Financial liabilities					
Amount payable to Central Co-operative Fund	1,476,416	1,476,416	1,476,416	-	-
Term deposits	17,707,732	17,707,732	16,991,613	716,119	-
Other financial liabilities	139,164	151,200	57,600	93,600	-
Trade payables	58,554	58,554	58,554	-	-
Other payables	2,317,231	2,317,231	2,317,231	-	-
Total undiscounted financial liabilities	21,699,097	21,711,133	20,901,414	809,719	-
Total net undiscounted financial assets	46,498,156	46,486,120	10,895,288	35,388,634	202,198



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

2022					
	CARRYING AMOUNT \$	CONTRACTUAL CASH FLOWS \$	ONE YEAR OR LESS \$	ONE TO FIVE YEARS \$	MORE THAN FIVE YEARS \$
Financial assets					
Loan to members	47,188,777	47,188,777	13,844,854	33,306,822	37,101
Trade receivables	1,088,845	1,088,845	1,088,845	-	-
Other receivables	65,508	65,508	65,508	-	-
Contract assets	793,401	793,401	793,401	-	-
Cash and cash equivalents	9,508,278	9,508,278	9,508,278	-	-
Total undiscounted financial assets	58,644,809	58,644,809	25,300,886	33,306,822	37,101
Financial liabilities					
Amount payable to Central Co-operative Fund	2,220,738	2,220,738	2,220,738	-	-
Term deposits	11,466,856	11,466,856	2,089,124	9,377,732	-
Other financial liabilities	187,910	208,800	57,600	139,200	12,000
Trade payables	49,954	49,954	49,954	-	-
Other payables	1,703,376	1,703,376	1,703,376	-	-
Total undiscounted financial liabilities	15,628,834	15,649,724	6,120,792	9,516,932	12,000
Total net undiscounted financial assets	43,015,975	42,995,085	19,180,094	23,789,890	25,101



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK

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

(i) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from their loan to members, cash and cash equivalents, term deposits and bank borrowings.

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

At the reporting date, if the interest rates had been 50 (2022:50) basis point higher/lower with all other variables held constant, the Society's profit before tax would have been \$696 (2022: \$940) higher/lower, arising mainly as a result of higher/ lower interest income/expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

At the reporting date, the interest rate profile of the Society's interest-bearing financial instruments was as follows:

	2023 \$	2022 \$
Fixed rate instruments		
Financial asset	52,572,358	47,188,777
Financial liabilities	(17,707,732)	(11,466,856)
	34,864,626	35,721,921
Variable rate instruments		
Financial liabilities	(139,164)	(187,910)

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

MARKET RISK (CONTINUED)

(ii) FOREIGN CURRENCY RISK

The Society is not subjected to any foreign currency risk as there is no significant financial asset or financial liability that is denominated in currency other than Singapore Dollar.

29. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2023 \$	2022 \$
Financial assets measured at amortised cost		
Loan to members (Note 14)	52,572,358	47,188,777
Trade receivables (Note 16)	977,920	1,088,845
Other receivables (Note 17)	137,800	65,508
Contract assets (Note 4b)	1,039,744	793,401
Cash and cash equivalents (Note 18)	13,469,431	9,508,278
Total financial assets measured at amortised cost	68,197,253	58,644,809
Financial liabilities measured at amortised cost		
Amount payable to Central Co-operative Fund (Note 9)	1,476,416	2,220,738
Term deposits (Note 21)	17,707,732	11,466,856
Other financial liabilities (Note 22)	139,164	187,910
Trade payables (Note 23)	58,554	49,954
Other payables (Note 24)	2,317,231	1,703,376
Total financial liabilities measured at amortised cost	21,699,097	15,628,834

30. CAPITAL MANAGEMENT

The Society's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The management periodically reviews the capital structure. Capital comprises total equity.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. CAPITAL MANAGEMENT (CONTINUED)

In accordance with By-laws 10.3, the net surplus shall be distributed as follows, subject to approval in the Annual Delegates' Meeting:

- (a) by payment of honoraria to some or all of the members of the Committee in consideration of their services which would not otherwise be remunerated subject to Section 65(1) of the Act and By-law 8.29.
- (b) by payment to any other funds or in any other manner as approved by the Delegates' Meeting in accordance with the provisions of the Act and the By-laws.

