
FairPrice
Annual Report (Apr - Dec) 2013
Changing Times. Consistent Always.

jotter

#Thoughts to Share

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Much of the world has changed since we first opened our doors in Toa Payoh in 1973. Over the years, we have stayed connected and relevant to our customers by evolving to meet their changing needs while still remaining committed to our social mission. We are constantly discovering and innovating new ways of reaching out to customers who have journeyed alongside us, as we weathered the changing socio-economic climate that have affected our daily living in the past 40 years.

In a world that's constantly changing, it's good to know that some things stay the same. At FairPrice, we promise to provide quality products at best value and service from the heart.

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FairPrice

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@whatsupatfairprice
Thomson, Singapore

FairPrice

9,000+	280+	100,000+
FairPrice Staff	Stores	Facebook Fans

*Figures as of 31 Dec 2013

Following • view all

FairPrice
FairPrice finest
FairPrice Xtra
Cheers
FairPrice xpress
FairPrice Online

Finanical Highlights. (Refer to page 14)

FairPrice Foundation's Do Good Initiative. (Refer to page 19)

A Quick Look at Our Profile

Our Social Mission

To moderate the cost of living in Singapore

Our Core Values

- Customer focus
- Teamwork
- Professionalism

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 to serve the needs of our members, the Labour Movement and the community.

FairPrice In the Spotlight

FairPrice

To commemorate FairPrice Foundation's fifth anniversary, the Do Good initiative was launched to empower youths to perform acts of kindness.

Our Vision

To be Singapore's leading world-class retailer with a heart

Find out more about our social mission here. →

Changing Times. Consistent Always.

FairPrice celebrated our 40th anniversary in 2013. Beyond the celebrations, it was an important occasion for us to remember the tenacity and determination of our founding pioneers. It was also an opportune moment to acknowledge the continued strong support received from our stakeholders - the Labour Movement, our business partners, our members and our customers.

The theme of this report, "Changing Times. Consistent Always", captures aptly the steadfast spirit of our unwavering commitment to our social mission established 40 years ago. At the same time, it depicts our resolve to innovate and yet, remain relevant in serving the needs of our customers.

Today, FairPrice operates a network of 281 stores island-wide, comprising 120 supermarkets and hypermarkets, and 161 convenience stores serving over 500,000 customers daily.

Looking ahead, FairPrice aims to open at least five more supermarkets, including its seventh FairPrice Xtra hypermarket at the Singapore Sports Hub, and 20 more convenience stores in 2014.

As we continue to grow and evolve to meet the changing needs of our customers, we remain resolute in our commitment to provide quality products at best value and service from the heart. Above all, we are committed to moderate costs of living for all Singaporeans and customers.

Value Created. Benefits Shared.

Last year, FairPrice changed our financial year to end on 31 December, so as to align the practice with that of other NTUC social enterprises. For the first year of change, the financial period will cover nine months from April to December 2013. Thereafter, each financial year will span 12 months from January to December.

In the financial year April to December 2013, we continued to perform strongly.

For this nine-month financial period, total group revenue amounted to S$2.2 billion, while group profit from operations before finance costs and rebates reached S$143 million. The higher investment income during the period helped to offset the lower retail profit due to higher operating expenses.

After contributions to the Central Co-operative Fund and Singapore Labour Foundation, the group's total net profit was S$45.1 million.

The Board has also proposed a special patronage rebate of 0.5% in addition to the usual 4%, totalling S$39.6 million. A dividend of 5% was also proposed, amounting to S$9.3 million. This dividend of 5% is equivalent to 6.67% in a normal 12-month financial year. In addition, members and Link cardholders also received S$19.3 million in LinkPoints in the financial year April to December 2013. The total payout to our members and Link cardholders will be S$68.2 million. And to reward seniors for shopping with us, our Seniors' Discount Scheme helped our senior customers save a total of S$2.1 million.

Price Stability. Supply Consistency.

Singapore imports over 90% of our food; to ensure price and supply stability, especially daily essentials, we adopt various strategies such as diversified sourcing from over 70 countries, contract farming with local and regional farms and stockpiling, where we continue to maintain a stockpile of at least three months of rice supply.

Last year, the trans-boundary haze from the region affected us on an unprecedented scale. Face masks, especially the N95 masks, which are rarely stocked in supermarkets, were in high demand and as a result, created a critical shortage. This led to erratic pricing and gross profiteering by some unscrupulous vendors. As a responsible retailer, we took it upon ourselves to proactively source and make available face masks across all our stores; our efforts not only helped to curb profiteering, it set benchmark prices across the board for face masks in the market.

Digital Innovation. Customers' Convenience.

We continue to tap on technologies to interact with our customers and serve them better. Last year, we launched our very own Internet Protocol television channel, food for life tv, to connect with customers through multiple touch points in real time, at all times.

Our Facebook page also crossed the 100,000 fans mark and our My FairPrice + app was further enhanced to include Android smartphone users.

We introduced contactless payment to facilitate customers' ease in checking out their purchases faster. This was soon followed by another retail technology, SCAN2GO, which we piloted at our FairPrice Finest store in Bukit Timah. We are the first supermarket chain in Singapore to employ this self-scanning technology, which allows customers to self-scan their items, track their purchases in real time, and make payment for their purchases quickly. In the back end, SCAN2GO will enhance operational efficiency and help to further shift our operational approach to one that is more service-oriented.

For putting customers first in all that we do, we were honoured to receive the highest customer satisfaction ratings, with a score above the national average, for the Customer Satisfaction Index of Singapore. We also successfully extended our Service Class (S-Class) certification from SPRING Singapore for another three years.

Recently, FairPrice was named as the most valuable retail brand in Southeast Asia by Interbrand. This achievement is an accolade that recognises brands which provide high-quality products, good value, exceptional service standards, and a strong customer-centric approach.

Doing Good. Making a Difference.

FairPrice is distinguished by our unwavering commitment to do good for the community. At our 40th anniversary celebration, FairPrice disbursed S$40 million to our members, the Labour Movement, the community and our people last year.

We also continue to organise various activities and involve the community in helping the less fortunate. For example, we held our first family walkathon, FairPrice Walks With U, which encouraged family bonding and healthy living, and at the same time, distributed S$1 million worth of food vouchers from FairPrice Foundation to benefit low-income families.

In partnership with Community Chest, FairPrice Foundation also launched the FairPrice Foundation-ComChest Enriching Lives Fund and committed to donate S$2.4 million over

three years, to provide special training assistance to people with special needs from low-income families.

Going beyond philanthropy, FairPrice Foundation also launched the inaugural Do Good campaign, an initiative aimed at inspiring youths to pledge good deeds, and empower them with the belief that small deeds of kindness can make a difference. We are heartened that the youths of Singapore responded positively and made over 60,000 pledges to do good from this campaign.

