MY RETAILER WITH A HEART

NTUC FAIRPRICE CO-OPERATIVE LTD
ANNUAL REPORT 2010 / 2011

FairPrice

"My Retailer with a Heart" cover girl Charmaine Chua, seen here with her parents and younger sister, looks forward to Saturday mornings. That's when the five-year-old accompanies her mother, Mrs Joyce Chua, on her weekly trip to FairPrice @ Dover Crescent.

"The kids enjoy grocery shopping trips at FairPrice the most, and are always thrilled when they are near the colourful and fully stocked candy aisles. FairPrice is truly a supermarket for the family!" said Mrs Chua.

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This annual report – My Retailer with a Heart – presents Singapore's leading retailer as a social enterprise with the business acumen and the heart to always do more for its customers and the community. In a year of excellent business and social performance, FairPrice continued to serve with a heart by moderating the cost of living in Singapore and building a better life for the community.

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OUR VISION
TO BE SINGAPORE'S
LEADING WORLD-CLASS
RETAILER WITH A HEART.


OUR MISSION
TO PROVIDE CUSTOMERS WITH THE BEST VALUE,
QUALITY PRODUCTS AND EXCELLENT SERVICE,
BE A PREFERRED EMPLOYER, TO MODERATE
THE COST OF LIVING IN SINGAPORE,
AND SERVE THE NEEDS OF OUR MEMBERS,
THE LABOUR MOVEMENT AND THE COMMUNITY.

RETAILER WITH A HEART

At FairPrice, we are proud of our heritage as a social enterprise that was started 38 years ago, with a unique social mission – to ensure that quality daily essentials are available to everyone at affordable prices. Till today, every business decision we make is driven by this social mission.

As a social enterprise, our success is measured not only by how well our business performs, but more importantly, we are measured by the positive social impact we create on our society. That is why we set out not only to be Singapore's leading world-class retailer, but a retailer with a heart. Every FairPrice staff knows that he or she can make a positive difference to the lives of the less fortunate in the community. And our customers know that for every dollar spent at FairPrice, part of it helps to make someone's life better.

We are happy to report that last year, FairPrice has once again delivered excellent business and social performance.

FINANCIAL RESULTS

FairPrice Group achieved good financial performance in the 2011 fiscal year. Total revenue topped S$2.4 billion, while group profit from operations before finance costs and rebates was S$166.3 million. Our strong performance was attributed to an increase in retail sales and higher rental income from properties owned or leased by our Group. Investment income, however, was lower than the prior year as less available-for-sale investments were disposed of.

After contributions to the Central Co-operative Fund and the Singapore Labour Foundation, the Group's overall net profit was S$87.8 million.

REWARDING OUR CUSTOMERS

We believe in rewarding our customers for their patronage. It is our way of saying thank you. The Board has proposed a special patronage rebate of 0.5% in addition to the usual 4%. This will bring the total payout in patronage rebate to S$43.5 million.

Every FairPrice staff knows that he or she can make a positive difference to the lives of the less fortunate in the community. And our customers know that for every dollar spent at FairPrice, part of it helps to make someone's life better.

The Board has also proposed a first and final dividend of 5% and a special dividend of 1% totalling S$10.9 million. In addition, members and Link cardholders also received S$18.6 million in LinkPoints last year. The total payout to members and Link cardholders will be S$73.0 million.

STRETCHING OUR CUSTOMERS' DOLLAR

As cost of living continued to rise, we upheld our social mission and kept prices of daily essentials such as rice, cooking oil, sugar and bread stable. We reintroduced the Stretch Your Dollar Programme in February to help our customers cut their grocery bills. To further assure our customers, we also froze the prices of all FairPrice Housebrand essential items.

SERVING OUR CUSTOMERS BETTER

As a customer-centric retailer, we continued to find ways to serve our customers better by expanding our network, increasing product variety and improving our service delivery.

We further increased our accessibility with eight new stores last year, including a new FairPrice Xtra hypermarket at nex and two new FairPrice Finest stores at TripleOne Somerset and The Clementi Mall.

We rolled out a series of country fairs to add new product variety to our stores. Our newly launched Pasar Indonesia housebrand label offers a fresh range of leafy vegetables from Indonesia. Our Muslim shoppers were given more options with the introduction of Brunei Halal, an exclusive range of halal-certified food products from Brunei Darussalam.

We reach out to Internet-savvy customers through our online store and social media platform. Last year, FairPrice Online sales grew by more than 25%, and our "That's My FairPrice" Facebook page has been a growing online community with over 34,000 fans.

With the aim of nurturing an ecosystem that will support our focus on customers, we organised the inaugural Partners' Convention last year. At the gathering, we shared with some 400 business partners our vision to co-create a better experience for our customers.

SERVING WITH OUR HEARTS

The Group extends a helping hand to the less fortunate in the community through the FairPrice Foundation. Last year, FairPrice Foundation donated a total of S$6.2 million to the community, primarily to help more than 540,000 needy families and individuals to meet their daily essential needs.

This included the Daily Needs Programme, which has benefited some 200 needy families under the care of the Society for the Physically Disabled.

FairPrice Foundation also contributed S$1 million to the NTUC FairPrice Food Voucher Scheme where Grassroot Advisors were able to tap on this scheme to assist more than 20,000 needy families with their grocery needs.

Our low-wage union workers have also been adversely affected by rising inflation. Last year, FairPrice Foundation contributed S$2.4 million to the NTUC U Care Fund to help advance the welfare of these workers.

As cost of living continued to rise, we upheld our social mission and kept prices of daily essentials such as rice, cooking oil, sugar and bread stable. We reintroduced the Stretch Your Dollar Programme in February to help our customers cut their grocery bills. To further assure our customers, we also froze the prices of all FairPrice Housebrand essential items.

Mr Ng Ser Miang
Chairman

Mr Tan Kian Chew
Group Chief Executive Officer

JOINT MESSAGE

FROM CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

Through our network of stores and our online store, over S$1 million worth of items benefiting more than 28,000 needy beneficiaries were collected for The Boys' Brigade Share-a-Gift 2010. In an effort to involve more community partners, we updated our Used Textbooks Project as "FairPrice Share-A-Textbook Project". With the help of our customers, staff, business partners, students and community volunteers, we collected over 230,000 used textbooks and distributed them to more than 15,000 students for reuse.

LEADERSHIP IN CORPORATE SOCIAL RESPONSIBILITY

For our efforts to help the needy, advance workers' welfare and promote community bonding, FairPrice was awarded the Community Developer Award at the inaugural Corporate Social Responsibility Awards by Singapore Compact. We were also awarded the Singapore Health Award (Gold) by the Health Promotion Board for promoting a healthier work environment. For leading green efforts in the retail industry, FairPrice received the Green Retailer of the Year Award at the annual Singapore Retailers' Association Awards.

FairPrice has always strived to integrate Corporate Social Responsibility (CSR) into our business operations. Last year was especially significant as we set up our very own FairPrice CSR Committee helmed by senior management across key departments to consolidate and drive CSR efforts in a more strategic manner. With the formalisation of this committee, FairPrice is well-positioned to be a leader in CSR.

LOOKING AHEAD AND BEYOND

In FairPrice's internationalisation efforts, Vietnam is our next stop. We have entered into a joint venture with the Saigon Union of Trading Cooperatives to set up a hypermarket chain. The first outlet will be operational in Vietnam in 2012. The joint venture will also enable us to diversify our product supply to give more choices for our customers here.

Moving forward, inflation will continue to be a concern for many Singaporeans. FairPrice will monitor food prices closely and moderate the impact of global food price increases where we can. At the same time, we keep our fingers on the pulse of customers' shopping behaviour and lifestyle trends so as to meet their changing needs. Above all, we will continue to do our best to share with the community and care for our environment.

OUR HEARTFELT APPRECIATION

Our social enterprise philosophy of doing well in order to do good has enabled FairPrice to consistently deliver excellent results on both the business and social front. This is attributed largely to the belief and dedication of all our staff, and the support and understanding of our Union.

We would also like to thank the National Trades Union Congress (NTUC) and our Board of Directors for their guidance, support and vision. To our business partners, we appreciate your cooperation.

And to our customers, we thank you for your strong support. With all our hearts, we can build a better community for everyone.

Mr Ng Ser Miang
Chairman

Mr Tan Kian Chew
Group Chief Executive Officer

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31ST MARCH 2011

	The Group		The Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Revenue	2,414,585	2,203,667	2,235,579	2,081,696
Profit before share of associates' and jointly controlled entity's results	117,016	127,593	105,338	122,073
Share of profit/(loss) of :				
– associates	1,829	3,506	-	-
Profit before taxation	118,845	131,099	105,338	122,073
Taxation	(984)	(788)		-
Profit Before Contributions	117,861	130,311	105,338	122,073
Net profit margin	4.88%	5.91%	4.71%	5.86%
Return on net assets employed (Note 1)	8.96%	11.49%	9.65%	13.34%
Net tangible assets per share (Note 2)	$6.38	$5.77	$5.29	$4.76
Dividend Declared	-	-	5.00%	5.00%
Special Dividend	-	-	1.00%	1.00%
Patronage rebate	-	-	4.50%	4.50%

Note:

1) Return on net assets is computed based on net profit after contribution to the Central Co-operative Fund (CCF) and Singapore Labour Foundation (SLF). Net assets used in computation exclude share capital repayable on demand.

2) Net Tangible Asset (NTA) per share is computed based on share capital including share capital repayable on demand.

OUR SOCIAL MISSION

FairPrice's first supermarket
"NTUC Welcome Supermarket" opened in 1973 at Toa Payoh.

Source: NTUC Fairprice Co-operative Ltd Annual Report 2010/2011 © Singapore Press Holdings Ltd. Reprinted with permission.

(From left to right)
Mr Lee Kuan Yew, then Minister Mentor of Singapore; Mr Lim Boon Heng, then Minister, Prime Minister's Office; Mr Ng Ser Miang, Chairman of NTUC FairPrice; Mr Tan Kian Chew, Group CEO of NTUC FairPrice; and Mr Seah Kian Peng, CEO (Singapore) of NTUC FairPrice, during the launch of the new FairPrice logo in August 2008.

THE FAIRPRICE WAY

It was during the economic and social turmoil of the 1970s that the idea of a co-operative supermarket was conceived. The global oil crisis in 1973 had led to fears of food shortage. To curb profiteering, the National Trades Union Congress (NTUC), in consultation with the Government, set up "NTUC Welcome Supermarket" to ensure that essential items were made available to Singaporeans at affordable prices. That was NTUC FairPrice's first supermarket, opened in 1973.

Since then, FairPrice has stayed true to its social mission of moderating the cost of living in Singapore. We strive to provide our customers with quality daily essentials at affordable prices through over 2,000 FairPrice Housebrand products and our best value basket of 500 Everyday Low Price (EDLP) items. Whenever there is a food crisis, we step in to moderate prices. For example in 2003, FairPrice kept the prices of vegetables stable despite a surge in demand during the SARS outbreak. We also ensured adequate supplies for the public by increasing deliveries to all stores, and extended our assistance to the hospitals during this crisis to help them get fresh supplies of vegetables. During the Bird Flu outbreak in 2004, we were the first to drop egg prices. Most recently during the 2008 rice crisis, FairPrice again took the lead to drop prices of its housebrand rice, at a time when global rice prices were sky-rocketing.

STRETCH YOUR DOLLAR PROGRAMME

The Stretch Your Dollar Programme was first introduced in 2007 to help customers fight inflation. The programme enabled customers to enjoy a discount of 5% when they purchased FairPrice Housebrand products, which were on average 10% cheaper than comparable national brands. From 2007 to 2009, the Stretch Your Dollar Programme helped customers save more than S$12 million through discounts on FairPrice Housebrand products.

In February 2011, the Stretch Your Dollar Programme returned to help customers cope with the rising cost of living. This time round, customers who held the Plus! Visa or NTUC Plus! Card enjoyed a 10% discount over 500 FairPrice Housebrand essential items while non-cardholders enjoyed a 5% discount. The Stretch Your Dollar Programme included 10 cost-saving tips to help customers cut their grocery bills.

With initiatives like the Stretch Your Dollar Programme, FairPrice shows our commitment as a social enterprise to moderate the cost of living in Singapore by keeping daily essentials affordable and stable despite increased costs.

On 14 April 2011, Chairman of the NTUC Social Enterprise Development Council, Mr Lim Boon Heng, shared the NTUC Social Enterprise 2015 Vision which articulated a collective commitment by NTUC social enterprises to expand their social impact in the next five years. NTUC social enterprises will do this in three key ways – expanding our role to stabilise the prices of essential products and services; being innovative in meeting new and emergent needs; and expanding services to support three-generation families in Singapore. As part of the NTUC family, NTUC FairPrice is committed to supporting this vision by upholding our social mission and striving to be Singapore's leading world-class retailer with a heart.

(From left to right)
Mr Gerry Lee, Managing Director (Business Groups) of NTUC FairPrice; Mr Lim Swee Say, NTUC Secretary-General and Minister, Prime Minister's Office; Mr Seah Kian Peng, CEO (Singapore) of NTUC FairPrice; and Mr Heng Chee How, NTUC Deputy Secretary-General, at the reintroduction of Stretch Your Dollar Programme in February 2011.

The Stretch Your Dollar Programme has helped Singaporeans save on daily essential items and cope with inflation.

OUR MILESTONES AS AN NTUC SOCIAL ENTERPRISE

1973

- NTUC Welcome Supermarket was founded to help stabilise the cost of living in Singapore and prevent profiteering amidst rising food prices triggered by the global oil crisis.

1983

- NTUC Welcome and Singapore Employees Co-operative (SEC) merged to form NTUC Fairprice Co-operative Ltd.
- Officially launched FairPrice Used Textbooks Project to help needy students save on textbook expenses and promote recycling of textbooks.

1985

- FairPrice Housebrand products were introduced to offer better value and savings to customers.

1994

- FairPrice introduced a basket of Everyday Low Price (EDLP) essential items priced equal to or lower than competitors.
- FairPrice absorbed the 3% GST for a year after the tax was launched.

1999

- LinkPoints loyalty programme was rolled out to provide greater value and savings to customers.

2002

- 2% discount for senior citizens on Tuesdays was implemented at all FairPrice stores.

2003

- FairPrice kept the prices of vegetables stable during the SARS outbreak despite a surge in demand.

2004

- FairPrice diversified its egg sources and was the first supermarket retailer to drop egg prices during the Bird Flu outbreak.

2007

- The Stretch Your Dollar Programme was launched with a 5% discount on 500 essential FairPrice Housebrand products and tips to help customers fight inflation.

2008

- FairPrice launched a new logo to renew its commitment to moderate the cost of living in Singapore.
- FairPrice extended the Stretch Your Dollar Programme four times from February 2008 to March 2009, to help customers cope with the impact of the economic downturn.
- FairPrice introduced a range of some 200 Yellow Dot basic items that are 20% to 25% cheaper than comparable top national brands.
- FairPrice was the first supermarket to drop rice prices during the global rice crisis.
- FairPrice launched a new housebrand label, Pasar Organic, to cater to customers' demand for authentic and affordable organic produce.