There were no changes in the Society's approach to capital management during the year.

The Society is not subject to any externally imposed capital requirements.

31. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications were made in the balances in the financial statements for the last year. The changes in the balances includes the following:

RECLASSIFICATION			
2022 STATEMENT OF FINANCIAL POSITION	AFTER	BEFORE	DIFFERENCE
Loan to members			
Current	13,844,853	1,950,266	11,894,588
Non-current	33,343,923	45,238,511	(11,894,588)
Contract assets	793,401	-	793,401
Trade receivables	1,088,845	1,882,246	(793,401)
Contract liabilities	379,843	-	379,843
Other payables	1,988,805	2,368,648	(379,843)

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Society on 18 April 2024.



EXPENDITURE FOR 2024 AND 2025

	2024 (Revised)	2025 (Estimated)
Business Expenditure	S\$	S\$
Accreditation Fee	4,800.00	5,450.00
Advertisement	6,000.00	7,600.00
AGM/Board	17,950.00	22,550.00
Assessors Fee	2,200,000.00	2,640,000.00
Audit - External	18,000.00	19,200.00
Audit - Internal	26,500.00	25,700.00
Business Fees & Charges	77,500.00	80,350.00
Charges - Bank	5,500.00	6,050.00
Charges - Nets	400.00	400.00
Commission - AGD	9,000.00	9,000.00
Depreciation	510,000.00	630,000.00
Entertainment	1,750.00	1,750.00
General	164,500.00	164,500.00
Gst Input Tax - Unclaimable	9,500.00	9,980.00
Insurance	39,000.00	48,750.00
Legal Fees	15,000.00	15,000.00
Loss on Disposal of Fixed Asset	3,000.00	3,000.00
Maintenance - Computer	330,000.00	363,000.00
Maintenance - Off Equip.	4,000.00	4,000.00
Maintenance - Office	35,000.00	35,000.00
Marketing & Promotion Expense	55,200.00	55,200.00
Medical	24,200.00	24,200.00
Postage & Stamps	100.00	100.00
Printing & Stationery	20,000.00	20,000.00
Property Tax	22,050.00	23,100.00
Property Maintenance Fee	32,000.00	32,000.00
Provision for Bad Debts	6,000.00	6,000.00
Rental - Storage Space	59,900.00	65,890.00
Rental - Nets Terminal	1,800.00	1,800.00
Salaries & Bonuses & CPF - Permanent	2,737,900.00	3,011,700.00
Salaries & Bonuses & CPF - Contract	6,574,700.00	7,232,150.00
Services & Contract Fees	1,514,250.00	1,589,400.00
Skill Dev. Fund Levy	18,650.00	20,500.00
Reward, Recognition & Welfare	137,000.00	137,000.00
Training	93,500.00	98,850.00
Telephone & Fax	47,250.00	47,250.00
Transportation	364,300.00	382,500.00
Utilities	30,400.00	30,400.00
Total Business Expenditure	15,216,600.00	16,869,320.00

Interest Expenditure	S\$	S\$
Interest - FD	687,500.00	600,000.00
Interest - Leases	9,000.00	9,000.00
Total Interest Expenditure	696,500.00	609,000.00

Capital Expenditure	S\$	S\$
Computer Software	300,000.00	300,000.00
Computer Hardware	65,000.00	65,000.00
Total Capital Expenditure	365,000.00	365,000.00

POLWEL BUSINESS DIVISIONS

Approved Assessment Organisation

Business & Employment Services Division

Financial Services Division

Professional Development & Career Services Division

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