Our FairPrice Share-A-Textbook project, into its 31st year last year, saw the alliance of efforts with ExxonMobil. FairPrice Xpress stores located at Esso Service Stations became additional collection points for the public to donate used school textbooks. A record 385,000 textbooks were collected and distributed to students.

We continue to encourage volunteerism among FairPrice employees with the Volunteers Programme, as we believe giving back in time and effort is just as important. We are pleased that our staff responded enthusiastically, organising over 70 different volunteer activities and clocking over 2,300 volunteer hours.

We will continue to do our part to build a sustainable environment by implementing various eco-friendly measures in our operations. We were named the pioneer partner for the BCA Green Mark Portfolio Programme, a national initiative aimed at promoting green practices, where we commit to achieve Green Mark certifications for at least 20 stores.

Awards Received. Accolades Achieved.

We continued to grow our brand last year, other than coming out tops as Southeast Asia's most valuable retail brand in the Interbrand report. In terms of brand equity, FairPrice came in first place among local brands, and fourth among top brands in Asia Pacific in Campaign Asia-Pacific's 2013 Asia's Top 1000 Brands report. We were also voted by Generation Y shoppers as the top brand in the category of beverages and confectionery in Brand Alliance Group's Influential Brands.

For our community efforts and commitment to CSR, we received several reputable awards and recognition from various entities such as the Singapore Retailers Association, the International Singapore Compact (CSR Summit 2013) and the People's Association. As further testament to our dedication in making FairPrice a Wonderful Workplace, the Association for Persons with Special Needs awarded us with the Outstanding Employer Appreciation Award, rounding off the touchstones in this memorable year.

Staying Focused. Remaining Relevant.

As we look back with pride on our achievements, we also look ahead with equal excitement and anticipation on the initiatives in place.

To invest for the next 20 years and cope with future demands and requirements, as well as to enhance our competitiveness, FairPrice is building a new 16-storey facility, FairPrice Hub. The Topping-Out Ceremony of the premises was held early this year and the Hub will include our new headquarters, a high-tech distribution centre and 130,000 square feet of commercial space.

The distribution centre will feature a highly automated system that combines the Automated Storage and Retrieval System together with the Caddy Pick system. This system uses robotic technology and autonomous vehicles mounted on a monorail system for warehousing operations. It is the first of its kind in the Asia-Pacific region, and is 25% faster than our current distribution centre, handling up to 10,000 cartons per hour.

FairPrice Hub will also serve as the new home to over 700 staff currently located at five different places – Rochor Road, Mountbatten Road, Aljunied Road, Thomson and Upper Thomson Road.

FairPrice Hub will be integrated with a bus interchange and an MRT station, making it easily accessible.

Walking Together. Moving Forward.

We would like to express our gratitude to the many well-wishers who have journeyed alongside us through the years. Our appreciation goes to our past and present Board of Directors for their dedication and guidance. We would also like to thank our staff and management for their commitment, hard work and dedication shown over the years. We thank NTUC for their unstinting support.

Most notably, we would like to thank the people who walk through the doors at our stores every day: the customers and members of FairPrice. We are grateful for your unwavering support and encouragement over the past four decades, and we promise to continue serving you as a retailer with a heart.

Mr Ng Ser Miang
Chairman

Mr Tan Kian Chew
Group Chief Executive Officer

socialjournal Pictures of Success

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FairPrice Awards & Initiative

May Day Model Partnership Awards 2013

- Outstanding performance towards a more productive, capable and flexible workforce (Institutional Category)

Campaign Asia-Pacific's 2013 Asia's Top 1000 Brands

- Ranked 1st among local brands and 4th among international brands

We Welcome Families Awards 2013

- Excellence Award for FairPrice Xtra at Changi Business Park and Nex
- Champion Award (Team)
- Champion Award (Individual)

People's Association Community Spirit Awards 2013

- Excellence Award - Outstanding contributions to the community

International Singapore Compact CSR Summit 2013

- Best Community Developer

Do Good Initiative

- FairPrice takes the lead to mobilise the community to do good and the campaign garnered more than 60,000 pledges from the community.

socialjournal Pictures of Success

Updates Account More

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FairPrice Awards & Initiative

National Excellent Service Awards 2013

- Most number of awards with 265 staff receiving awards under the retail category

Singapore Retailers Association Awards 2013

- Best Efforts in CSR

Association for Persons with Special Needs

- Outstanding Employer Appreciation Award

Retail Asia-Pacific Top 500 2013

- Gold Award

Brand Alliance Group for Influential Brands

- Ranked 1st by Generation Y shoppers in 'Beverages and Confectionery' category

Singapore Workforce Development Agency

- Service Excellence Workforce Skills Qualification Recognition Award

Finder+ A Status Update on Our Earnings

For the financial period from April 1, 2013 to December 31, 2013

	GROUP		CO-OPERATIVE	
	April 1, 2013 to December 31, 2013 (9 months) $'000	April 1, 2012 to March 31, 2013 (12 months) $'000	April 1, 2013 to December 31, 2013 (9 months) $'000	April 1, 2012 to March 31, 2013 (12 months) $'000
Revenue	2,265,864	2,845,695	2,120,151	2,651,971
Operating profit	82,320	125,560	69,865	111,868
Share of (loss)/profit of associates	(13,055)	15,560	-	-
Profit before taxation	69,265	141,120	69,865	111,868
Taxation	(318)	(2,063)	-	-
Profit before contributions	68,947	139,057	69,865	111,868
Net profit margin	3.04%	4.89%	3.30%	4.22%
Return on net assets employed (Note 1)	3.37%	8.24%	4.21%	7.68%
Net tangible assets per share (Note 2)	$8.20	$8.29	$6.87	$6.92
Dividend declared	-	-	5%	5%
Special dividend	-	-	-	2.5%
Patronage rebate	-	-	4.5%	4.5%

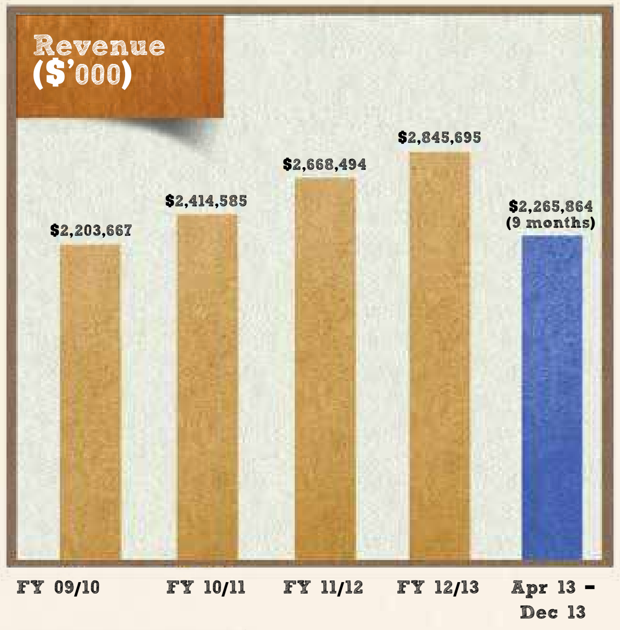
Note:

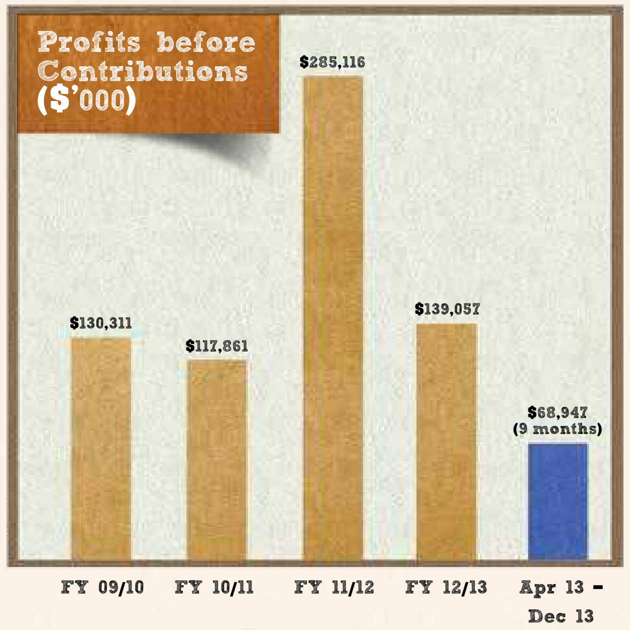
1) Return on net assets is computed based on net profit after contribution to Central Co-operative Fund (CCF) and Singapore Labour Foundation (SLF). Net assets used in computation exclude share capital repayable on demand.

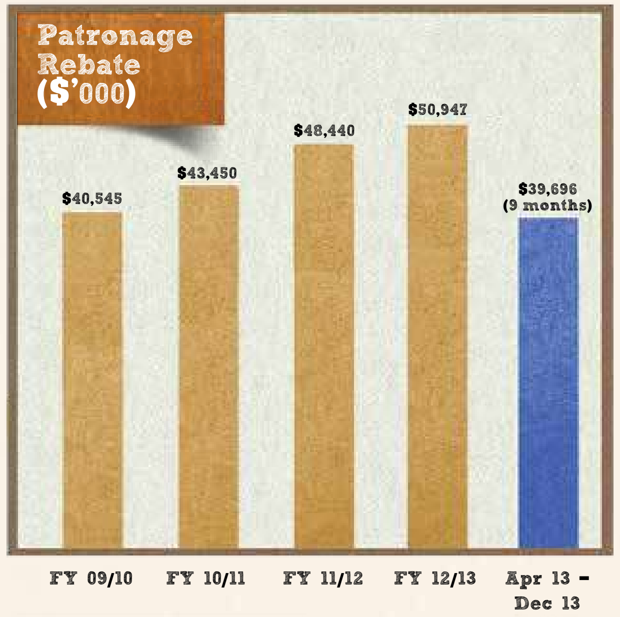
2) Net Tangible Assets (NTA) per share is computed based on share capital including share capital repayable on demand.

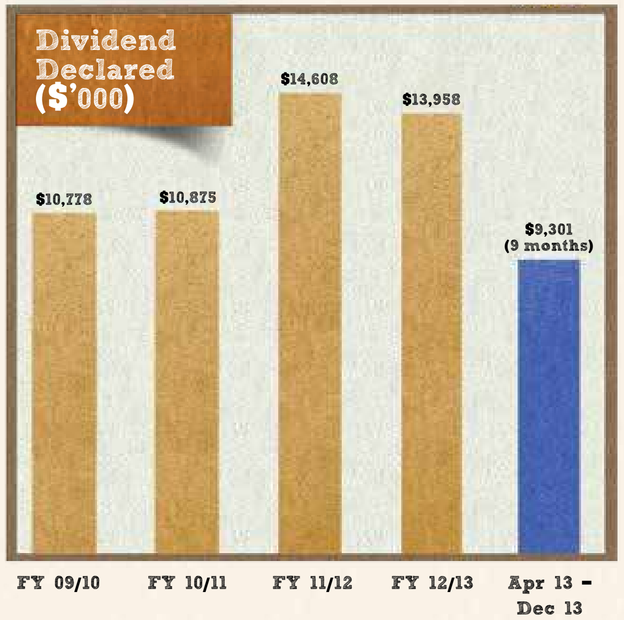
3) The Co-operative changed its financial yearend from March 31 to December 31. The financial period ended December 31, 2013 covers 9 months from April 1, 2013 to December 31, 2013 and the financial year ended March 31, 2013 covers 12 months from April 1, 2012 to March 31, 2013.

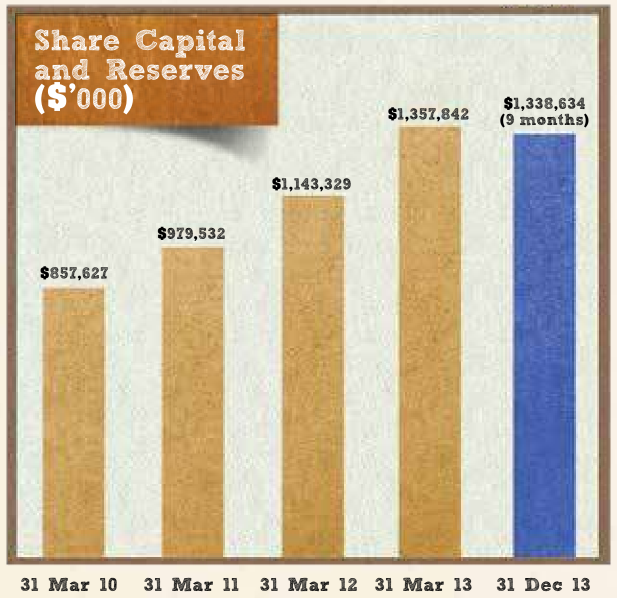
FIGURES FROM THE GROUP (LAST 5 YEARS)

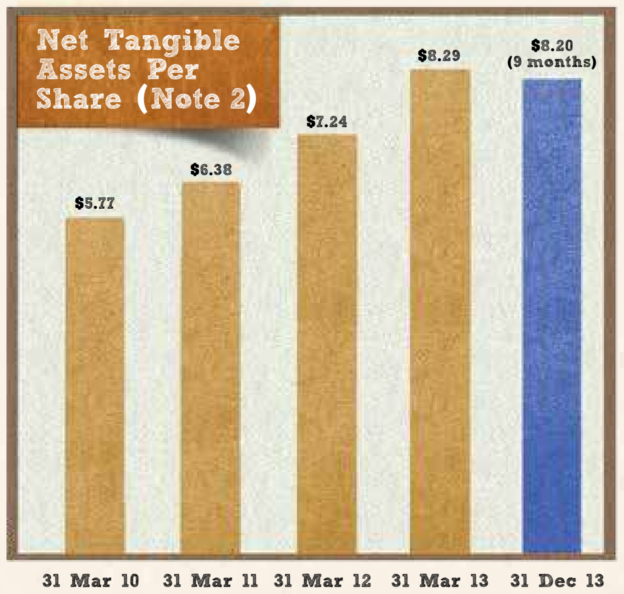












View box

Seeing Our Values in Action

CSR - Responsible Retailing

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FairPrice CSR

LOVE

2,056,687

Over the years, FairPrice has remained true to its social mission through various initiatives to moderate the cost of living. While this social mission has retained its fundamental focus, FairPrice also recognises that there are other important areas in the community and society where it can contribute.