2009

- FairPrice allocated S$30 million to accelerate payment to suppliers so as to ease cash flow of some 500 local Small and Medium Enterprises (SMEs) identified under the FairPrice SME Assistance Programme.

2010

- FairPrice Used Textbook Project was rebranded as "FairPrice Share-A-Textbook Project" to increase community outreach and social impact of the programme.

2011

- FairPrice Stretch Your Dollar Programme returned to help customers cope with rising cost of living. The programme comprised 10 cost-saving tips and discounts on FairPrice Housebrand essential items. Customers who hold the Plus! Visa or NTUC Plus! Card enjoyed a 10% discount on over 500 FairPrice Housebrand essential items, whereas non-cardholders enjoyed a 5% discount.

SOMETHING FOR EVERYONE

FairPrice provides our customers with wider choices and convenience through our six retail formats. From families to the elderly, working professionals and the young, there is something for everyone.

FairPrice

FairPrice supermarkets have greatly increased their accessibility to customers by offering great shopping convenience through its network of over 90 stores located island-wide and close to the heartlands.

From fresh produce to household products, customers from all walks of life can trust FairPrice supermarkets to provide quality products at the best value, with service from the heart.

FairPrice Xtra

Offering extra savings, extra variety and extra fun, the FairPrice Xtra hypermarket is a shopping destination for the whole family. FairPrice Xtra features wider aisles and an extensive variety of products and services, including fresh food, groceries, electronic products, household appliances as well as casual and basic apparel. Products are available in family-sized packages so that families can enjoy greater savings. Customers also enjoy services such as interest-free instalment payment and free delivery of electronic products.

FairPrice finest

FairPrice Finest brings the fine life closer to our customers by combining the heritage of a trusted brand with a whole new experience of fine living. Besides offering daily essentials at the same price as FairPrice supermarkets, it also offers a cosmopolitan range of fine foods not found in other FairPrice stores.

With a wider product assortment, value-added services and a more conducive shopping environment, FairPrice Finest is sure to bring the fine life closer to our customers.

FairPrice xpress

FairPrice Xpress is an industry-first initiative made possible when the retail quantum in petrol stations was relaxed in November 2006, making way for the alliance between FairPrice and ExxonMobil to implement its 'Big Box' convenience store concept. FairPrice Xpress outlets are almost twice the size of a conventional petrol mart, offering customers a wider product range, greater value and 24-hour shopping convenience.

Cheers

Cheers, a chain of homegrown 24-hour convenience stores, caters to a diverse group of customers from all walks of life including the young and trendy, students and working professionals who lead active and busy lifestyles.

Officially launched in 1998, Cheers has since expanded to over 100 outlets situated across Singapore at convenient locations.

FairPrice Online

FairPrice Online is a virtual supermarket that enables customers to shop in the comfort of their homes anytime. With FairPrice Online, customers can view the products from home, place orders online and have the groceries delivered to their doorsteps. FairPrice members can also continue to enjoy rebates when they shop online.

Visit FairPrice Online at www.fairprice.com.sg.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Ng Ser Miang (Chairman)
Mr John Lim (Deputy Chairman)
Mr Eric Ang
Ms May Ng
Mr Willie Cheng
Ms Adeline Sum
Mr Hee Theng Fong
Ms Tan Hwee Bin
Mr John De Payva
Mr Wong Heng Tew
Mr Willy Shee
Ms Ng Shin Ein
Dr Chua Sin Bin
Mr Wahab Yusoff
Mr Poh Leong Sim (Secretary)

AUDIT COMMITTEE
Mr Willie Cheng (Chairman)
Ms Tan Hwee Bin
Ms Adeline Sum
Mr John De Payva

ESTABLISHMENT COMMITTEE
Mr John Lim (Chairman)
Mr Willie Cheng
Mr Hee Theng Fong
Mr Willy Shee

RISK COMMITTEE
Mr Hee Theng Fong (Chairman)
Ms Ng Shin Ein
Dr Chua Sin Bin
Mr Wahab Yusoff

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr John De Payva (Chairman)
Ms Adeline Sum
Dr Chua Sin Bin
Mr Wahab Yusoff

FINANCE & INVESTMENT COMMITTEE
Mr Eric Ang (Chairman)
Ms May Ng
Mr Willy Shee
Mr Wong Heng Tew
Ms Ng Shin Ein

ADVOCATES & SOLICITORS
KhattarWong
Allen & Gledhill
Bih Li & Lee
Sim & Wong LLC

AUDITOR
Deloitte & Touche LLP

BANKERS
Development Bank of Singapore
Oversea-Chinese Banking Corporation

CO-OPERATIVE DATA
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Singapore 787103
Tel: 6456 0233
Fax: 6458 8975
www.fairprice.com.sg

REGISTERED ADDRESS
680 Upper Thomson Road
Singapore 787103

NUMBER OF STORES
as at 31 March 2011

FairPrice Finest	7
FairPrice Xtra	4
FairPrice Supermarkets	94
FairPrice Xpress	23
Cheers	124
Total	252

OUR RECOGNITION

Reader's Digest Trusted Brand
Platinum Award for the Supermarket Chain Category and Gold Award for the Cooking Oil Category

Superbrands Singapore
Highest ranked homegrown brand

Singapore Retailers Association Awards
Manager of the Year Award and Green Retailer of the Year Award

National Excellent Service Awards (EXSA)
319 staff received awards under the Retail Category

International Standard for Food Safety and Handling

International Mark for Quality & Standards

Primary Food Safety partner with AVA to deliver safe food to customers

Service excellence for management systems and processes

Community Developer Award
For commitment towards Corporate Social Responsibility

Accredited member

Community Chest Award
Platinum Award in recognition of significant contributions

Eco Office Label
Awarded to FairPrice @ City Square Mall for implementing eco-friendly practices


A SOUND
TEAM

AS A BRAND TRUSTED BY OUR CUSTOMERS, FAIRPRICE DELIVERS QUALITY PRODUCTS AT THE BEST VALUE, WITH SERVICE FROM THE HEART. TO ACCOMPLISH THIS PROMISE, WE ARE GUIDED BY A DEDICATED AND SOUND MANAGEMENT TEAM WHO STRONGLY BELIEVES IN TEAMWORK, PROFESSIONALISM AND BEING CUSTOMER-FOCUSED AT ALL TIMES.

BOARD OF DIRECTORS

Mr Ng Ser Miang
Chairman

Mr Eric Ang
Board Member

Mr Willie Cheng
Board Member

Mr Hee Theng Fong
Board Member

Mr John Lim
Deputy Chairman

Ms May Ng
Board Member

Ms Adeline Sum
Board Member

Mr John De Payva
Board Member

Mr Willy Shee
Board Member

Dr Chua Sin Bin
Board Member

Ms Tan Hwee Bin
Board Member

Mr Wong Heng Tew
Board Member

Ms Ng Shin Ein
Board Member

Mr Wahab Yusoff
Board Member

BOARD OF DIRECTORS

Mr Ng Ser Miang

Chairman

Mr Ng is the Chairman of NTUC Fairprice Co-operative Ltd, TIBS International Pte Ltd and WBL Corporation Ltd. He is the Vice-President of the International Olympic Committee (IOC) and also serves in the IOC Finance Commission, IOC Audit Committee and IOC Co-ordination Commission for London 2012. Mr Ng is also Chairman of the 2010 inaugural Youth Olympic Games and the 1st Asian Youth Games Steering Committee. A Singapore Ambassador to the Republic of Hungary and the Kingdom of Norway, Mr Ng has received numerous awards for his meritorious contribution to the public service and the Labour Movement. These include the Meritorious Service Medal (Pingat Jasa Gemilang), a National Day Award by the Singapore Government conferred in 2010, in addition to the Public Service Star in 1999. He also received the NTUC Meritorious Service Award in 2007, NTUC Friend of Labour Award in 2001 and May Day Award – Medal of Commendation in 1993.

Mr John Lim

Deputy Chairman

Mr Lim joined the Board in 1999. He is currently the Deputy Chairman of NTUC Fairprice Co-operative Ltd, Chairman of Gas Supply Pte Ltd and Chairman and fellow of the Singapore Institute of Directors. He is also Vice Chairman of the Singapore Institute of Management and former Executive Deputy Chairman of LMA International NV. Mr Lim now sits on the Boards, Audit, Remuneration and Nominating Committees of two listed companies and is the Audit Committee Chairman of Boustead Singapore Ltd. He is a member of the Corporate Governance Council, Securities Industry Council, Company's Act Review Steering Committee, Management Committee of Singapore Compact for Corporate Social Responsibility, Senate Member of the Marketing Institute of Singapore, and a former director/Council Member of both the Singapore International Chamber of Commerce and the Singapore Confederation of Industries. He is also the Chairman for the "OECD Asian network on Corporate Governance for State Owned Enterprises".

Mr Eric Ang

Board Member

Mr Ang joined the Board in 2001. He is the Managing Director and Head of Capital Markets at DBS Bank, responsible for Capital Markets, Private Equity and M&A Advisory businesses. He is also a member of DBS Bank's Management Committee.

Ms May Ng

Board Member

Ms Ng joined the Board in 2001. She is the Chief Executive Director of Pan-United Corporation Ltd and Chairman of NTUC Choice Homes Co-operative Ltd. She is also director of several companies.

Mr Willie Cheng

Board Member

Mr Cheng joined the Board in 2003. He sits on the boards of Singapore Press Holdings, SingHealth, UOB Bank, and several non-profit boards. He is also the Chairman of CHARIS Singapore.

Ms Adeline Sum

Board Member

Ms Sum was appointed to the Board in 2004. She is currently the Chief Executive Officer of the Singapore Labour Foundation. Ms Sum is also a Competency Director (Group Development), National Trades Union Congress.

Dr Jennifer Lee

Dr Lee joined the Board in August 2001 and stepped down in September 2010.

Mr Hee Theng Fong

Board Member

Mr Hee, a senior lawyer, joined the Board in 2006. He is currently a Fellow of the Chartered Institute of Arbitrators (UK), an Arbitrator of Singapore International Arbitration Centre (SIAC), China International Economic and Trade Arbitration Commission (CIETAC) and other arbitral institutions. Mr Hee is also a council member of the Singapore Chinese Chamber of Commerce & Industry and an independent director of several public listed companies. He is frequently invited to speak on Directors' Duties and Corporate Governance.

Ms Tan Hwee Bin

Board Member

Ms Tan joined the Board in 2006. She is the Executive Director of Wing Tai Holdings group, Chairman of SLF Strategic Advisers Pte Ltd and NTUC Healthcare Co-operative Ltd and a director of Singapore Labour Foundation and Agency for Integrated Care Pte Ltd. She is also a member of Middle East Business Group Singapore and the Finance and Establishment Committee of Chinese Development Assistance Council (CDAC).

Mr John De Payva

Board Member

Mr De Payva joined the Board in 2008. He is the President of the Singapore National Trades Union Congress (NTUC) and Secretary-General of the Singapore Manual and Mercantile Workers' Union (SMMWU). Mr De Payva also holds positions in the Global Union Federation of Union Network International and the International Trade Union Confederation. He was awarded the national Public Service Medal in 1998 and the Public Service Star medal in 2004 for his contributions to the workers and Singapore labour movement.

Mr Wong Heng Tew

Board Member

Mr Wong joined the Board in 2008. He was Managing Director, Investments at Temasek Holdings from 2002 to 2008 and was concurrently their Chief Representative in Vietnam from 2005 to 2008. Following his retirement in 2008, Mr Wong is now Advisory Director for Temasek Holdings. Mr Wong's directorships in companies include Certis Cisco Security, Olam International, Vietnam Growth Fund, Indochina Fund Management, and Heliconia Capital Management. He has a Bachelor of Engineering degree from the University of Singapore and completed the Program for Management Development at Harvard Business School.

Mr Willy Shee

Board Member

Mr Shee joined the Board in 2008. He is the Chairman (Asia) of CB Richard Ellis Pte Ltd, the world's largest commercial real estate service provider with over 300 offices in 55 countries. His current directorships in companies include Ascendas Pte Ltd, Bund Center Investment Ltd, Sunway REIT Management Sdn Bhd, Strategic Partners Asia II Pte Ltd, Lafe (Emerald Hill) Development Pte Ltd, SLF AMK Pte Ltd and SLF Properties Pte Ltd.

Ms Ng Shin Ein

Board Member

Ms Ng joined the Board in 2008. She is Co-founder and Senior Advisor to Blue Ocean Associates Pte Ltd, a pan-asian private equity and strategic advisory firm. Prior to Blue Ocean, Ms Ng was responsible for developing Singapore's capital market at Singapore Exchange and was part of the Singapore Exchange's IPO Approval Committee. Ms Ng also sits on the board of Yanlord Land Group Ltd and First Resources Ltd, listed companies on the Mainboard of the Singapore Exchange.

Dr Chua Sin Bin

Board Member

Dr Chua joined the Board in 2009 after he retired as the Chief Executive Officer and Director-General of Agri-Food and Veterinary Authority (AVA) in May 2009. He is currently the Principal Consultant with AgriFood Technologies Pte Ltd (ATP) of AVA and a Senior Consultant with SingBridge International Singapore Pte Ltd. Dr Chua is also the Chairman of the School of Chemical & Life Sciences Advisory Committee of Singapore Polytechnic and an adjunct professor of the Food Science and Technology Programme at the National University of Singapore.

Mr Wahab Yusoff

Board Member

Mr Wahab joined the Board in 2010. He has over 24 years of experience in the IT industry serving in various capacities and management roles, and has operated mostly in the Asia Pacific region with a focus on business in the emerging markets. During his time with US multinationals in various modes of industry growth, ranging from start-ups to established organisations, Mr Wahab specialised in helping businesses gain market share and establish a foothold in the region.

PRINCIPAL OFFICERS

Mr Tan Kian Chew
Group Chief Executive Officer

Mr Seah Kian Peng
Chief Executive Officer
(Singapore)

Mr Wee Leong How
Group Managing Director
(Corporate Services)

Mr Gerry Lee
Managing Director
(Business Groups)

Mr Tng Ah Yiam
Managing Director
(Group Purchasing, Merchandising and International Trading)

Mr Ken Ko
Director
(Purchasing Support)

Mr Bernard Chew
Chief Information Officer

Ms Angela Soo
Director
(Corporate Communications)

Mr Koh Kok Sin
Director
(Organisation Development)

Ms Chong Nyet Chin
Director
(Food Safety and Quality)

Ms Lian Lay Yong
Director
(Business Groups Support)

Mr Poh Leong Sim
Group Company Secretary and Director (Legal)

Mr Lim Kok Guan
Group Chief Financial Officer

Mdm Cynthia Phua
General Manager (Group Real Estate)

Mr Lee Kin Seng
Group Director (Corporate Planning)

Mr Laurent Levan
Group Director (International / Special Projects)

Mr Dickson Yeo
Director (Supply Chain)

Mr Victor Cheong
General Manager (Cheers Holdings)

Ms Christina Lim
Director (Brand and Marketing)

Mr Peter Teo
General Manager (Supermarket Operations)

Mrs Mui-Kok Kah Wei
Director (Purchasing and Merchandising)

Ms Rebecca Teo
Director (Human Resource)

Mr Lum Hon Fye
General Manager (Hypermarket)

FAIRPRICE CONTINUES TO EXPAND OUR FOOTPRINT SO THAT CUSTOMERS HAVE EASIER ACCESS TO OUR STORES. WE ALSO STAY RELEVANT TO CHANGING NEEDS AND LIFESTYLES OF OUR CUSTOMERS BY IMPROVING AND INNOVATING ON OUR PRODUCTS AND SERVICES. ONCE AGAIN, WE ARE RECOGNISED AS A TRUSTED BRAND AND A RETAILER WITH SERVICE EXCELLENCE.