To consolidate and drive its Corporate Social Responsibility (CSR) efforts in a more strategic manner, FairPrice set up a high-level CSR Committee in 2010, comprising members of senior management across key departments. It develops strategic directions, sets specific targets and charts progress while reporting to the CSR Committee at Board level, which ensures FairPrice's holistic approach towards CSR.

Spearheaded by the CSR Committee, a CSR framework was developed to focus on four main pillars: Responsible Retailing, Community Care, Sustainable Environment, and Wonderful Workplace.

Find out more about our CSR efforts here. →

SME Suppliers Support & Development Programme

The programme was first introduced in 2009 to help local SME suppliers cope with business challenges caused by the global financial crisis during that time. It supported FairPrice's SME suppliers by easing their cash flow pressure, managing rising business costs, enhancing their capabilities, and promoting their locally made products. Through the programme, more than 230 SME suppliers saved over S$1 million in discounts on product listing and processing fees as of October 2013.

Food safety

Food safety and quality is of paramount importance to FairPrice. Since 2003, it has consistently achieved the Agri-Food & Veterinary Authority of Singapore (AVA) Food Safety Partner Award for its commendable efforts in food safety assurance programmes, and food safety education for consumers. FairPrice was also commended with the AVA Food Safety Award in 2013. In addition, its Food Safety Management system complies strictly with international standards, such as ISO 22000 and ISO 9001.

Healthy foods

Healthier food choices are promoted for the well-being of customers through the provision of nutritional labels, such as our own Housebrand products, of which over 70 are marked with the 'Healthier Choice' logo. FairPrice also re-formulated Housebrand products to eliminate trans fats, in addition to introducing a wide range of organic products. Currently, about 200 Housebrand products are trans fat-free.

View box

Seeing Our Values in Action

CSR - Sustainable Environment

Earth Day

To support Earth Day, FairPrice Cares! Campaign returned for the fourth year, encouraging customers to save plastic bags by bringing their own bags when they shop at FairPrice. Within two weeks, the campaign met its target of 300,000 plastic bags saved, using in-store messages and social media to raise awareness on the importance of protecting the environment. FairPrice also has its own on-going Bring Your Own Bag staff initiative to walk the talk.

BCA Green Mark Portfolio Programme

FairPrice is a pioneer partner in the Green Mark Portfolio Programme, launched by the Building & Construction Authority. It aims to achieve Green Mark certification for a minimum of 20 stores, with at least a Green Mark Gold rating for half of them, in the next three years.

FairPrice Green Rewards Scheme

FairPrice is the first and only retailer to offer a rebate for customers who help to save plastic bags. Since 2007, customers who bring their own bags are rewarded with green rebates. Their active participation has enabled FairPrice to save over 8 million plastic bags in 2013 alone. To further encourage customers to save plastic bags, FairPrice has also opened dedicated BYOB check-out lanes in selected stores, which only serve customers who have their own bags or do not need a plastic bag.

CSR - Wonderful Workplace

Learning and development

FairPrice offers various types of skills training and staff development initiatives to ensure that employees are well equipped to do their jobs, and develop their full potential as retail professionals. Its dedicated training facility, FairPrice Training Institute, provides competency training at different levels, and is an accredited training centre for key units of the Workforce Skills Qualification in retail operations. Besides classroom training, FairPrice employees are also given opportunities to attend overseas training as well as overseas study trips. Staff who wish to upgrade their skills through further studies are eligible for FairPrice subsidies or sponsorships. Staff may also opt for a transfer or rotation between departments to experience different areas of the retail business.

Care and concern

Staff financial support is provided through schemes such as the Hardship Grant and the Study Grant, for children of staff in need. Other types of staff support include helplines for employees who require counselling, salary advance, death grants, gratuity and occasional special payments in the form of special vouchers or welfare gifts to help them cope with rising costs of living. Festive gestures such as Chinese New Year red packets and oranges, or congratulatory gifts for marriage and childbirths are also extended.

Rewards and recognition

FairPrice has structured policies for staff remuneration and rewards, including salary structure, job-related allowances, variable payments, and corporate and performance bonuses. Individual achievements are also recognised with the Model Employee Award, Service Champion, Excellence Service Award, May Day Award and overseas study trips. Initiatives such as the Contribution Sharing Incentive, the Service Star Award and the Christmas Inter-Branch Competition encourage and reward outstanding team efforts.

View box | Seeing Our Values in Action

CSR - Community Care

0:18/2:00

2,056,687

Do Good

LOVE

To mark its fifth anniversary, FairPrice Foundation launched its first public education initiative, Do Good, in March 2013. With the theme, "Small Deeds, Big Differences", the campaign aimed to inspire youths and the wider community to do good, and understand that small deeds can make a difference.

Using an interactive Facebook application (www.facebook.com/DoGoodSG) and microsite (www.dogood.sg), Do Good garnered more than 60,000 pledges for good deeds, with 67 schools participating in the Giving Store Challenge, a project where students ran their own initiatives on school grounds to encourage fellow students and teachers to pledge a good deed.

Watch our youths Do Good

Walk for Rice

For the past five years, FairPrice has partnered South East Community Development Council to encourage people to do their part for the less fortunate, such as participating in the FairPrice Walk for Rice. This initiative sees FairPrice Foundation committing to donate one bowl of rice for every 100 metres each member of the community walks, paving the way for 2.5 million bowls of rice that was donated to 7,000 low-income families in the South East District.

FairPrice Volunteers Programme

Recognising that giving time to the community is as important as giving donations, FairPrice launched the Volunteers Programme in 2012. The ground-up initiative aims to reach 2,300 volunteer hours per year by 2016. In 2013 alone, FairPrice staff volunteered 2,300 hours from 70 volunteer activities, including gardening, home visits, excursions and distributing food to the needy.

Share-A-Textbook

A record high of over 385,000 textbooks were collected and redistributed through FairPrice's Share-A-Textbook project in 2013. This signature initiative, which combines recycling with the aim of reducing textbook expenses for needy students, has been held annually and has saved over 36,000 trees.

Breadwinners - We Care, U Care

Breadwinners – We Care, U Care was launched in conjunction with the opening of FairPrice's sixth hypermarket at Jem on 6 August 2013. The campaign aimed to help breadwinners of low-income working families, with FairPrice Foundation pledging to donate S$9 to the NTUC-U Care Fund for every loaf of Housebrand bread sold over two weeks. In total, over 160,000 loaves were sold and FairPrice Foundation donated S$1.5 million.

Finder

Searching for Better Ways to Serve You

NETWORKS PICTURES ▾ PRODUCTS ADVANCED

DROP BY

VISIT STORES

FairPrice

FairPrice is truly one of Singapore's very own, with over 90 supermarkets island-wide ensuring greater accessibility and convenience for customers. It provides a range of daily essentials and household products, varying from fresh produce to traditional condiments, accompanied by unwavering service from the heart.

FairPrice finest

FairPrice Finest offers an international selection of fine foods not found in other FairPrice stores. With a wider assortment of quality products and value-added services, FairPrice Finest combines the heritage of a homegrown brand with a new shopping experience to bring the fine life closer to customers.

FairPrice Xtra

FairPrice Xtra hypermarkets are family shopping destinations with extra savings, extra variety and extra fun. Family-sized packages are available, allowing customers to enjoy greater savings as well as value-added services, such as free delivery for electronic goods.

Cheers

Cheers is a chain of 24-hour convenience stores, catering to customers from all walks of life. This diverse group includes students as well as young working professionals, who lead active and busy lifestyles.

FairPrice xpress

FairPrice Xpress began in 2006 as a collaboration between FairPrice and ExxonMobil. A first for the industry, its stores are almost twice the size of typical petrol marts. Customers can choose from a wider range of products, including fresh produce, enjoy greater value and 24-hour shopping convenience.

FairPrice Online

FairPrice Online is a virtual supermarket launched in 2002 that enables customers to shop anytime on the go or from the comfort of their homes. With just a few clicks, customers can have groceries delivered directly to their doorsteps. FairPrice members are also eligible for rebates when they shop online.

Visit FairPrice online at
www.fairprice.com.sg

GROUPS

CORPORATE INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2013

Board of Directors
Mr Ng Ser Miang (Chairman), Mr Hee Theng Fong, Ms Tan Hwee Bin, Mr John De Payva, Mr Willy Shee, Mr Wong Heng Tew, Ms Ng Shin Ein, Dr Chua Sin Bin, Mr Wahab Yusoff, Mr Tan Kian Huay, Mr Stephen Lim, Mr Bobby Chin, Mr Tan Suee Chieh and Ms Nora Kang

Nominating & Remuneration Committee
Mr Ng Ser Miang (Chairman), Mr Willy Shee, Mr Hee Theng Fong, Mr Tan Suee Chieh and Ms Rebecca Teo (Secretary)

Finance & Investment Committee
Ms Ng Shin Ein (Chairman), Mr Willy Shee, Mr Wong Heng Tew, Mr Tan Suee Chieh and Mr Lim Kok Guan (Secretary)

Corporate Social Responsibility Committee
Mr John De Payva (Chairman), Mr Wong Heng Tew, Ms Nora Kang and Mr Jonas Kor (Secretary)

Property Development Committee
Mr Tan Kian Huay (Chairman), Mr Willy Shee, Dr Chua Sin Bin, Ms Ng Shin Ein and Mr Dickson Yeo (Secretary)

Audit Committee
Ms Tan Hwee Bin (Chairman), Mr John De Payva, Mr Bobby Chin and Ms Cheah Yee Hooi (Secretary)

Risk Committee
Mr Hee Theng Fong (Chairman), Dr Chua Sin Bin, Mr Wahab Yusoff, Mr Tan Suee Chieh and Mr Lee Kin Seng (Secretary)

Information Technology Steering Committee
Mr Wahab Yusoff (Chairman), Mr Stephen Lim and Mr Bernard Chew (Secretary)

Advocates & Solicitors
KhattarWong, Allen & Gledhill, Bih Li & Lee and Sim & Wong LLC

Auditor
Deloitte & Touche LLP

Bankers
Development Bank of Singapore and Oversea-Chinese Banking Corporation

Secretariat and Corporate Office
Mr Poh Leong Sim, Group Secretary

Registered Address:
NTUC Fairprice Co-operative Ltd
680 Upper Thomson Rd Singapore 787103
Tel: 6456 0233 Fax: 6458 8975

98	6	17	24	135	280
FairPrice Supermarkets	FairPrice Xtra	FairPrice Finest	FairPrice Xpress	FairPrice Cheers	TOTAL

A Community with Shared Interests

Founder Member

	No. of shares of $ 1 each
National Trades Union Congress	100,000

Institutional Members

Ceylon-Tamils' Multi-Purpose Co-operative Limited	16,570
Citiport Credit Co-operative Limited	55,236
Customs Credit Co-operative Society (S) Limited	127,591
National University of Singapore Multi-Purpose Co-operative Society Ltd	25,100
NTUC Enterprise Co-operative Limited	56,334,577
NTUC First Campus Co-operative Limited	1,252,456
NTUC Income Insurance Co-operative Ltd	1,762,695
NTUC Media Co-operative Limited	159,720
NTUC Unity Healthcare Co-operative Limited	219,615
SATU Multi-Purpose Co-operative Society Ltd	226,270
Singapore Association of the Visually Handicapped	5,523
Singapore Mercantile Co-operative Society Ltd	199,543
Singapore Polytechnic Co-operative Ltd	108,010
Singapore Shell Employees' Union Co-operative Ltd	304,766
Singapore Statutory Boards Employees' Co-operative Thrift & Loan Society Ltd	19,586
SSE Multi-Purpose Co-operative Society Ltd	22,199
Tailors Association (Singapore)	31,944
Telecoms Credit Co-operative Limited	88,511
The Singapore Co-operative Housing & Agencies Society Ltd	20,262
The Singapore Government Staff Credit Co-operative Society Ltd	74,242
The Singapore Teachers Co-operative Society Ltd	55,236
Personal Members	124,816,440
Balance as at 31 Dec 2013	186,026,092

socialjournal

Sharing a Sense of Direction

Updates Account More

AT THE SUPERMARKET

OTHER ALBUMS ALL PHOTOS

Next

FairPrice

(From left) Board Members: Mr Tan Suee Chieh, Mr Tan Kian Huay, Mr Wahab Yusoff, Mr Wong Heng Tew, Mr Willy Shee, Mr Hee Theng Fong Chairman: Mr Ng Ser Miang

FairPrice

(From left) Board Members: Ms Tan Hwee Bin, Ms Ng Shin Ein, Mr John De Payva, Dr Chua Sin Bin, Mr Stephen Lim, Ms Nora Kang and Mr Bobby Chin socialjournal

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Friends (14)

Mr Ng Ser Miang, Chairman

Joined 2005

Besides serving as Chairman for both NTUC Fairprice Co-operative Ltd and TIBS International Pte Ltd, Mr Ng is a member of the International Olympic Committee, and was also the Chairman of the inaugural 2010 Youth Olympic Games. Mr Ng has received numerous awards, including the Rochdale Medal in 2013 and the Meritorious Service Medal (Pingat Jasa Gemilang) in 2010. Currently Singapore's Ambassador to the Kingdom of Norway, Mr Ng was also conferred the Order of Merit of the Republic of Hungary in 2012, for his outstanding contributions as Singapore Ambassador to Hungary.