HIGHLIGHTS OF THE YEAR

DOING WELL

22 April 2010

FairPrice Launched Taiwan Fruits And Vegetables Fair 2010

The Taiwan Fruits and Vegetables Fair 2010, co-organised by FairPrice, Changhua County and local business partners, aimed at introducing new and fresh Taiwanese produce to customers. The two-week fair featured exotic produce such as Honey Murcott, Taiwanese Loquat and Kyoho Grapes at FairPrice stores. The launch event, held at FairPrice @ Tampines Mall, was graced by Mr Cho Po Yuen, Magistrate of Changhua County, Taiwan.

23 April 2010

FairPrice Won The Reader's Digest Trusted Brand Award For Fifth Year Running

FairPrice won the Reader's Digest Trusted Brand Platinum Award for the Supermarket Chain Category in Singapore for the fifth consecutive year. FairPrice Housebrand cooking oils also bagged the Gold Award for the Cooking Oil Category for the third time.

15 May 2010

Thai Fair At FairPrice Stores

FairPrice held a Thai Fair at all FairPrice stores over two weeks in May 2010 to create greater awareness of Thai products in Singapore. The fair was jointly organised by FairPrice, the Department of Export Promotion, Ministry of Commerce Thailand and The Royal Thai Government. The launch of the fair, held at FairPrice Xtra @ AMK Hub, was graced by Thailand's Minister of Commerce, Mrs Porntiva Nakasai.

4 June 2010

FairPrice Partnered The High Commission Of India To Launch Indian Mango Fair

FairPrice jointly organised the Indian Mango Fair with the High Commission of India and the Agricultural and Processed Food Products Export Development Authority of India in June 2010. The fair featured a variety of mangoes grown in different parts of India, such as Benishan, Keshar and Iman Paseth. The launch of the fair, held at FairPrice Xtra @ Jurong Point, was officiated by His Excellency, Mr Tsewang Namgyal, Deputy High Commissioner of India to Singapore.

7 June 2010

FairPrice Launched Reality TV Series

FairPrice launched a reality TV series, "FairPrice Family Cook Off", that featured everyday Singaporean families showcasing their culinary skills. In search of master cooks from household kitchens in Singapore, the programme invited families from diverse cultural backgrounds to battle it out in the "FairPrice Family Cook Off" kitchen. This eight-part programme was broadcasted on MediaCorp Channel 8 from 22 October to 10 December 2010.

8 September 2010

'Uniquely Singaporean' Wine Application Was Launched

FairPrice launched a 'Uniquely Singaporean' wine pairing application. Unlike most wine applications available in the market, this unique application paired wine with popular Singaporean dishes like chilli mud crab and mutton murtabak. The new service was part of FairPrice's customer-focused initiatives to better engage customers in today's digital age.

30 September 2010

FairPrice Supported Local Brands

To promote homegrown grocery brands, FairPrice, together with International Enterprise Singapore and Singapore Manufacturer's Federation, brought the Tasty Singapore Fair back for the second year. This was one of FairPrice's initiatives to help local companies grow their brands in Singapore. The fair was held across all FairPrice stores and featured some 30 food products.

8 October 2010

FairPrice Chosen As First Stop For Brunei Halal's Global Push

To better cater to the needs of Muslim shoppers, FairPrice launched Brunei Halal, an exclusive range of halal-certified food products imported from Brunei Darussalam. Brunei Halal offers over 20 products ranging from instant noodles and snacks to beverages and chocolates. FairPrice was also the first to offer Brunei Halal products outside of Brunei Darussalam, making it the first stop for Brunei Halal's global expansion plans. The launch was held at FairPrice @ Joo Chiat Complex and was graced by Pengiran Saiful Rizal bin Pengiran Haji Razali, Acting High Commissioner of Brunei Darussalam.

11 October 2010

Engaging Partners In Service Excellence Journey At Inaugural FairPrice Partners' Convention

As part of an initiative to better engage its partners in co-creating a delightful experience for customers, FairPrice organised the first FairPrice Partners' Convention. At the convention, some 400 business partners shared FairPrice's vision to co-create a delightful experience so as to bring customer satisfaction levels to new heights.

20 October 2010

FairPrice Honoured With Two Awards From The Singapore Retailers' Association

FairPrice won two prestigious awards at the annual Singapore Retailers' Association Awards 2010. Ms Hua Meng Lee, Manager, Customer Relations, took home the Manager of the Year Award while FairPrice bagged the Green Retailer of the Year Award for its green initiatives.

21 October 2010

A Taste Of Australia At FairPrice

Customers were treated to "A Taste of Australia", which featured food from Down Under, including nuts, chocolates, honey, muesli bars and fresh milk. The two-week fair was organised in partnership with "Australian Made, Australian Grown (AMAG)", an initiative to promote Australian products globally.

27 October 2010

Biggest Winner Yet Again At The National Excellent Service Awards 2010

FairPrice bagged the most number of awards at the National Excellent Service Awards (EXSA) 2010 ceremony with 319 of its staff receiving the EXSA awards. EXSA is a national award that recognises individuals who have delivered outstanding service, and seeks to develop service models for staff to emulate, create service champions and professionalise service. In all, 16 FairPrice staff received the Star Award and over 300 received Gold and Silver Awards for the retail industry. This was the second consecutive year that FairPrice had the most number of EXSA Award recipients.

4th FairPrice Xtra hypermarket opened at nex


FairPrice

FairPrice Finest
store opened at The Clementi Mall

9 November 2010

FairPrice Honoured At The Asia-Pacific Top 500 Awards

The Retail Asia-Pacific Top 500 Awards was held in Beijing to recognise outstanding retailers in the region, covering 14 countries in Asia Pacific. FairPrice received the Gold Award for Top Retailer 2010 Asia Pacific Singapore, and Asia Pacific – Best of the Best Award.

18 November 2010

FairPrice Launched Inaugural Korean Fair

In partnership with AT Korean Agro-Fisheries Trade Corporation, FairPrice launched the inaugural Korean Fair to meet increasing demand for Korean food. All FairPrice stores participated in the fair which featured more than 40 imported Korean food items, ranging from traditional Korean food such as Kimchi and Topokki, to fresh produce such as Korean pears and mushrooms. The launch of the fair, held at FairPrice Finest @ Bukit Timah Plaza, was graced by His Excellency, Oh Joon, Ambassador of the Republic of Korea to Singapore.

24 November 2010

FairPrice Was The Highest Ranked Homegrown Brand In The Annual Superbrands Survey

FairPrice emerged as the highest ranked homegrown brand and ranked third behind global brand giants, in the Superbrands survey in 2010. The results were drawn from a survey of some 1,500 consumers in Singapore, where they were asked to identify their favourite brands. Superbrands is the world's leading international brand marketing and promotional programme that celebrates the best and most valued brands in more than 80 countries around the world.

13 December 2010

FairPrice Received Certification For Singapore Service Class

FairPrice was awarded the Singapore Service Class (S-Class) Certification, a national certification by SPRING Singapore to recognise organisations that have made good progress and done well towards organisational excellence in service. The achievement was an affirmation of FairPrice's efforts and progress in the service excellence journey.

20 December 2010

FairPrice Entered Joint Venture To Build Hypermarket Chain In Vietnam

FairPrice entered a joint venture with Saigon Union of Trading Co-operatives to set up a hypermarket chain in Vietnam. This new partnership will bring the FairPrice brand overseas and grow FairPrice in one of the top emerging markets in Asia. By diversifying its business, FairPrice will be able to create a new income stream. The new partnership also broadens the source of supply for FairPrice, giving customers in Singapore more choices. The first hypermarket is expected to be operational in Vietnam in 2012.

13 January 2011

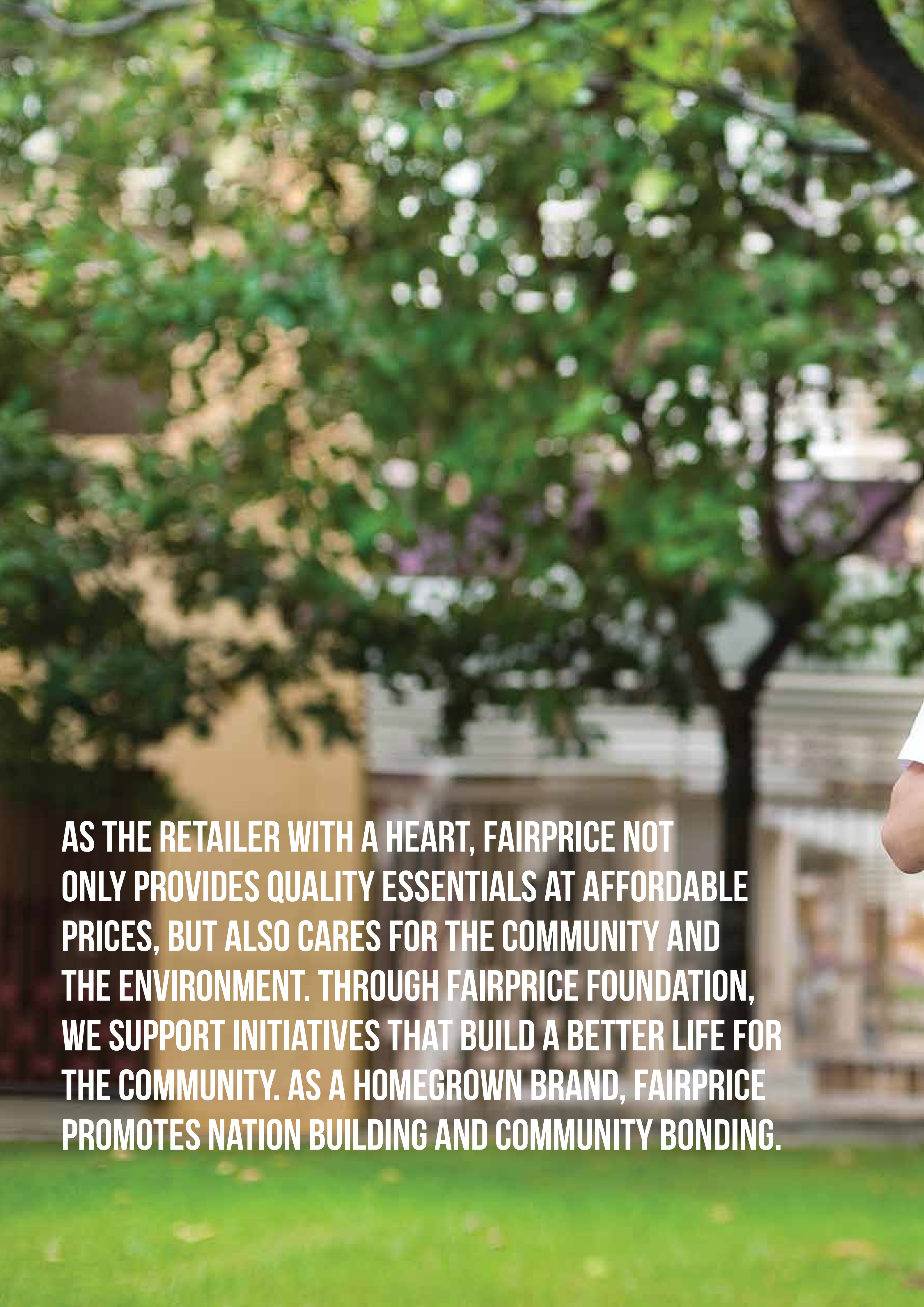
FairPrice Opened Its Seventh Finest Store At The Clementi Mall

Aimed at bringing the fine life closer to our customers, FairPrice opened the seventh Finest store at The Clementi Mall, catering to the needs of the office crowd and residents in the neighbourhood. FairPrice Finest @ The Clementi Mall is the only store that has introduced two latest technologies, namely the Self-Checkout counters and electronic shelf labelling system, to boost and improve customer service.

15 March 2011

FairPrice Launched Its Fourth Xtra Hypermarket At nex With A Donation Of S$800,000 To Community Chest Singapore

FairPrice Xtra launched its fourth hypermarket at nex in Serangoon Central. Officiated by Mr Lim Boon Heng, then Minister, Prime Minister's Office, the event also saw a presentation of S$800,000 in donation to Community Chest Singapore. 20 needy seniors under the Lions Befrienders' care joined in the celebrations and were treated to a shopping spree.



AS THE RETAILER WITH A HEART, FAIRPRICE NOT ONLY PROVIDES QUALITY ESSENTIALS AT AFFORDABLE PRICES, BUT ALSO CARES FOR THE COMMUNITY AND THE ENVIRONMENT. THROUGH FAIRPRICE FOUNDATION, WE SUPPORT INITIATIVES THAT BUILD A BETTER LIFE FOR THE COMMUNITY. AS A HOMEGROWN BRAND, FAIRPRICE PROMOTES NATION BUILDING AND COMMUNITY BONDING.

HIGHLIGHTS OF THE YEAR

DOING GOOD

20 April 2010

FairPrice Cares! Campaign Cares For The Environment And The Community

Through our Green Rewards Scheme, FairPrice has helped save more than 6 million plastic bags. To further our green efforts, we launched the FairPrice Cares! Campaign, in conjunction with Earth Day. For every can or bottle brought by customers for recycling at three participating FairPrice outlets, FairPrice Foundation donated S$1 to charity. To further reduce the usage of plastic bags, FairPrice Foundation also matched the proceeds of sale from all FairPrice Love Nature reusable bags to charity. The two-week campaign raised a total of S$60,000 for the Ain Society, BizLink Centre and Rainbow Centre.

18 July 2010

FairPrice Returned As Presenting Sponsor For The New Paper Big Walk

For the second time since 2008, FairPrice returned as a Presenting Sponsor for The New Paper Big Walk, supporting the event with S$220,000 and 30,000 bottles of FairPrice Pure Drinking Water. One of Singapore's largest family and community events, the walk held at Marina Bay was graced by Prime Minister Lee Hsien Loong, and attracted more than 20,000 participants.

20 July 2010

FairPrice Foundation Launched Sports Scholarship For Athletes Of The Inaugural Youth Olympic Games

FairPrice Foundation supported local sporting talents by introducing sports scholarships to Team Singapore athletes who excelled at the inaugural Youth Olympic Games. A total of S$150,000 worth of scholarship awards were given to athletes who won a total of 2 Silver and 5 Bronze medals at the Games.

28 July 2010

FairPrice Foundation Pledged S$100,000 In Support Of SingHealth-HSEU Community Outreach Programme

FairPrice Foundation supported the SingHealth-HSEU Community Outreach Programme with a contribution of S$100,000 per year over three years. This initiative by SingHealth nurses and the Healthcare Services Employees' Union aimed to provide further medical care for needy patients after their discharge. FairPrice Foundation's contribution would specifically help to defray the cost of medical supplies and rehabilitative aids for these patients.

Over 6m plastic bags

saved through the FairPrice Green Rewards Scheme

30 July 2010

FairPrice Foundation Boosted Volunteerism With S$150,000 Sponsorship To YMCA

FairPrice Foundation announced its support for the YMCA-Lim Kim San Volunteers Programme with a sponsorship of S$150,000 over a three-year period. This programme aimed to raise volunteer capabilities to better serve beneficiaries. FairPrice Foundation also participated as the Presenting Sponsor in the 11th YMCA Charity Golf, an event dedicated to raising funds for the volunteers programme. Beyond the donation, FairPrice staff also participated in various community initiatives by YMCA to enrich the lives of the beneficiaries.

2 August 2010

FairPrice Foundation Donated S$2.4 Million To Help Low Wage Workers

FairPrice Foundation joined hands with about 120 participants consisting of union leaders, management and government officials to raise funds for low-wage union members. Through the sale of golf flights and donations, more than S$5 million was raised at the U Care Charity Golf, including a donation of S$2.4 million from FairPrice Foundation.

3 August 2010

3 Cheers For Team Singapore!

250 FairPrice and Cheers staff, together with students from Nanyang Polytechnic and Nanyang Junior College, gathered at *SCAPE Youth Park for "3 Cheers for Team Singapore" to garner support for Singapore's Youth Athletes. Over 25 youth athletes from the National Girls' Volleyball Team and the Men's Handball Team Singapore athletes were also present to meet and greet the participants. The athletes were ferried down Orchard Road in an open-top bus to drum up support for the Youth Olympic Games.

4 August 2010

FairPrice Hosted The Inaugural National Day Observance Ceremony For The Hospitality And Consumer Business Cluster

FairPrice hosted the inaugural National Day Observance Ceremony for NTUC's Hospitality and Consumer Business Cluster at FairPrice Finest @ TripleOne Somerset. Over 200 union members and FairPrice staff gathered right at the heart of the city to celebrate National Day together.

20 August 2010

FairPrice Partnered NCSS To Launch Online Preferential Scheme To Enable VWOs To Stretch Their Grocery Dollar

FairPrice and National Council of Social Service (NCSS) launched the NTUC FairPrice-NCSS Discount Scheme to enable Voluntary Welfare Organisations (VWOs) to purchase essential items directly from FairPrice Online at a 2% discount. This collaboration marked FairPrice's first preferential purchase scheme for the non-profit sector through FairPrice Online. VWOs who signed up for the scheme could also indicate the specific items they required, so that members of the public could purchase the items online and donate them to the VWO of their choice. Besides offering VWOs cost savings in their purchases, this also allowed our online customers to join FairPrice in supporting our community.

2 September 2010

FairPrice Launched New Housebrand Label – Pasar Indonesia

To broaden its line of housebrand products, FairPrice launched a new housebrand label, Pasar Indonesia, which provides a range of leafy vegetables imported from Indonesia. The launch was held at FairPrice @ Kang Kar Mall, in conjunction with the opening of Indonesian Istimewa Fair. The event was graced by His Excellency, Ambassador Wardana of the Republic of Indonesia to Singapore. The annual Indonesia Istimewa Fair, held for the third year, featured Indonesian products including condiments, canned fruits, chocolate and instant noodles.

20 September 2010

FairPrice Foundation Brought Netball To Greater Heights With S$80,000 Donation To Netball Singapore

FairPrice Foundation donated S$80,000 to Netball Singapore to bring local netball to greater heights and promote community bonding through sports.

1 October 2010

FairPrice Foundation Gave S$1 Million Worth Of FairPrice Vouchers To Needy Families

FairPrice Foundation donated S$1 million worth of FairPrice vouchers to the NTUC FairPrice Food Voucher Scheme to help low income families meet their daily needs. The vouchers were distributed to needy families via 84 Grassroots Organisations.

worth of FairPrice vouchers

given to needy families through the NTUC FairPrice Food Voucher Scheme

7 October 2010

FairPrice Won Corporate Social Responsibility Award For Community Development

For its social efforts in helping the poor and needy, advancing the welfare of workers and promoting community bonding, FairPrice was recognised with the Community Developer Award at the Singapore Compact CSR Summit 2011, themed "Corporate Social Responsibility: Values for Sustainability".

19 October 2010

FairPrice Walk For Rice @ South-East Raised Half A Million Bowls Of Rice To Help 7,000 Needy Families

FairPrice and South East Community Development Council launched the FairPrice Walk for Rice @ South-East to raise half a million bowls of rice for 7,000 needy residents in the South-East district. FairPrice also pledged to support this annual charity effort for three years with an annual donation of up to S$80,000 worth of rice. Members of the public helped to raise half a million bowls of rice by participating in walking activities held at selected FairPrice stores or by purchasing participating products.

29 October 2010

FairPrice Revamped Used Textbook Project To Be More Inclusive

FairPrice gave its heritage 27-year-old Used Textbooks Project a boost by rebranding it as "FairPrice Share-A-Textbook Project" to garner more community engagement. The new name reflects the project's goal to involve more community partners so that more can benefit from the project. The launch event, held at FairPrice Xtra @ AMK Hub, was graced by NTUC Secretary-General and Minister, Prime Minister's Office, Mr Lim Swee Say.

7 November 2010

FairPrice Set Up S$30,000 Water Education Fund And Adopted Sengkang Floating Wetland

FairPrice adopted the Sengkang Floating Wetland, a project launched by PUB under its "Active, Beautiful, Clean Waters" (ABC Waters) Programme. As part of the adoption, FairPrice set up a S$30,000 FairPrice Water Education Fund, which would help schools enhance their water education programmes. Apart from the sponsorship, FairPrice staff would also participate in regular cleaning and other various activities at the Sengkang Floating Wetland.

25 November 2010

FairPrice Spread Festive Cheer To Over 28,000 Beneficiaries Of The Boys' Brigade Share-a-Gift Project

For the 10th consecutive year, FairPrice supported The Boys' Brigade Share-a-Gift project. In addition to the S$50,000 donated by FairPrice Foundation, FairPrice also set up donation boxes at 13 FairPrice stores across the island and enabled donations of items through FairPrice Online. Wish trees were also installed at its hypermarkets at AMK Hub, Jurong Point and nex for the public to adopt specific wishes of the needy. By the end of the month-long project, over S$1 million worth of donated items were collected to benefit over 28,000 beneficiaries.

5 December 2010

FairPrice Share-A-Textbook 2010 Saved Over 230,000 Books And Helped Over 15,000 Students

For the 28th year running, FairPrice held its annual Share-A-Textbook project. At the end of the month-long collection drive, over 230,000 used textbooks were collected from public donations. The textbooks were redistributed to over 15,700 needy students. Four schools participated in this project as Community Partners and their students assisted in the sorting and distribution of textbooks. In addition, the project in 2010 also included volunteers from Supporting Partners such as Hewlett-Packard Singapore, Young NTUC and Young PAP. Separately, FairPrice also gave out S$680,000 worth of study grants to children of FairPrice staff and FairPrice members.

11 December 2010

FairPrice Foundation Donated S$84,000 Worth Of FairPrice Vouchers To The Chinese Development Assistance Council's "Ready For School!" Project

FairPrice Foundation donated S$84,000 worth of FairPrice vouchers, in support of the Chinese Development Assistance Council's "Ready for School" project, to help some 4,200 families meet their daily needs. FairPrice partners also showed strong support for the initiative by contributing over S$20,000 worth of essential items which were given out to the families.

12 January 2011

FairPrice Foundation Launched Daily Needs Programme In Support Of The Society For The Physically Disabled

In support of the Society for the Physically Disabled (SPD), FairPrice Foundation launched the Daily Needs Programme to help needy families with family members who have physical disabilities. FairPrice vouchers worth S$144,000 were donated to help some 200 needy families under the care of SPD meet their daily essential needs over a two-year period. The newly launched initiative would provide S$30 worth of FairPrice vouchers every month over the next two years to each family.

25 January 2011

FairPrice Reinforced The Message Of Returning Trolleys After Use

Partnering the Singapore Kindness Movement for the second consecutive year, FairPrice re-launched the "Please Return Trolley Campaign" to remind shoppers to return trolleys after using them. This was part of FairPrice's community initiative to address the industry-wide problem of abandoned trolleys.

14 February 2011

FairPrice Helps Customers Stretch Their Dollar To Fight Inflation

FairPrice reintroduced the Stretch Your Dollar Programme in February 2011, enabling customers to cope with inflation. Customers who held the Plus! Visa or NTUC Plus! Card enjoyed a 10% discount over 500 FairPrice Housebrand essential items while non-cardholders enjoyed a 5% discount. FairPrice also educated customers on ten cost-saving tips such as savings through our Everyday Low Price and Yellow Dot items.

18 March 2011

FairPrice Supported Singapore Red Cross Donation Drive To Aid Japan Disaster Victims

FairPrice supported the Singapore Red Cross Japan Disaster 2011 donation drive by extending its network of over 250 stores as donation points for the public. To kickstart the donation drive, FairPrice donated S$20,000 to the good cause.

26 March 2011

Lights Out At FairPrice In Support Of Earth Hour

In support of Earth Hour 2011 and to rally community support and awareness of energy conservation, FairPrice switched off all non-essential lighting at all its stores, offices and warehousing facilities on 26 March 2011 from 8.30pm till the close of business for that day.

FOUNDER & INSTITUTIONAL MEMBERS

FOR THE YEAR ENDED 31ST MARCH 2011

	No. of Shares of $ 1 each
FOUNDER MEMBER	
National Trades Union Congress	8,578,149
INSTITUTIONAL MEMBERS	
Air-Transport Executive Staff Union	72,702
Amalgamated Union of Public Employees	202,301
Amalgamated Union of Statutory Board Employees	22,853
Building Construction & Timber Industries Employees' Union	1,946,593
Ceylon-Tamils' Multi-Purpose Co-operative Limited	16,570
Changi International Airport Services Employees' Union	328,416
Chemical Industries Employees' Union	1,635,426
Citiport Credit Co-operative Limited	55,236
Customs Credit Co-operative Society (S) Limited	127,591
Development Bank of Singapore Staff Union	129,772
ExxonMobil Singapore Employees' Union	162,740
Food, Drinks & Allied Workers Union	1,417,706
Healthcare Services Employees Union	59,895
Housing & Development Board Staff Union	170,244
Keppel Employees Union	27,617
Keppel FELS Employees' Union	622,836
Metal Industries Workers Union	2,457,627
National Transport Workers Union	6,814,716
National University of Singapore Multi-Purpose Co-operative Society Ltd	25,100
NatSteel Employees' Union	570,991
NTUC First Campus Co-operative Limited	1,252,456
NTUC Healthcare Co-operative Limited	219,615
NTUC INCOME Insurance Co-operative Ltd	1,762,695
NTUC Media Co-operative Limited	159,720
Port Officers Union	17,980
Public Utilities Board Employees' Union	236,163
SATU Multi-Purpose Co-operative Society Ltd	226,270
Sembawang Shipyard Employees' Union	13,808
Shipbuilding & Marine Engineering Employees' Union	5,054,504
Singapore Airlines Staff Union	180,350
Singapore Airport Terminal Services Workers Union	256,217
Singapore Association of the Visually Handicapped	5,523
Singapore Bank Officers' Association	129,258
Singapore Government Shorthand Writers Association	7,320

	No. of Shares of $ 1 each
Singapore Industrial & Services Employees' Union	2,791,993
Singapore Insurance Employees' Union	5,523
Singapore Interpreters and Translators Union	17,303
Singapore Labour Foundation	10,648,000
Singapore Malay Teachers Union	12,456
Singapore Maritime Officers' Union	2,435,468
Singapore Mercantile Co-operative Society Ltd	199,543
Singapore National Union of Journalists	11,047
Singapore Organisation of Seamen	5,523
Singapore Polytechnic Co-operative Ltd	108,010
Singapore Port Workers Union	374,410
Singapore Press Holdings Employees' Union	65,784
Singapore Refining Company Employee's Union	10,000
Singapore Shell Employees' Union	278,620
Singapore Shell Employees' Union Co-operative Ltd	304,766
Singapore Statutory Boards Employees' Co-operative Thrift & Loan Society Ltd	19,586
Singapore Stevedores Union	55,236
Singapore Teachers Union	27,617
Singapore Union of Broadcasting Employees	95,166
Singapore Urban Redevelopment Authority Workers' Union	117,550
SSE Multi-Purpose Co-operative Society Ltd	22,199
Staff Union of NTUC-ARU	24,915
Tailors Association (Singapore)	31,944
Telecoms Credit Co-operative Limited	88,511
The Singapore Bank Employees' Union	217,165
The Singapore Co-operative Housing & Agencies Society Ltd	20,262
The Singapore Government Staff Credit Co-operative Society Ltd	74,242
The Singapore Manual & Mercantile Workers' Union	248,366
The Singapore Teachers Co-operative Society Ltd	55,236
Union of ITE Training Staff	79,964
Union of Power and Gas Employees' Union	270,428
Union of Security Employees' Union	31,944
Union of Telecoms Employees of Singapore	284,834
United Workers of Electronic & Electrical Industries	6,816,401
United Workers of Petroleum Industry	400,000
Balance as at 31 March 2011	**61,216,972**

FINANCIAL STATEMENTS

CONTENTS

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Group and of the Co-operative for the financial year ended March 31, 2011.

1 DIRECTORS

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

Ng Ser Miang	(Chairman)
John Lim Kok Min	(Deputy Chairman)
Eric Ang Teik Lim	
May Ng	
Willie Cheng Jue Hiang	
Adeline Sum	
Hee Theng Fong	
Tan Hwee Bin	
Wong Heng Tew	
Willy Shee Ping Yah	
Ng Shin Ein	
John De Payva	
Chua Sin Bin (Dr)	
Wahab Yusoff	(Appointed on September 16, 2010)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Co-operative holding office at the end of the financial year had no interests in the share capital of the Co-operative and related corporations as recorded in the Register of Directors' Shareholdings kept by the Co-operative except as follows:

Name of directors and Co-operative/ companies in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year or date of appointment, if later	At end of year
NTUC Fairprice Co-operative Limited		
Ng Ser Miang	20	20
John Lim Kok Min	5,000	5,000
Eric Ang Teik Lim	26	26
Willie Cheng Jue Hiang	1,000	1,000
Adeline Sum	24	24
John De Payva	62	62
Willy Shee Ping Yah	1,259	1,259
Wong Heng Tew	26	26
Chua Sin Bin	39	39

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Co-operative or a related corporation with the director or with a firm of which he is a member, or with a Co-operative in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) **Options to take up unissued shares**
During the financial year, no option to take up unissued shares of the Co-operative or any corporation in the Group was granted.