Mr Hee Theng Fong, Board Member

Joined 2006

A law firm consultant, Mr Hee has been involved in many international arbitration and commercial litigation cases. He is also an independent Director of several publicly listed companies.

Ms Tan Hwee Bin, Board Member

Joined 2006

Ms Tan is the Executive Director of Wing Tai Holdings Limited, and Chairman of both NTUC Unity Healthcare Co-operative Ltd and NTUC Eldercare Co-operative Ltd. She also serves on the Boards of Directors for the Singapore Labour Foundation and Agency for Integrated Care Pte Ltd.

Mr Wong Heng Tew, Board Member

Joined 2008

Mr Wong is the Advisory Director for Temasek Holdings, where he formerly served as the Managing Director of Investments and Chief Representative in Vietnam. He is also a member of the Board of Directors of several companies, both listed and non-listed, including Olam International, Vietnam Growth Fund, Certis CISCO Security and Heliconia Capital Management.

Mr Willy Shee, Board Member

Joined 2008

Mr Shee is the Chairman, Asia of CBRE Pte Ltd. His current directorships in companies include Ascendas Pte Ltd, Bund Center Investments Ltd, Shanghai Golden Bund Real Estate Co. Ltd, Lafe (Emerald Hill) Development Pte Ltd, Sunway REIT Management Sdn Bhd, SLF Properties Pte Ltd, OMB Pte Ltd and Mercatus Co-operative Ltd.

Ms Ng Shin Ein, Board Member

Joined 2008

Ms Ng is the Managing Director of Blue Ocean Associates, a Pan Asian investment firm. She practised as a corporate lawyer at Messrs Lee & Lee for a number of years, and with the Singapore Exchange, developing Singapore's capital market and bringing in companies to list. She was a member of its IPO Approval Committee. She sits on the boards of Yanlord Land Group Limited, First Resources Limited and Eu Yan Sang International Limited, and is an adjunct research fellow with the National University of Singapore Business School.

Mr John De Payva, Board Member

Joined 2008

Mr De Payva served as the President of the Singapore National Trades Union Congress (NTUC) from 1997 to 2011, and is currently the President Emeritus of NTUC as well as the Secretary-General Emeritus of the Singapore Manual and Mercantile Workers' Union. He is also the Chair of the International Trade Union Confederation - Asia Pacific Regional Executive Bureau, among other appointments.

Dr Chua Sin Bin, Board Member

Joined 2009

Dr Chua is a Principal Consultant with AgriFood Technologies Pte Ltd of the Agri-Food & Veterinary Authority of Singapore, and an Adjunct Professor of the Food Science and Technology Programme at the National University of Singapore. In addition, he serves as Chairman of the Food Innovation & Resource Centre Advisory Panel of Singapore Polytechnic, and Advisor of the Food Advisory Committee of SPRING Singapore.

Mr Wahab Yusoff, Board Member

Joined 2010

Mr Wahab is Vice President and Managing Director of Intel Security (McAfee), South Asia. He is currently a Board Director of EZ-Link Pte Ltd and a Member of the Institutional Discipline Advisory Committee of Singapore Prison Service. He was previously a Board Member of the Association of Muslim Professionals, and a Board Director of the Land Transport Authority.

Mr Tan Kian Huay, Board Member

Joined 2011

With over 40 years of experience in the building and construction industry, including being the Managing Director of Obayashi Singapore Pte Ltd from 1989 to 2004, Mr Tan now serves on the boards of NTUC Choice Home Co-operative and Jurong Health Services.

Mr Stephen Lim, Board Member

Joined 2012

Mr Lim is the CEO and Managing Director of SQL View Pte Ltd. He is also Chairman of the Technology Committee of the Singapore Chinese Chamber of Commerce & Industry, and sits on the boards of ST Electronics (Info-Software Systems), ST Electronics (E-Services), ST Electronics (Enterprise 1), and SPRING Singapore. In addition, he serves on various committees, such as the National Internet Advisory Committee and the National Trust Council.

Mr Bobby Chin, Board Member

Joined 2013

Mr Chin is a member of the Council of Presidential Advisers, the Deputy Chairman of NTUC Enterprise, and a Board Member of the Singapore Labour Foundation. He also sits on the boards of a number of listed companies, including OCBC Bank, Singapore Telecommunications and Sembcorp Industries. Mr Chin was the former Managing Partner of KPMG, and former Chairman of both the Urban Redevelopment Authority and Tote Board. He is a Fellow Chartered Accountant of Singapore.

Mr Tan Suee Chieh, Board Member

Joined 2013

Mr Tan is the Group CEO of NTUC Enterprise, and serves on the boards of several NTUC social enterprises, as well as the Board of the International Co-operative & Mutual Insurance Federation (UK). He is also a Trustee of the Singapore LSE Trust.

Ms Nora Kang Kah Ai, Board Member

Joined 2013

As the President of DBS Staff Union, Ms Kang has been involved in union work since 1985. She is also currently a Branch Service Manager with DBS Bank Ltd, Chairman of NTUC Women Development Secretariat, the Vice-President of NTUC Central Committee, Vice Chairman of NTUC Financial and Business Services, Board Member of the Workforce Development Agency, Member of NTUC Industrial Relations and Membership Council, and the Honorary Treasurer of NTUC Club Management Council.

socialjournal Putting a Face to the Team Updates Account More

FairPrice (From left) Mr Foo Wei Young Director (Corporate Planning), Mr Peter Teo General Manager (Supermarket), Mr Lum Hon Fye Senior Director (Corporate Development) and General Manager (Hypermarket), Ms Lian Lay Yong Director (Business Groups Support), Mr Tng Ah Yiam Managing Director (Group Purchasing, Merchandising and International Trading), Mr Tan Kian Chew Group Chief Executive Officer, Mr Lim Kok Guan Group Chief Financial Officer, Mr Dickson Yeo Director (Supply Chain), Ms Christina Lim Director (Brand and Marketing), Mr Lee Kin Seng, Deputy General Manager (Warehouse Club), Mr Laurent Levan Director (International/Special Projects), Ms Cheah Yee Hooi Director (Group Internal Audit)

Tan Kian Chew (Group CEO)
Thanks for all your hard work and dedication as a team! ♥ 131