(b) **Options exercised**
During the financial year, there were no shares of the Co-operative or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) **Unissued shares under option**
At the end of the financial year, there were no unissued shares of the Co-operative or any corporation in the Group under option.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Ng Ser Miang **John Lim Kok Min**

July 27, 2011

STATEMENT OF DIRECTORS

In the opinion of the directors:

(a) the financial statements of the Group and of the Co-operative set out on pages 48 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Co-operative as at March 31, 2011 and of the results, changes in equity and cash flows of the Group and results and changes in equity of the Co-operative for the year then ended and at the date of this statement there are reasonable grounds to believe that the Co-operative will be able to pay its debts when they fall due; and

(b) the receipt, expenditure, investment of monies, acquisition and disposal of assets by the Co-operative during the financial year have been made in accordance with the provisions of the Co-operative Societies Act, Cap. 62 and the By-Laws of the Co-operative.

ON BEHALF OF THE DIRECTORS

Ng Ser Miang **John Lim Kok Min**

July 27, 2011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NTUC FAIRPRICE CO-OPERATIVE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of NTUC Fairprice Co-operative Limited (the "Co-operative") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Co-operative as at March 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of comprehensive income and statement of changes in equity of the Co-operative for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 48 to 93.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Co-operative Societies Act, Cap. 62 (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

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

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

OPINION

In our opinion, the consolidated financial statements of the Group, and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Co-operative are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Co-operative as at March 31, 2011 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Co-operative for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure and investments of monies and acquisition and disposal of assets made by the Co-operative during the financial year ended March 31, 2011 have not been made in accordance with the By-laws of the Co-operative and the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
Singapore

July 27, 2011

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2011

	Note	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	6	303,365	308,593	281,374	291,410
Trade receivables	7	7,893	10,533	7,496	10,046
Inventories	8	149,566	134,002	141,035	127,948
Other receivables	9	36,929	34,322	34,357	31,432
Subsidiaries	10	-	-	8,000	-
Investments	13	258,237	197,916	258,237	197,916
Total current assets		755,990	685,366	730,499	658,752
Non-current assets					
Subsidiaries	10	-	-	39,263	37,700
Associates	11	53,255	51,746	38,792	38,792
Jointly controlled entity	12	-	-	-	-
Investments	13	429,793	395,235	325,595	310,050
Property, plant and equipment	14	440,602	436,570	373,999	368,490
Other receivables from an associate	15	86,038	27,286	86,038	27,286
Total non-current assets		1,009,688	910,837	863,687	782,318
Total assets		1,765,678	1,596,203	1,594,186	1,441,070
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	16	404,729	365,632	381,563	349,850
Other payables	17	172,475	169,688	227,229	217,420
Share capital repayable on demand	18	181,828	179,698	181,828	179,698
Income tax payable		879	2,427	-	-
Total current liabilities		759,911	717,445	790,620	746,968
Non-current liabilities					
Provisions	19	23,896	18,330	23,018	17,524
Deferred tax liabilities	20	2,339	2,801	-	-
Total non-current liabilities		26,235	21,131	23,018	17,524
Capital and reserves					
Share capital	18	100	100	100	100
Accumulated profits		674,932	587,118	520,818	445,527
Other reserves	21	304,500	270,409	259,630	230,951
Total equity		979,532	857,627	780,548	676,578
Total liabilities and equity		1,765,678	1,596,203	1,594,186	1,441,070

See accompanying notes to financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2011

	Note	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
Revenue	22	2,414,585	2,203,667	2,235,579	2,081,696
Inventories consumed		(1,906,976)	(1,743,239)	(1,802,226)	(1,680,646)
Other income	23	184,445	179,912	150,449	163,750
Staff and related costs		(235,923)	(211,387)	(188,964)	(177,384)
Depreciation expense	14	(44,393)	(41,253)	(37,560)	(34,770)
Administrative expenses		(101)	(117)	(101)	(112)
Other operating expenses	24	(245,375)	(219,258)	(202,593)	(189,729)
Profit from operations before finance costs and rebates		166,262	168,325	154,584	162,805
Patronage rebates		(39,003)	(32,118)	(39,003)	(32,118)
Writeback of rebates		287	148	287	148
Finance costs	25	(10,530)	(8,762)	(10,530)	(8,762)
Share of profits of associates	11	1,829	3,506	-	-
Profit before income tax		118,845	131,099	105,338	122,073
Income tax expense	26	(984)	(788)	-	-
Profit before contributions		117,861	130,311	105,338	122,073
Contributions to:					
Central Co-operative Fund	17	(25)	(25)	(25)	(25)
Singapore Labour Foundation	17	(30,022)	(31,784)	(30,022)	(31,784)
Profit after contributions before other comprehensive income		87,814	98,502	75,291	90,264

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2011

	Note	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
Profit after contributions before other comprehensive income		87,814	98,502	75,291	90,264
Other comprehensive income:					
Available-for-sale investments:					
Gains arising during the year		35,190	114,738	29,778	93,081
Reclassification to profit or loss from equity on disposal of available-for-sale investments		(1,099)	(8,932)	(1,099)	(8,932)
Other comprehensive income for the year, net of tax		34,091	105,806	28,679	84,149
Total comprehensive income for the year attributable to the owners of the Co-operative		121,905	204,308	103,970	174,413

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2011

	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Reserve fund $'000	Accumulated profits $'000	Total $'000
Group						
Balance at April 1, 2009	100	(276)	100,140	64,739	488,616	653,319
Total comprehensive income for the year	-	-	105,806	-	98,502	204,308
Balance at March 31, 2010	100	(276)	205,946	64,739	587,118	857,627
Total comprehensive income for the year	-	-	34,091	-	87,814	121,905
Balance at March 31, 2011	100	(276)	240,037	64,739	674,932	979,532

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2011

	Share capital $'000	Fair value reserve $'000	Reserve fund $'000	Accumulated profits $'000	Total $'000
Co-operative					
Balance at April 1, 2009	100	82,063	64,739	355,263	502,165
Total comprehensive income for the year	-	84,149	-	90,264	174,413
Balance at March 31, 2010	100	166,212	64,739	445,527	676,578
Total comprehensive income for the year	-	28,679	-	75,291	103,970
Balance at March 31, 2011	100	194,891	64,739	520,818	780,548

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2011

	2011 $'000	2010 $'000
Operating activities		
Profit before income tax	118,845	131,099
Adjustments for:		
Allowance for doubtful receivables (net)	24	62
Provision for reinstatement costs	5,877	1,555
Depreciation of property, plant and equipment	44,393	41,253
Loss on sale of property, plant and equipment (net)	49	94
Gain on dilution and liquidation of associates	-	(330)
Recycling of gain from equity on		
disposal of investments classified as available-for-sale	(1,099)	(8,932)
Impairment losses made (reversed) in respect of:		
– property, plant and equipment (net)	1,972	3,011
– investment in unquoted equity (net)	-	(98)
– other investment	-	(750)
Share of profit of associates	(1,829)	(3,506)
Dividend income	(24,154)	(21,225)
Write-back of patronage rebates	(148)	(148)
Interest income	(3,716)	(1,775)
Operating cash flows before working capital changes	140,214	140,310
Inventories	(15,564)	(6,443)
Trade and other receivables	(471)	(8,722)
Trade and other payables	44,160	50,613
Cash generated from operations	168,339	175,758
Dividends on ordinary shares repayable on demand	10,530	8,762
Contribution to Central Co-operative Fund paid	(25)	(25)
Contribution to Singapore Labour Foundation paid	(32,461)	(29,676)
Income tax paid	(2,674)	(458)
Net cash from operating activities	143,709	154,361

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2011

	2011 $'000	2010 $'000
Investing activities		
Purchase of property, plant and equipment	(52,113)	(38,375)
Proceeds from sale of property, plant and equipment	1,667	326
Dividend received	24,154	21,225
Interest received	3,716	1,291
Advances to an associate	(58,272)	(31,266)
Repayment from related party	-	10,264
Purchases of investments	(66,158)	(70,288)
Proceeds from sale of investments	6,469	51,132
Acquisition of an associate	-	(30,000)
Net cash used in investing activities	(140,537)	(85,691)
Financing activities		
Proceeds from issue of shares	3,254	1,616
Payment made for withdrawal of share capital	(1,124)	(1,313)
Dividends paid on ordinary shares repayable on demand	(10,530)	(8,762)
Net cash used in financing activities	(8,400)	(8,459)
Net (decrease) increase in cash and cash equivalents	(5,228)	60,211
Cash and cash equivalents at beginning of year	308,593	248,382
Cash and cash equivalents at end of year (Note 6)	303,365	308,593

See accompanying notes to financial statements.

1 GENERAL

The Co-operative (Unique Entity Number : S83C0191L) is incorporated in Singapore with its principal place of business and registered office at 680, Upper Thomson Road, Singapore 787103. The financial statements are expressed in Singapore dollars.

The principal activities of the Co-operative are those relating to supermarket, department store and convenience store retailing and investment holding.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The consolidated financial statements of the Group and statement of financial position, income statement, statement of comprehensive income and statement of changes in equity of the Co-operative for the year ended March 31, 2011 were authorised for issue by the Board of Directors on July 27, 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Co-operative Societies Act Cap 62, and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Co-operative and the Group have adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2010 as disclosed below. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Co-operative's and the Group's accounting policies and has no material effect on the amounts reported for the current and prior years.

FRS 103 (2009) *Business Combinations and FRS 27 (2009) Consolidated and Separate Financial Statements*

FRS 103 (2009) has been adopted in the current year and is applied prospectively to business combinations for which the acquisition date is on or after January 1, 2010. The main impact of the adoption of FRS 103 (2009) Business Combinations on the Group has been:

- to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree.

- to change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit of loss;

- where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require recognition of a settlement gain or loss; and

- to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in consolidated profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

The change in accounting policy has no impact on the financial statements.

FRS 27 (2009) has been adopted for periods beginning on or after January 1, 2010 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

ADOPTION OF NEW AND REVISED STANDARDS (Cont'd)

In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of the net assets disposed of was recognised in profit of loss. Under FRS 27 (2009), all such increases or decreases are dealt within equity reserve, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

The change in accounting policy has no impact on the financial statements.

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the Group and the Co-operative were issued but not effective:

- Improvements to Financial Reporting Standards (issued in October 2010)
- FRS 24 (Revised) *Related Party Disclosures*

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

The management anticipates that the adoption of the above FRS and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Co-operative in the period of their initial adoption except for the following:

FRS 24 – *Related Party Disclosures (Revised)*

FRS 24 (Revised) *Related Party Disclosures* is effective for annual periods beginning on or after January 1, 2011. The revised Standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity.

In the period of initial adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Co-operative and entities controlled by the Co-operative (its subsidiaries). Control is achieved where the Co-operative has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BASIS OF CONSOLIDATION (Cont'd)

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

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

In the Co-operative's financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BUSINESS COMBINATIONS (Cont'd)

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

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

The accounting policy for initial measurement of non-controlling interests is described above.

FINANCIAL INSTRUMENT – Financial assets and financial liabilities are recognised on the Co-operative's and Group's statement of financial position when the Co-operative and the Group becomes a party to the contractual provisions of the instrument.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis.

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Financial assets are classified into the following specified categories: "available-for-sale" financial assets and "loans and receivable". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale financial assets
Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENT (Cont'd)

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

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL INSTRUMENT (Cont'd)

Financial liabilities and equity instruments

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

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

Trade and other payables
Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

ASSOCIATES – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit and loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

INTERESTS IN JOINT VENTURES – A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INTERESTS IN JOINT VENTURES (Cont'd)

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group and the Co-operative reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Joint venture arrangements that do not involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled assets. The Group's and the Co-operative's share of the jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified accordingly to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on accrual basis. Income from sale of use of the Group's and the Co-operative's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and the Co-operative and their amount can be measured reliably.

The Group and the Co-operative account for their interests in the jointly controlled entity/assets using the most recently available audited financial statements or the unaudited financial statements of the jointly controlled entity/ assets. Any difference between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted in the following financial year.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity/assets is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of an associate.

Where the Group transacts with its jointly controlled entity/assets, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT – Freehold land and capital work-in-progress are stated at cost less impairment losses. Other items of property, plant and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. Cost includes expenditure that is directly attributable to the acquisition of the asset and includes the cost of dismantling and removing the items and restoring the site on which they are located.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold buildings	–	20 to 42 years
Leasehold land and buildings	–	16 to 50 years
Furniture, fittings and renovation	–	5 to 15 years
Plant and machinery	–	3 to 10 years
Equipment and motor vehicles	–	2 to 7 years
Computers	–	1 to 5 years

No depreciation charged for freehold land and capital work-in-progress.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL – At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

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

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

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

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, discounts and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION (Cont'd)

Rental income
Rental income is recognised on a straight-line basis over the term of the relevant lease as set out in the paragraph "Leases".

Advertising, promotion, concessionary, commission and other service income
Advertising, promotion, concessionary, commission and other service income are recognised when the services are rendered.

PATRONAGE REBATES – Patronage rebates distributed to the members of the Co-operative/NTUC Union cardholders ("members") are recognised as a liability in the Co-operative's and the Group's financial statements in the period in which the patronage rebates are approved by the members at the annual general meeting. Patronage rebates which are not claimed within 3 years from the date of payment by members are written back in accordance with By-Law 13.4.2 and the rules of NTUC Union Card Scheme.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting period.

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Co-operative and subsidiaries operate by the reporting period.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting period.

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

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly to equity), in which case the tax is also recognised directly outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Co-operative are presented in Singapore dollars, which is the functional currency of the Co-operative, and the presentation currency for the consolidated financial statements.

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash on hand and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

The management is of the view that there are no critical judgement involved that will have a significant effect on the amounts recognised in the financial statements other than those involving estimations below.

Key sources of estimation of uncertainty

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

Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, the management determined that the useful lives of property, plant and equipment are appropriate and no revision is required.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with their accounting policy. Where there is indication of impairment, the recoverable amounts of property, plant and equipment would be determined based on the higher of fair value less costs to sell and value-in-use calculations. These value-in-use calculations require the use of judgements and estimates.

Please refer to Note 14 for the carrying amount of the Group's and the Co-operative's property, plant and equipment at the reporting period.

Allowances for doubtful trade and other receivables

The policy for allowances for doubtful trade and other receivables of the Group is based on the evaluation of collectibility and on management's judgement. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. If the identification is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed. Please refer to Notes 7 and 9 for carrying amounts of trade and other receivables respectively.

Provision for reinstatement cost

The Group is required to estimate and recognise the cost to be incurred in returning the leased premises to their original condition upon vacating the premises on expiry of the lease. Management has provided for such cost based on the likely amount to be incurred and the period over which it should be amortised. The carrying value of reinstatement cost is set out in Note 19 to the financial statements.

Impairment of investments in, loan to and receivable from subsidiaries and associate in the Co-operative's financial statements

Investments in subsidiaries, loan to and receivable from subsidiaries and associate are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been determined based on the higher of fair value less cost to sell and value-in-use calculations. These calculations require the use of estimates.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the investment. Estimates of growth rates are based on economic growth forecasts for the countries in which the subsidiaries operate. Changes in cash flow take into consideration the business plan and expectations of future changes in the market.

The carrying amounts of investments in and receivables from subsidiaries and associate are disclosed in Notes 10 and 15 to the Co-operative's financial statements.

Allowance for inventories

The Group reviews the carrying value of its inventories to ensure that they are stated at the lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances or writing off of these inventories, management identifies inventories that are slow moving or obsolete, considers their physical conditions, market conditions and market price for similar items.

The carrying amount of inventories is disclosed in Note 8 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial Assets				
Loans and receivables (including cash and cash equivalents)	424,738	374,379	421,737	366,071
Available-for-sale financial assets	688,030	593,151	583,832	507,966
Financial Liabilities				
Amortised costs (including share capital repayable on demand)	728,985	683,209	760,573	715,159

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, particularly market risk, credit risk and liquidity risk. Where appropriate, the Group's risk management policies seek to minimise potential adverse effects of these risks on the financial performance of the Group.

Matters pertaining to risk management strategies and execution require the decision and approval of the Board of Directors ("the Board").

The Board is regularly updated on the Group's financial investments and hedging activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Financial risk exposures are measured using sensitivity analysis indicated below.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(i) Foreign exchange risk management

The Group transacts its business in various foreign currencies, mainly the United States dollar, Hong Kong dollars, Indonesia rupiah, Philippine pesos, Korean won and Sterling pound and therefore is exposed to foreign exchange risk.

The currency risk of the Group arises mainly from the Group's foreign currency denominated investments. In addition, currency risk also arises from its operational purchases of goods for sales, consumables and capital expenditure denominated in currencies other than the functional currency.

Where appropriate, the Group enters into foreign exchange forward contracts to hedge against its currency risk resulting from anticipated transactions in foreign currencies and its foreign currency denominated investments.

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group and Co-operative			
	Assets		Liabilities	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
United States dollars	6,183	12,171	4,324	3,019
Malaysian ringgit	262	690	30	20
Australian dollars	25	23	833	962
Hong Kong dollars	10,336	5,822	-	-
Sterling pound	2,015	2,014	51	-
Indonesian rupiah	1,760	586	-	-
Korean won	1,099	3,060	-	-
Philippine pesos	1,809	876	-	-
European euro	-	-	204	119
New Zealand dollars	-	-	-	28
Norwegian krone	-	-	-	93
New Taiwan dollars	-	955	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, profit or loss and net equity will increase (decrease) by:

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(i) Foreign exchange risk management (Cont'd)

	Group and Co-operative	
	2011	2010
	$'000	$'000
Foreign currency impact		
United States dollars	186	915
Malaysian ringgit	23	67
Australian dollars	(81)	(94)
Hong Kong dollars	1,034	582
Sterling pound	196	201
Indonesian rupiah	176	59
Korean won	110	306
Philippine pesos	181	88
European euro	(20)	(12)
New Zealand dollars	-	(3)
Norwegian krone	-	(9)
New Taiwan dollars	-	96

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, the impact will be reversed.

This is mainly attributable to the exposure from investments denominated in foreign currencies and outstanding receivables and payables at year end in the Group.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Liquidity risk management

The Group adopts prudent liquidity risk management by maintaining sufficient cash and marketable securities to finance their activities. The Group finances its operations through internally generated cash flows.

(iii) Interest rate risk management

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use derivative financial instruments to hedge against such risk exposure. The related interest rates for fixed deposits and bonds are as disclosed in Notes 6 and 13 respectively.

Liquidity and interest risk analyses

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Co-operative anticipates that the cash flow will occur in a different period. The adjustment column represents the reasonably possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(iii) Interest rate risk management (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Group					
2011					
Non-interest bearing	-	130,966	29,352	(3,211)	157,107
Fixed interest rate instruments	0.80	207,785	68,670	(8,824)	267,631
		338,751	98,022	(12,035)	424,738
2010					
Non-interest bearing	-	141,041	29,641	(3,980)	166,702
Fixed interest rate instruments	0.32	206,112	1,820	(255)	207,677
		347,153	31,461	(4,235)	374,379
Co-operative					
2011					
Non-interest bearing	-	108,365	29,352	(3,211)	134,506
Fixed interest rate instruments	0.97	214,024	84,310	(11,103)	287,231
		322,389	113,662	(14,314)	421,737
2010					
Non-interest bearing	-	120,669	29,641	(3,980)	146,330
Fixed interest rate instruments	0.46	206,537	14,180	(976)	219,741
		327,206	43,821	(4,956)	366,071

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Co-operative can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Total $'000
Group			
2011			
Non-interest bearing	-	547,157	547,157
Fixed interest rate instruments	6	181,828	181,828
		728,985	728,985
2010			
Non-interest bearing	-	503,511	503,511
Fixed interest rate instruments	5	179,698	179,698
		683,209	683,209

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(iii) Interest rate risk management (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Total $'000
Co-operative			
2011			
Non-interest bearing	-	578,745	578,745
Fixed interest rate instruments	6	181,828	181,828
		760,573	760,573
2010			
Non-interest bearing	-	535,461	535,461
Fixed interest rate instruments	5	179,698	179,698
		715,159	715,159

No sensitivity analysis is prepared as the Group and Co-operative do not have variable rate financial instruments at the end of the reporting period.

(iv) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes.

Further details of these equity investments can be found in Note 13 to the financial statements.

Equity price sensitivity

Group

If prices for equity investments increase by 10% (2010 : 10%) with all other variables held constant, there would be no effect on the impairment loss this year (2010 : Nil), the Group's fair value reserves would increase by $58,023,000 (2010 : $50,658,000).

If prices for equity investments decrease by 10% (2010 : 10%) with all other variables held constant, the Group's impairment on investments would have been higher by $12,150,000 (2010 : $13,297,000) and the Group's fair value reserves would decrease by $45,873,000 (2010 : $37,361,000).

Co-operative

If prices for equity investments increase by 10% (2010 : 10%) with all other variables held constant, there would be no effect on the impairment loss this year (2010 : Nil), the Co-operative's fair value reserves would increase by $48,975,000 (2010 : $42,139,000).

If prices for equity investments decrease by 10% (2010 : 10%) with all other variables held constant, the Co-operative's impairment on investments would have been higher by $12,150,000 (2010 : $13,297,000) and the Co-operative's fair value reserves would decrease by $36,825,000 (2010 : $28,842,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(v) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group manages its credit risk through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of deposits, bankers'/insurance guarantees from its customers, and imposes cash terms and/or advance payment from customers of lower credit standing.

Trade receivables consist of a large number of customers, spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Although the Group's credit exposure is concentrated mainly in Singapore, it has no significant concentration of credit risk with any single customer or group of customers.

The Group and Co-operative places its cash with creditworthy financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 9.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of other financial assets and liabilities are determined as follows:

a) the fair value of financial assets and financial liabilities traded on liquid markets are determined with reference to quoted market prices;

b) the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

At the end of the financial year, except as disclosed in Note 27(d), the Group and Co-operative have no significant exposure to unrecognised financial instruments. The fair value of the outstanding forward foreign exchange market rates at the end of the reporting period is insignificant.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(vi) Fair value of financial assets and financial liabilities (Cont'd)

Financial instruments measured at fair value

	Total $'000	Level 1 $'000	Level 3 $'000
Financial Assets			
Group			
2011			
Available-for-sale investments:			
- Quoted unit trust	368,097	368,097	-
- Quoted equity	74,985	74,985	-
- Quoted bonds	137,146	137,146	-
- Unquoted equity	94,650	-	94,650
Total	674,878	580,228	94,650
2010			
Available-for-sale investments:			
- Quoted unit trust	328,406	328,406	-
- Quoted equity	58,579	58,579	-
- Quoted bonds	119,590	119,590	-
- Unquoted equity	73,424	-	73,424
Total	579,999	506,575	73,424
Co-operative			
2011			
Available-for-sale investments:			
- Quoted unit trust	277,618	277,618	-
- Quoted equity	74,985	74,985	-
- Quoted bonds	137,146	137,146	-
- Unquoted equity	80,931	-	80,931
Total	570,680	489,749	80,931
2010			
Available-for-sale investments:			
- Quoted unit trust	243,221	243,221	-
- Quoted equity	58,579	58,579	-
- Quoted bonds	119,590	119,590	-
- Unquoted equity	73,424	-	73,424
Total	494,814	421,390	73,424

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year.

The Group and Co-operative have no financial liabilities carried at fair value and no financial instruments measured at fair value based on Level 2 as at March 31, 2011.

The fair value of the unquoted equity investments included within level 3 was estimated based on the Group's share of the net asset values of the investment company, which reflects their fair values as at March 31, 2011.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (Cont'd)

(vi) Fair value of financial assets and financial liabilities (Cont'd)

Financial instruments measured at fair value based on level 3

	Avaliable-for-sale financial assets, representing, total (Unquoted equities) $'000	
	Group	**Co-operative**
At April 1, 2009	63,261	63,261
Gains in other comprehensive income	10,163	10,163
At March 31, 2010	73,424	73,424
Purchases	13,600	-
Gains in other comprehensive income	7,626	7,507
At March 31, 2011	94,650	80,931

(c) Capital risk management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group comprises only share capital, statutory reserves, fair value reserves and accumulated profits. The Group's overall strategy remains unchanged from 2010.

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following transactions with related parties:

	Group		Co-operative	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Donations to NTUC Fairprice Foundation Limited (refer to Note 10)	10,000	8,800	5,000	8,800
Sales of goods to associates	(153)	(376)	(153)	(376)
Rental income from jointly controlled entity	(10)	(92)	(10)	(92)
Rental income from associate	(1,554)	(1,409)	(1,544)	(1,409)
Advances to an associate	58,272	27,286	58,272	27,286

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group and Co-operative	
	2011 $'000	**2010 $'000**
Salaries, short-term benefits and post-employment benefits:		
– directors	356	330
– officers	6,154	5,145

6 CASH AND CASH EQUIVALENTS

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Cash on hand	6,469	8,519	6,465	8,516
Cash at bank	89,162	94,022	69,175	76,843
Fixed deposits	207,734	206,052	205,734	206,051
Total	303,365	308,593	281,374	291,410

Fixed deposits of the Group and the Co-operative bear interest at average rates ranging from 0.02% to 0.06% (2010 : 0.01% to 0.31%) per annum. The fixed deposits are for an average tenure of approximately 14 days (2010 : 14 days).

The Group's and the Co-operative's cash and cash equivalents which are not denominated in the functional currency of the group entities are as follows:

	Group and Co-operative	
	2011	2010
	$'000	$'000
United States dollars	679	1,457
New Taiwan dollars	-	955
Malaysian ringgit	262	176
Australian dollars	25	23

7 TRADE RECEIVABLES

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Outside parties	7,801	10,570	7,404	10,083
Less: Allowance for doubtful receivables	(53)	(278)	(53)	(278)
	7,748	10,292	7,351	9,805
Jointly controlled entity (Note 12)	19	29	19	29
Associates (Note 11)	126	212	126	212
Total	7,893	10,533	7,496	10,046

The average credit period on sale of goods is 30 days (2010 : 30 days).

An allowance has been made for the estimated irrecoverable amounts from the sale of goods to third parties of $53,000 (2010 : $278,000). This allowance has been determined by reference to past default experience.

The Group and Co-operative has trade receivables amounting to $3,919,000 (2010 : $6,474,000) and $3,876,000 (2010 : $6,409,000) respectively that were past due at the end of the reporting period for which the Group and Co-operative has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. These receivables are unsecured and the analysis of their aging at the end of the reporting period is disclosed in Note (i) below.

The Group's and Co-operative's trade receivables that are impaired at the end of the reporting period and the allowance accounts used to record the impairment are disclosed in Note (ii) below. Trade receivables that are individually assessed to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

7 TRADE RECEIVABLES (Cont'd)

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Not past due and not impaired	3,974	4,059	3,620	3,637
Past due but not impaired (i)	3,919	6,474	3,876	6,409
	7,893	10,533	7,496	10,046
Impaired receivables – individually assessed (ii)				
– Past due more than 36 months and no response to repayment demands	53	278	53	278
Less: Allowance for doubtful receivables	(53)	(278)	(53)	(278)
	-	-	-	-
Total trade receivables, net	7,893	10,533	7,496	10,046

Notes:

(i) Aging of receivables that are past due but not impaired

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
0 to 30 days	2,352	3,704	2,338	3,673
30 to 60 days	742	1,081	737	1,067
> 60 days	825	1,689	801	1,669
	3,919	6,474	3,876	6,409

(ii) These amounts are stated before the allowance for doubtful receivables.

The following is an analysis of allowance for doubtful receivables:

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
At beginning of the year	278	1,240	278	310
Allowance made during the year	45	129	45	129
Amount written off during the year	(249)	(1,024)	(249)	(94)
Allowance written back during the year	(21)	(67)	(21)	(67)
At end of the year	53	278	53	278

Trade receivables are all denominated in Singapore dollars.

8 INVENTORIES

Inventories consist principally of goods for resale which are stated at the lower of cost and net realisable value.

During the year, stock write off amounting to $9,165,000 (2010 : $5,444,000) and $8,343,000 (2010 : $4,940,000) was recognised in profit or loss of the Group and Co-operative respectively.

9 OTHER RECEIVABLES

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Deposits	19,124	18,140	16,698	15,412
Prepayments	9,487	6,355	9,356	6,168
Staff loans (a)	1	14	1	14
Interest receivables	1,982	1,830	1,982	1,830
Link card/phone card sales	4,426	3,949	4,426	3,949
Other receivables	1,909	4,034	1,894	4,059
Total	36,929	34,322	34,357	31,432

(a) Staff loans are repayable in equal monthly instalments over a period of up to 8 years. Interest is charged at a rate of 5% (2010 : 5%) per annum, calculated on a monthly rest basis.

10 SUBSIDIARIES

	Co-operative	
	2011 $'000	2010 $'000
Current portion:		
Loan to subsidiary	8,000	-
Total current portion	8,000	-
Non-current portion:		
Unquoted equity shares, at cost	29,971	30,171
Less: Impairment loss	(4,536)	(4,536)
	25,435	25,635
Loan to subsidiary	-	12,000
Receivables from subsidiaries	62,794	47,571
Less: Allowance for doubtful receivables	(48,966)	(47,506)
	13,828	65
Total non-current portion	39,263	37,700
Total	47,263	37,700

Loan to subsidiary is unsecured, interest-bearing and is due to be repaid by March 31, 2012. An amount of $4,000,000 of this loan has been repaid during the year. The effective interest rate of the loan is approximately 3% (2010 : 3%) per annum, which approximates the market interest rate.