Tng Ah Yiam
Awesome group shot! ♥ 131

FairPrice (From left) Mr Victor Cheong General Manager (Cheers Holdings), Ms Chong Nyet Chin Director (Food Safety and Quality), Mr Jonas Kor Director (Corporate Communications), Ms Rebecca Teo Director (Human Resource), Mr Gerry Lee Managing Director (Business Groups), Mr Seah Kian Peng Chief Executive Officer (Singapore), Mr Poh Leong Sim Group Company Secretary and Director (Legal), Mr Bernard Chew Chief Information Officer, Mrs Mui-Kok Kah Wei Director (Purchasing and Merchandising), Mr Koh Kok Sin Director (Organisation Development and Administration), Mr Ken Ko Director (Purchasing Support), Mr Victor Chai Shaw Tyng Director (Fresh and Frozen)

Seah Kian Peng (CEO)
Cheers to our great team work and esprit de corps. ♥ 131

Gerry Lee
Finally! We got the team in one photo. ♥ 131

Pinning Up Our Best Moments

Pinboard

FAIRPRICE | 398 SUBSCRIBERS, 34 MEMOS

In celebration of its 40th anniversary, FairPrice contributed S$40 million to the Labour Movement, customers, employees and the community.

16 Apr 2013

During the haze crisis, FairPrice made face masks available at affordable prices to curb profiteering.

20 Jun 2013

FairPrice Cares! Campaign returned for its fourth year in support of Earth Day. In just two weeks, it reached its target of saving 300,000 plastic bags.

22 Apr 2013

The inaugural FairPrice Walks With U was held at Marina Barrage to promote family bonding and active living. To commemorate the event, FairPrice Foundation donated S$1 million worth of food vouchers to low-income families. More than 5,000 people participated in the walk.

29 Jun 2013

Beyond local shores, FairPrice partnered Saigon Union of Trading Co-operatives in a joint venture to launch the first hypermarket, Co.opXtra Plus, in Ho Chi Minh City.

17 May 2013

FairPrice Foundation partnered People's Association to donate over S$700,000 worth of supplies, which were then packaged into WeCare Packs and distributed to less privileged households, to ensure that they have essential food and medical supplies in times of crisis.

6 Jul 2013

To raise awareness of childhood cancer, FairPrice encouraged customers to take part in Hair for Hope by shaving their heads at FairPrice Xtra @ Nex. 74 employees participated in the effort by shaving their heads to show their support.

12 Jun 2013

Visa payWave was launched across all FairPrice stores, allowing customers to check-out faster and increase cashier productivity.

11 Jul 2013

Pinning Up Our Best Moments

Pinboard

FAIRPRICE | 398 SUBSCRIBERS, 34 MEMOS

The FairPrice Foundation-ComChest Enriching Lives Fund was launched by FairPrice Foundation on Community Chest Orange Day. Through this initiative, FairPrice Foundation has committed to donate S$2.4 million to Community Chest over a period of three years.

13 Jul 2013

FairPrice celebrated its Founders' Day at the first FairPrice store in Toa Payoh. New staff uniforms were unveiled.

26 Jul 2013

At the official launch of the sixth hypermarket, FairPrice Xtra @ Jem, FairPrice Foundation committed to donate S$1.5 million to the NTUC-U Care Fund, through the Breadwinners – We Care, U Care campaign.

6 Aug 2013

FairPrice Foundation and North East CDC teamed up to raise S$100,000 for the elderly in need through the initiative, "Wish Upon A Silver Star".

30 Aug - 8 Dec 2013

A charity initiative to help children from low-income families was launched by Cheers and FairPrice Foundation, where S$30,000 was donated to The Straits Times School Pocket Money Fund.

31 Aug 2013

FairPrice joined the Building & Construction Authority's Green Mark Portfolio Programme as a pioneer partner.

6 Sep 2013

FairPrice launched its very own food channel, food for life tv, featuring food and cookery content that is internationally sourced and locally produced.

19 Sep 2013

FairPrice committed to support South East CDC for three more years through the FairPrice Walk for Rice, which will see 500,000 bowls of rice donated annually.

29 Sep 2013

Pinning Up Our Best Moments

Pinboard

FAIRPRICE | 398 SUBSCRIBERS, 34 MEMOS

POST IT

At the re-opening of FairPrice @ Bukit Merah, S$1 million was donated by FairPrice Foundation to provide vans for voluntary welfare organisations.

1 Oct 2013

40 trees were planted at Bishan-Ang Mo Kio Park to jointly commemorate FairPrice's 40th anniversary, and support 50 Years of Greening Singapore by the National Parks Board.

16 Nov 2013

FairPrice extended the SME Suppliers Support & Development Programme for another year and brought back the Made in Singapore Fair, which promotes local products. This initiative helped SME suppliers to save S$600,000 through discounts on product listing and processing fees.

17 Oct 2013

For the 13th year running, FairPrice provided support to the Boys' Brigade Share-A-Gift project, by donating S$50,000 and extending 12 stores as donation centres. Donations could also be made through FairPrice Online.

20 Nov - 31 Dec 2013

POST IT

The shopping app My FairPrice + was made available on Android.

8 Nov 2013

POST IT

FairPrice Foundation wrapped up its Do Good initiative, themed "Small Deeds, Big Differences", chalking up a total of more than 60,000 pledges.

23 Nov 2013

For its annual Share-A-Textbook project, FairPrice collaborated with ExxonMobil to expand collection points for pre-owned textbooks. 385,000 textbooks were collected, a record high for the 31-year-old project.

14 Nov - 14 Dec 2013

Scan to read more about the events of our year. →

FirstThots

+ ADD TO LIST

Our special thanks to the special people who have contributed to this Annual Report.

FAVOURITE

On Cover:
Little Keean,
Mdm Ong Siw, from FairPrice Supermarket at East Point and
Ms Rachel Foo, from Corporate Communications

Mr Han Boon Huat, from FairPrice Supermarket at City Square

Ms Nurzahira Binte Mohamed Hanifah, from FairPrice Finest at Zhongshan Park

Ms Mageswari D/O Thambyrajoo, from FairPrice Xtra at AMK Hub

Ms Kester Diong, from FairPrice Xpress at Lorong Chuan

Ms Judy Tan, from Cheers at Changi Business Park

Mr Rufus Wong, from FairPrice Online

Purchasing and Merchandising Office, for sponsoring Housebrand items on cover

Our New Site for All Activities

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FINANCIAL STATEMENTS

CONTENTS

The directors present their report together with the audited financial statements of the Group and of the Co-operative for the financial period ended December 31, 2013.

The Co-operative changed its financial year end from March 31 to December 31 to align its financial year end with that of the ultimate holding entity. The financial period ended December 31, 2013 covers 9 months period from April 1, 2013 to December 31, 2013 and the financial year ended March 31, 2013 covers 12 months period from April 1, 2012 to March 31, 2013.