The receivables from subsidiaries include an amount of $13,600,000 advanced to a subsidiary in the current financial year. This amount is unsecured, interest bearing and not expected to be repaid within 12 months from the end of the current financial year. The effective interest rate of the advance is approximately 3% per annum.

10 SUBSIDIARIES (Cont'd)

The investment in certain subsidiaries is stated after allowance for impairment loss as the cost of investment in these subsidiaries have been impaired in view of losses incurred by these subsidiaries in the past.

The following is an analysis of allowance for impairment loss:

	Co-operative	
	2011	2010
	$'000	$'000
At beginning of the year	4,536	14,536
Reversal of impairment	-	(10,000)
At end of the year	4,536	4,536

The following is an analysis of allowance for doubtful receivables:

	Co-operative	
	2011	2010
	$'000	$'000
At beginning of the year	47,506	46,088
Allowance made during the year	1,460	1,418
At end of the year	48,966	47,506

Details of the Co-operative's subsidiaries as at March 31, 2011 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2011 %	2010 %	
Grocery Logistics of Singapore Pte Ltd	Singapore	100	100	Warehousing and distribution
Interstates Market Pte Ltd [(1)]	Singapore	-	100	Trading and investment holding
AlphaPlus Investments Pte Ltd	Singapore	100	100	Investment holding
NewFront Investments Pte Ltd	Singapore	100	100	Investment holding
Cheers Holdings (2004) Pte Ltd	Singapore	100	100	Convenience store operator
Fairprice Training Services Pte Ltd	Singapore	100	100	Dormant
Fairprice Management Services Pte Ltd	Singapore	100	100	Dormant
Interstates Market (2007) Pte Ltd	Singapore	100	100	Dormant
FPTM Pte Ltd [(2)]	Singapore	100	-	Dormant
Fairprice International (2010) Pte Ltd [(2)]	Singapore	100	-	Dormant

10 SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held 2011 %	2010 %	Principal activities
Subsidiaries of <u>AlphaPlus Investments Pte Ltd</u>				
Thomson Plaza Investments Pte Ltd	Singapore	100	100	Property owner
NTUC Fairprice Foundation Ltd	Singapore	*	*	Charitable organisation

The above subsidiaries are audited by Deloitte & Touche LLP, Singapore.

* The result and net assets of NTUC Fairprice Foundation Ltd ("Foundation") have not been consolidated as the Memorandum of Association of the Foundation provides that it cannot pay, or transfer directly or indirectly from its income and property to the member in the form of dividend, bonus, or by way of profit, except for payments made in good faith for the return of goods and services. Furthermore, the Memorandum provides that in the event of winding up of the Foundation, the remains after the satisfaction of all its debts and liabilities shall not be paid to or distributed to the member of the Foundation. Approval from the Commissioner of Charities is required if the member were to amend the clauses in the Memorandum of Association. Consequently, the Group does not have control over the assets and reserve of the Foundation.

<u>Notes</u>

(1) Voluntary liquation during the year [Note 23].

(2) Newly incorporated in 2011.

11 ASSOCIATES

	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
Unquoted equity shares, at cost	60,743	60,743	34,828	34,828
Excess of nominal value over the fair value of the advance (Note 15)	4,068	4,068	4,068	4,068
Share of post-acquisition accumulated losses, net of dividend received	(11,556)	(13,065)	-	-
Less: Impairment losses	-	-	(104)	(104)
Net	53,255	51,746	38,792	38,792

The following is an analysis of allowance for impairment loss:

	Co-operative 2011 $'000	Co-operative 2010 $'000
At beginning of the year	104	1,629
Write back of impairment	-	(1,324)
Allowance written off during the year	-	(201)
At end of the year	104	104

11 ASSOCIATES (Cont'd)

Details of the associates as at March 31, 2011 are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held 2011 %	2010 %	Principal activities
NTUC Link Pte Ltd [(1)]	Singapore	24.8	24.8	Operator of loyalty program
NTUC Media Co-operative Ltd [(3)]	Singapore	26.0	26.0	Radio station operator
One Marina Property Services Pte Ltd [(2)]	Singapore	20.0	20.0	Provision of facility management, project management, marketing and leasing services
NTUC Foodfare Co-operative Ltd [(2)]	Singapore	50.0	50.0	Managing of food outlets
SG Domain Pte Ltd [(5)]	Singapore	20.0	20.0	Investment holding
Subsidiary of NTUC Foodfare Co-operative Ltd				
Foodfare Catering Pte Ltd [(2)]	Singapore	35.0	35.0	Provision of cooked food to army camp
Associates of NewFront Investments Pte Ltd				
NTUC Co-operatives Suzhou Investments Pte Ltd [(2)]	Singapore	26.6	26.6	Investment holding
Nextmall (Cayman Islands) Holdings Corporation [(4)]	Cayman Islands	33.7	33.7	Hypermarket retailing
Quayline Fairprice Sdn Bhd [(4)]	Malaysia	40.0	40.0	Supermarket retailing

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by KPMG LLP, Singapore.

(3) Audited by Pricewaterhousecoopers LLP, Singapore.

(4) Company is under members' voluntary liquidation.

(5) In the previous financial year, Co-operative entered into a joint bid involving Singapore Press Holdings ("SPH") and NTUC Income Insurance Co-operative ("NTUC Income") to fit-out and manage a mall being developed in Clementi Town Centre by the Housing & Development Board. The Co-operative has 20% share in the project via an investment of $30 million in SG Domain Pte Ltd.

The financial statements of SG Domain Pte Ltd are made up to August 31, each year. For the purpose of applying the equity method of accounting, the management accounts of SG Domain Pte Ltd for the period ended March 31, 2011 have been used with appropriate adjustments made by management after taking into consideration the audit adjustments made for the financial year ended August 31, 2010 and significant transactions between August 31, 2010 and March 31, 2011.

11 ASSOCIATES (Cont'd)

Summarised financial information in respect of the Group's associates are as follows:

	2011 $'000	2010 $'000
Total assets	717,553	390,774
Total liabilities	(483,234)	(189,049)
Net assets	234,319	201,725
Group's share of associates' net assets	53,255	51,746
Revenue	98,955	55,482
Profit for the year	2,931	8,539
Group's share of associates' profit for the year	1,829	3,506

The Group's share of results of certain associates has been recognised to the extent of the carrying amount of the investments as there is no obligation to contribute to any losses in excess of the amount of investment. The accumulated unrecognised share of losses amounted to approximately $231,000 (2010 : $231,000).

12 JOINTLY CONTROLLED ENTITY

(a) Jointly controlled entity

	Group 2011 $'000	Group 2010 $'000
Unquoted equity shares at cost	600	600
Share of post-acquisition accumulated losses	(600)	(600)
Net	-	-

Details of the jointly controlled entity as at March 31, 2011 are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held 2011 %	Proportion of ownership interest and voting power held 2010 %	Principal activities
Jointly controlled entity of NewFront Investments Pte Ltd				
FairVision Pte Ltd [1]	Singapore	30	30	Media advertising

[1] Audited by Pricewaterhousecoopers LLP, Singapore.

12 JOINTLY CONTROLLED ENTITY (Cont'd)

Summarised financial information in respect of the Group's jointly controlled entity is as follows:

	2011 $'000	2010 $'000
Total assets	76	177
Total liabilities	(466)	(537)
Net assets	(390)	(360)
Group's share of jointly controlled entity's net assets	-	-
Revenue	74	135
Loss for the year	(30)	(79)
Group's share of jointly controlled entity's loss for the year	-	-

(b) Jointly controlled asset

The Group and the Co-operative has a 30% interest in a jointly controlled asset, AMK Hub, which is constituted by a joint venture agreement dated August 24, 2004 between NTUC Income Insurance Co-operative Limited (NTUC Income), the Co-operative and SLF AMK Pte Ltd (SLF AMK). AMK Hub is not a separately incorporated legal entity.

Under the above joint venture agreement, NTUC Income, the Co-operative and SLF AMK acquired a leasehold interest of 99 years less one day (the Leasehold Interest) on August 24, 2004 on a site in Ang Mo Kio and hold as tenants in common with 35%, 30% and 35% share in the Leasehold Interest respectively.

The following amounts relating to the jointly controlled assets are included in the Co-operative's and Group's financial statements.

	2011 $'000	2010 $'000
Current assets	4,120	4,409
Non-current assets	84,239	85,634
Current liabilities	(4,033)	(5,124)
Co-operative's share of jointly controlled asset's net assets	84,326	84,919
Income	14,913	14,055
Expenses	(6,176)	(5,524)
Co-operative's share of jointly controlled asset's profit for the year	8,737	8,531

13 INVESTMENTS

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Current portion:				
Quoted unit trust available-for-sale	46,106	19,747	46,106	19,747
Quoted equity available-for-sale	74,985	58,579	74,985	58,579
Quoted bonds available-for-sale	137,146	119,590	137,146	119,590
Total current portion	258,237	197,916	258,237	197,916

13 INVESTMENTS (Cont'd)

	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
Non-current portion:				
Quoted unit trust available-for-sale	321,991	308,659	231,512	223,474
Unquoted equity available-for-sale	107,052	85,826	93,333	85,826
Other investments	750	750	750	750
Total non-current portion	429,793	395,235	325,595	310,050
Total investments	688,030	593,151	583,832	507,966

The quoted investments are stated at fair value based on the quoted closing market prices on the last market day of the financial year.

For unquoted equity investments, management considers the share of net asset value of these investment companies to approximate their fair value.

Included in unquoted equity available-for-sale is an amount of $12,402,000 (2010 : $12,402,000) which are measured at cost less impairment loss of $104,000 (2010 : $104,000).

Other investments are stated at cost less impairment loss.

Investments in quoted bonds have effective interest rates at approximately 5.4% (2010 : 5.6%) per annum and have maturity dates ranging from May 2011 to June 2018 (2010 : May 2011 to June 2018). The investments are classified as current as management could liquidate these investments if required.

The following is an analysis of allowance for impairment loss:

	Group and Co-operative 2011 $'000	Group and Co-operative 2010 $'000
At beginning of the year	104	1,333
Write back of impairment to profit or loss	-	(848)
Allowance written off during the year	-	(381)
At end of the year	104	104

The Group's and the Co-operative's investments that are not denominated in the functional currencies of the respective entities are as follows:

	Group 2011 $'000	Group 2010 $'000	Co-operative 2011 $'000	Co-operative 2010 $'000
United States dollars	5,504	10,714	5,504	10,714
Hong Kong dollars	10,336	5,822	10,336	5,822
Malaysian ringgit	-	514	-	514
Sterling pound	2,015	2,014	2,015	2,014
Indonesian rupiah	1,760	586	1,760	586
Korean won	1,099	3,060	1,099	3,060
Philippine pesos	1,809	876	1,809	876

14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Furniture, fittings and renovation $'000	Plant and machinery $'000	Equipment and motor vehicles $'000	Computers $'000	Capital work-in progress $'000	Total $'000
Group									
Cost:									
At April 1, 2009	4,625	25,332	417,629	130,276	46,592	46,972	36,715	47	708,188
Additions	-	-	-	21,453	3,835	6,961	6,092	34	38,375
Disposals	-	-	(864)	(4,467)	(1,355)	(2,106)	(7,355)	-	(16,147)
At March 31, 2010	4,625	25,332	416,765	147,262	49,072	51,827	35,452	81	730,416
Additions	-	-	8,073	24,472	3,347	8,289	7,857	75	52,113
Disposals	-	-	-	(5,705)	(1,448)	(2,552)	(4,458)	-	(14,163)
Transfers	-	-	-	50	-	(50)	78	(78)	-
At March 31, 2011	4,625	25,332	424,838	166,079	50,971	57,514	38,929	78	768,366
Accumulated depreciation:									
At April 1, 2009	-	10,652	94,505	76,096	24,770	28,362	26,719	-	261,104
Depreciation expense	-	695	7,874	17,470	4,999	6,213	4,002	-	41,253
Disposals	-	-	(704)	(4,339)	(1,328)	(2,060)	(7,296)	-	(15,727)
At March 31, 2010	-	11,347	101,675	89,227	28,441	32,515	23,425	-	286,630
Depreciation expense	-	695	7,892	18,524	5,075	7,045	5,162	-	44,393
Disposals	-	-	-	(4,725)	(1,225)	(2,116)	(4,381)	-	(12,447)
Transfers	-	-	-	26	-	(26)	-	-	-
At March 31, 2011	-	12,042	109,567	103,052	32,291	37,418	24,206	-	318,576
Impairment:									
At April 1, 2009	-	-	2,242	1,275	141	483	64	-	4,205
Transfer	-	-	(289)	21	107	120	41	-	-
Reversal of impairment loss	-	-	(1,710)	-	-	-	-	-	(1,710)
Impairment loss	-	-	-	2,964	254	1,321	182	-	4,721
At March 31, 2010	-	-	243	4,260	502	1,924	287	-	7,216
Transfer	-	-	-	(232)	27	57	148	-	-
Reversal of impairment loss	-	-	(19)	-	-	-	(86)	-	(105)
Impairment loss	-	-	-	1,423	50	604	-	-	2,077
At March 31, 2011	-	-	224	5,451	579	2,585	349	-	9,188
Carrying amount:									
At March 31, 2011	4,625	13,290	315,047	57,576	18,101	17,511	14,374	78	440,602
At March 31, 2010	4,625	13,985	314,847	53,775	20,129	17,388	11,740	81	436,570

14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land $'000	Freehold buildings $'000	Leasehold land and buildings $'000	Furniture, fittings and renovation $'000	Plant and machinery $'000	Equipment and motor vehicles $'000	Computers $'000	Total $'000
Co-operative								
Cost:								
At April 1, 2009	4,625	25,332	345,611	122,272	21,027	45,026	29,649	593,542
Additions	-	-	-	20,415	2,333	6,681	5,582	35,011
Disposals	-	-	(160)	(4,199)	(414)	(2,036)	(5,172)	(11,981)
At March 31, 2010	4,625	25,332	345,451	138,488	22,946	49,671	30,059	616,572
Additions	-	-	8,050	22,122	2,481	7,320	6,608	46,581
Disposals	-	-	-	(5,123)	(1,082)	(2,480)	(3,817)	(12,502)
Transfers	-	-	-	50	-	(50)	-	-
At March 31, 2011	4,625	25,332	353,501	155,537	24,345	54,461	32,850	650,651
Accumulated depreciation:								
At April 1, 2009	-	10,652	75,271	71,609	13,282	27,071	21,294	219,179
Depreciation expense	-	695	6,544	16,165	2,202	5,955	3,209	34,770
Disposals	-	-	-	(4,176)	(406)	(2,005)	(5,158)	(11,745)
At March 31, 2010	-	11,347	81,815	83,598	15,078	31,021	19,345	242,204
Depreciation expense	-	695	6,624	16,848	2,292	6,598	4,503	37,560
Disposals	-	-	-	(4,271)	(878)	(2,054)	(3,768)	(10,971)
Transfers	-	-	-	26	-	(26)	-	-
At March 31, 2011	-	12,042	88,439	96,201	16,492	35,539	20,080	268,793
Impairment:								
At April 1, 2009	-	-	1,953	618	140	460	51	3,222
Impairment loss	-	-	(1,711)	2,609	254	1,322	182	2,656
At March 31, 2010	-	-	242	3,227	394	1,782	233	5,878
Reversal of impairment	-	-	(19)	-	-	-	-	(19)
Impairment loss	-	-	-	1,408	57	513	22	2,000
At March 31, 2011	-	-	223	4,635	451	2,295	255	7,859
Carrying amount:								
At March 31, 2011	4,625	13,290	264,839	54,701	7,402	16,627	12,515	373,999
At March 31, 2010	4,625	13,985	263,394	51,663	7,474	16,868	10,481	368,490

As disclosed in Note 3, the Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with their accounting policy. Where there is indication of impairment, the recoverable amounts of property, plant and equipment would be determined based on the higher of fair value less costs to sell and value-in-use calculations. The assessment led to the recognition of a net impairment loss of $1,972,000 (2010 : $3,011,000) and $1,981,000 (2010 : $2,656,000) that has been recognised in profit or loss of the Group and Co-operative respectively (Note 24). The write back of impairment losses represents the adjustment of certain leasehold properties to their recoverable amounts. The estimates of recoverable amount were based on value in use and determined using a discount rate of 10% (2010: 10%).

15 OTHER RECEIVABLES FROM AN ASSOCIATE

	Group and Co-operative	
	2011	2010
	$'000	$'000
Interest bearing advances [a]	59,897	1,625
Non-interest bearing advances – nominal value [b]	29,352	29,641
Less: Future finance charge	(3,211)	(3,980)
Net	86,038	27,286

[a] During the current financial year, the Co-operative has injected additional amount of $58,272,000 as advances to an associate. The interest bearing advances are unsecured, bear interest rate at 3% per annum (2010 : 3% per annum) and repayable in one lump sum in 5 years time from February 17, 2010.

[b] FRS 39 – Financial Instruments: Recognition and Measurement requires financial assets and liabilities to be initially measured at fair value. This has resulted in non-interest bearing advances to an associate amounting to $29,352,000 (2010 : $29,641,000) being carried at amortised cost of $26,141,000 (2010 : $25,661,000). The non-interest bearing advances are unsecured and repayable in one lump sum in 5 years time from February 17, 2010.

Other receivables from an associate are all denominated in Singapore dollars.

Future finance charge is represented by:

	Group and Co-operative	
	2011	2010
	$'000	$'000
Excess of nominal value over the fair value of advance at inception date (Note 11)	4,068	4,068
Notional interest income adjustment using amortised cost method	(857)	(88)
	3,211	3,980

16 TRADE PAYABLES

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Outside parties	404,729	365,632	378,417	346,614
Subsidiaries (Note 10)	-	-	3,146	3,236
	404,729	365,632	381,563	349,850

The average credit period on purchase of goods is 45 days (2010 : 45 days). Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

Significant trade payables that are not denominated in functional currency of the Group and Co-operative are as follows:

	Group and Co-operative	
	2011	2010
	$'000	$'000
United States dollars	4,324	3,019
Malaysian ringgit	30	20
Australian dollars	833	962
European euro	204	119
New Zealand dollars	-	28
Norwegian krone	-	93
Sterling pound	51	-

17 OTHER PAYABLES

	Group		Co-operative	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Accrued operating expenses (a)	75,885	74,197	73,674	72,253
Deposits received	8,675	9,052	8,514	8,968
Subsidiaries [Note 10 and (b)]	-	-	58,743	51,143
Patronage rebates and dividends payable	326	459	326	459
Salary payable	12,633	11,472	11,806	10,706
Gift vouchers payable	27,396	23,137	27,396	23,137
Other payables	17,513	19,562	16,723	18,945
Contributions to:				
– Central Co-operative Fund (c)	25	25	25	25
– Singapore Labour Foundation (d)	30,022	31,784	30,022	31,784
Total	172,475	169,688	227,229	217,420

(a) Included in the accrued operating expenses of the Group and the Co-operative for the previous financial year was an amount of $8,786,000 which relate to the Co-operative's accrual for the amount to be donated to NTUC Fairprice Foundation Limited as part of the pledge made by the Co-operative to donate $50 million as disclosed in Note 27(e)

(b) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

(c) In accordance with Section 71(2)(a) of the Co-operative Societies Act, Chapter 62, the Co-operative contributes 5% of the first $500,000 of its surplus resulting from the operations of the Co-operative to the Central Co-operative Fund and this amount is due to be paid out in next financial year.

(d) In accordance with Section 71(2)(b) of the Co-operative Societies Act, Chapter 62, the Co-operative has opted to contribute 20% of the surplus in excess of $500,000 from the operations of the Co-operative to the Singapore Labour Foundation ("SLF") and this amount is due to be paid out in next financial year.

Included in the balances above are the following:

	Group and Co-operative	
	2011	2010
	$'000	$'000
Contributions to Singapore Labour Foundation:		
- Current year	30,022	32,461
- Prior years	-	(677)
	30,022	31,784

(e) The Co-Operative has been informed by Central Co-operative Fund that the contribution to SLF should be computed taking into consideration a modification order issued by the Ministry of Community Development, Youth and Sports on capital gains. Therefore, a claim of $7.1 million was made by the Co-operative for overpayments of the contributions for the prior financial years. As the Co-operative has not been informed by SLF on the outcome of the claim, the $7.1 million claim was not recognised in the financial statements for the year ended March 31, 2011.

18 SHARE CAPITAL

	Group and Co-operative			
	2011	2010	2011	2010
	Number of ordinary shares		$'000	$'000
Authorised:				
Ordinary shares	220,000,000	220,000,000	220,000	220,000
Issued and paid up:				
At beginning of the year	179,798,001	179,495,132	179,798	179,495
Issue of shares at par for cash	3,253,558	1,616,693	3,254	1,617
Withdrawal of shares	(1,123,990)	(1,313,823)	(1,124)	(1,314)
At end of the year	181,927,569	179,798,002	181,928	179,798
The share capital is represented by:				
Share capital repayable on demand as liabilities (a)	181,827,569	179,698,002	181,828	179,698
Share capital classified as equity (b)	100,000	100,000	100	100
Total	181,927,569	179,798,002	181,928	179,798

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

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

(c) In accordance with By-laws 4.4.2, every member shall, unless otherwise disqualified under the Co-operative Societies Act, Chapter 62 or the By-laws, have the right to:

- (i) avail himself of all services of the Society;
- (ii) stand for election to office, subject to the provisions of the Act and the By-laws, where applicable;
- (iii) be co-opted to hold office in the Society, where applicable;
- (iv) participate and vote at general meetings; and
- (v) enjoy all other rights, privileges or benefits provided under the By-laws.

(d) The Co-operative has 2 classes of ordinary shares which carry no right to fixed income.

19 PROVISIONS

This relates to the provision for reinstatement cost for the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

Movements in the provision are as follows:

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
At April 1	18,330	16,787	17,524	16,080
Utilisation of provision	(311)	(12)	(209)	-
Provisions made during the year	5,877	1,555	5,703	1,444
At March 31	23,896	18,330	23,018	17,524

A provision for reinstatement cost is recognised when the Group and the Co-operative have a legal and constructive obligation to rectify wear and tear to leased premises under property lease agreements with external parties. The unexpired lease terms range from 0.08 to 5.33 years (2010 : 0.01 to 3.81 years). The provision is based on the best estimate of the expenditure with reference to past experience. It is expected that these costs will be incurred after one year from the balance sheet date. The provision is discounted using a current rate of 5% (2010 : 5%) that reflects the risks specific to the liability.

20 DEFERRED TAX LIABILITIES

Group

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation $'000	Provisions $'000	Total $'000
At April 1, 2009	2,636	(184)	2,452
Charge to profit or loss for the year	349	-	349
At March 31, 2010	2,985	(184)	2,801
Credit to profit or loss for the year (Note 26)	(462)	-	(462)
At March 31, 2011	2,523	(184)	2,339

No deferred tax asset has been recognised due to the unpredictability of future profit streams. The carryforward of the unutilised tax losses and capital allowances is available for carryforward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

21 OTHER RESERVES

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Fair value reserve	240,037	205,946	194,891	166,212
Foreign currency translation reserve (a)	(276)	(276)	-	-
Reserve fund (b)	64,739	64,739	64,739	64,739
Total	304,500	270,409	259,630	230,951

(a) Foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign associates.

(b) Pursuant to Section 70(3) of the Co-operative Societies Act, Chapter 62, the Co-operative shall pay into the Reserve Fund at least 20% of the profit before contributions and distributions arising from the operations of the Co-operative during the financial year, provided that when the Reserve Fund has reached an amount that is equal to 10% of its paid-up capital, such Co-operative shall transfer 5% of the profit before contributions and distributions to the Reserve Fund.

From 2009, pursuant to the Co-operative Societies (Amendment) Act 2010, Section 70 has been repealed, management has decided not to make any transfer to this Reserve Fund.

22 REVENUE

Revenue of the Group and the Co-operative represents invoiced value of goods sold. Transactions within the Group have been excluded in arriving at the revenue of the Group.

23 OTHER INCOME

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Rental income	46,628	42,758	45,794	42,579
Dividend income	24,154	21,225	19,707	16,966
Impairment reversed on:				
– unquoted shares in subsidiary	-	-	-	10,000
– other investment	-	750	-	750
– unquoted equity available-for-sale	-	98	-	98
– unquoted shares in associates	-	-	-	1,324
Interest income:				
– financial institution	237	705	237	705
– subsidiaries	-	-	588	733
– bonds	1,645	1,070	1,645	1,070
– associate	1,834	-	1,834	-
Recycling of gain from equity on disposal of investments classified as available-for-sale	1,099	8,932	1,099	8,932
Gain on dilution and liquidation of associates	-	330	-	-
Gain on liquidation of subsidiary [Note 10]	-	-	615	-
Advertising and promotion	9,433	4,326	7,296	2,867
Concessionary, commission and other service income	83,772	75,696	59,764	59,626
Discounts received	2,469	2,380	2,308	2,261
Job credits	943	11,526	720	10,097
Others	12,231	10,116	8,842	5,742
Total	184,445	179,912	150,449	163,750

24 OTHER OPERATING EXPENSES

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bad debt written off	6	-	6	-
Rental expense	83,854	74,198	69,545	63,854
Conservancy charges	16,094	11,042	15,075	10,838
Utilities	38,357	30,159	31,427	26,024
Repair, maintenance and supplies	22,470	20,312	17,468	16,520
Impairment in plant and equipment	1,972	3,011	1,981	2,656
Allowance for doubtful debts	24	62	24	62
(Gain) Loss on disposal of plant and equipment	471	94	265	(32)
Packing and delivery expenses	21,616	19,719	15,413	13,914
Donation to Foundation [Note 27(e)]	10,000	8,800	5,000	8,800
Marketing expenses	20,300	19,162	20,300	19,092
Allowance for doubtful receivable from subsidiary [Note 10]	-	-	1,460	1,418
Others	30,211	32,699	24,629	26,583
Total	245,375	219,258	202,593	189,729

25 FINANCE COSTS

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Distributions to members of the Co-operative [Note 18(a)] – first and final dividend	10,530	8,762	10,530	8,762

First and final dividend of 6% (2010 : 5%) was paid out to the members of the Co-operative in current year.

26 INCOME TAX EXPENSE

	Group	
	2011 $'000	2010 $'000
Current income tax:		
Current year	1,540	1,574
Overprovision in prior years	(94)	(553)
Tax recovered	-	(582)
Deferred taxation (Note 20):		
Current year	(462)	349
	984	788

Domestic income tax calculated at 17% (2010 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

26 INCOME TAX EXPENSE (Cont'd)

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2011 $'000	2010 $'000
Profit before income tax	118,845	131,099
Tax at the domestic income tax rate of 17% (2010 : 17%)	20,204	22,287
Overprovision in prior years	(94)	(553)
Tax effect of:		
Non-deductible expenses	325	421
Tax effect of share of results of associate	320	-
Exempt income [(1)]	(18,150)	(20,198)
Income not subject to tax	(303)	(1,227)
Current year tax losses not eligible to be carried forward	-	12
Effect of tax concessions (donation)	(1,232)	-
Others	(86)	46
	984	788

(1) Exempt income mainly pertains to the Co-operative's income. The income of any Co-operative Society registered under the Co-operative Societies Act, Cap 62 is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

27 COMMITMENTS

As at the end of the financial year, the Group and the Co-operative have the following outstanding commitments which have not been provided in the financial statements:

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
(a) Capital commitments:				
Purchase of property, plant and equipment approved by the directors - not contracted	61,390	66,230	60,133	63,000

(b) Commitments under non-cancellable operating lease payables are as follows:

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Within 1 year	81,643	77,004	75,605	67,311
After 1 year but within 5 years	103,786	72,706	97,482	57,807
After 5 years	23,563	24,217	-	-
	208,992	173,927	173,087	125,118

Operating lease payments represent rental payable by the Group and Co-operative for certain office and outlets premises. Leases are negotiated for an average term of 3 years and fixed for an average of 3 years.

27 COMMITMENTS (Cont'd)

(c) The Group rents out its leasehold properties in Singapore under operating leases. Property rental income earned during the year was $46,628,000 (2010 : $45,794,000). As at the balance sheet date, the Group and Co-operative have contracted with certain tenants under non-cancellable operating lease receivables as follows:

	Group		Co-operative	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Within 1 year	41,986	44,470	40,708	43,465
After 1 year but within 5 years	31,348	39,131	29,425	38,078
After 5 years	-	13	-	13
	73,334	83,614	70,133	81,556

Share of commitments under non-cancellable operating lease receivables of a jointly controlled asset is as follows:

	Group and Co-operative	
	2011 $'000	2010 $'000
Within 1 year	12,428	12,675
After 1 year but within 5 years	9,342	17,503
	21,770	30,178

(d) The notional value of outstanding forward foreign exchange contracts of the Group and the Co-operative amounted to $Nil (2010 : $877,000).

(e) The Group has pledged to donate $50 million to the Foundation by 2018. An amount of $8.8 million was accrued by the Co-operative in the previous financial year for contribution to Foundation [Note 17(a)]. The donation to the Foundation for the current financial year has been fully paid [Note 24].

28 PATRONAGE REBATES, DIRECTORS' HONORARIA AND DIVIDENDS

Subsequent to the balance sheet date, the directors proposed the following patronage rebates, directors' honoraria and dividends. The patronage rebates, directors' honoraria and dividends have not been provided for, subject to approval in the Annual General Meeting.

	Group and Co-operative	
	2011 $'000	2010 $'000
Patronage rebates	43,450	40,545
Directors' honoraria	354	356
First and final dividend of 6% (2010 : 6%)	10,875	10,778
	54,679	51,679

The proposed patronage rebates represent 4.5% (2010 : 4.5%) of the eligible purchases.

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