1. DIRECTORS

The directors of the Co-operative in office at the date of this report are:
Ng Ser Miang
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
Tan Kian Huay
Bobby Chin
Stephen Lim Beng Lin
Tan Suee Chieh (Appointed on September 23, 2013)
Nora Kang (Appointed on September 23, 2013)

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

Neither at the end of the financial period nor at any time during the financial period 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.

REPORT OF THE DIRECTORS

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Co-operative holding office at the end of the financial period who had 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 are as follows:

Name of directors and Co-operative/ companies in which interests are held	Shareholdings registered in the name of directors	
	At beginning of period or date of appointment, if later	**At end of period**
NTUC Fairprice Co-operative Limited		
Ng Ser Miang	20	20
John De Payva	62	62
Willy Shee Ping Yah	1,259	1,259
Wong Heng Tew	26	26
Chua Sin Bin	39	39
Wahab Yusoff	26	26
Tan Hwee Bin	5,000	5,000
Tan Kian Huay	26	26
Nora Kang (Appointed on September 23, 2013)	62	62
Tan Suee Chieh (Appointed on September 23, 2013)	20	20

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial period, 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 period, 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 period, 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 period, 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

Tan Hwee Bin

May 4, 2014

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 47 to 115 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 December 31, 2013, 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 period 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 receipts, expenditure, investment of moneys, acquisition and disposal of assets by the Co-operative during the financial period 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

Tan Hwee Bin

May 4, 2014

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 December 31, 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of profit or loss and other comprehensive income and statement of changes in equity of the Co-operative for the financial period from April 1, 2013 to December 31, 2013, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 115.

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 accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 profit or loss and other 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 December 31, 2013 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 period ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Co-operative during the period are, in all material respects, in accordance with the provisions of the Act; and

(b) the accounting and other records have been properly kept, including records of all assets of the Co-operative whether purchased, donated or otherwise.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

May 4, 2014

STATEMENTS OF FINANCIAL POSITION
December 31, 2013

	Note	GROUP December 31, 2013 $'000	GROUP March 31, 2013 $'000	CO-OPERATIVE December 31, 2013 $'000	CO-OPERATIVE March 31, 2013 $'000
ASSETS					
Current assets					
Cash and bank balances	6	289,118	293,869	263,655	268,854
Trade receivables	7	21,505	18,692	21,254	17,881
Inventories	8	212,082	164,287	199,405	154,866
Other receivables	9	37,752	38,334	37,958	35,233
Investments	12	580,494	528,014	580,494	528,014
Total current assets		1,140,951	1,043,196	1,102,766	1,004,848
Non-current assets					
Subsidiaries	10	-	-	58,869	57,586
Associates	11	76,117	90,637	52,520	57,092
Investments	12	355,756	391,263	249,804	272,478
Property, plant and equipment	13	552,440	426,302	453,993	334,916
Other receivables from associates	14	175,376	263,649	171,926	261,849
Total non-current assets		1,159,689	1,171,851	987,112	983,921
Total assets		2,300,640	2,215,047	2,089,878	1,988,769
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	15	518,562	449,083	493,415	418,593
Other payables	16	225,864	195,137	290,927	259,364
Share capital repayable on demand	17	185,926	186,000	185,926	186,000
Income tax payable		632	677	-	-
Total current liabilities		930,984	830,897	970,268	863,957
Non-current liabilities					
Provisions	18	28,335	23,660	27,255	22,498
Deferred tax liabilities	19	2,687	2,648	-	-
Total non-current liabilities		31,022	26,308	27,255	22,498
Capital and reserves					
Share capital	17	100	100	100	100
Retained earnings		1,130,959	1,021,089	935,805	825,017
Other reserves	20	207,575	336,653	156,450	277,197
Total equity		1,338,634	1,357,842	1,092,355	1,102,314
Total liabilities and equity		2,300,640	2,215,047	2,089,878	1,988,769

See accompanying notes to financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial Period from April 1, 2013 to December 31, 2013

	Note	GROUP April 1, 2013 to December 31, 2013 (9 months) $'000	GROUP April 1, 2012 to March 31, 2013 (12 months) $'000	CO-OPERATIVE April 1, 2013 to December 31, 2013 (9 months) $'000	CO-OPERATIVE April 1, 2012 to March 31, 2013 (12 months) $'000
Revenue	21	2,265,864	2,845,695	2,120,151	2,651,971
Inventories consumed		(1,773,216)	(2,251,021)	(1,693,111)	(2,137,173)
Other income	22	177,867	216,229	146,647	175,621
Staff and related costs		(227,324)	(283,622)	(186,230)	(232,226)
Depreciation expense	13	(42,193)	(47,624)	(37,400)	(40,945)
Other operating expenses	23	(257,923)	(294,229)	(219,437)	(245,512)
Profit from operations before finance costs and rebates		143,075	185,428	130,620	171,736
Patronage rebates		(47,518)	(45,762)	(47,518)	(45,762)
Writeback of rebates		174	135	174	135
Distributions to members	24	(13,411)	(14,241)	(13,411)	(14,241)
Share of (loss) profits of associates	11	(13,055)	15,560	-	-
Profit before income tax		69,265	141,120	69,865	111,868
Income tax expense	25	(318)	(2,063)	-	-
Profit before contributions		68,947	139,057	69,865	111,868
Contributions to:					
Central Co-operative Fund	16	(25)	(25)	(25)	(25)
Singapore Labour Foundation	16	(23,791)	(27,100)	(23,791)	(27,100)
Profit after contributions before other comprehensive income		45,131	111,932	46,049	84,743

See accompanying notes to financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
Financial Period from April 1, 2013 to December 31, 2013

	Note	GROUP April 1, 2013 to December 31, 2013 (9 months) $'000	GROUP April 1, 2012 to March 31, 2013 (12 months) $'000	CO-OPERATIVE April 1, 2013 to December 31, 2013 (9 months) $'000	CO-OPERATIVE April 1, 2012 to March 31, 2013 (12 months) $'000
Profit after contributions before other comprehensive income		45,131	111,932	46,049	84,743
Other comprehensive (loss) income:					
Items that may be reclassified subsequently to profit or loss					
Available-for-sale investments:					
(Loss) Gain arising during the period/year		(56,921)	109,602	(48,590)	95,229
Reclassification of gain from fair value reserve to profit or loss on disposal of available-for-sale investments		(7,418)	(7,021)	(7,418)	(7,021)
Other comprehensive (loss) income for the year, net of tax		(64,339)	102,581	(56,008)	88,208
Total comprehensive (loss) income for the year attributable to the owners of the Co-operative		(19,208)	214,513	(9,959)	172,951

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY
Financial Period from April 1, 2013 to December 31, 2013

	Note	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Reserve fund $'000	Retained earnings $'000	Total $'000
Group							
Balance at April 1, 2012		100	(276)	169,609	64,739	909,157	1,143,329
Total comprehensive income for the year							
Profit for the year		-	-	-	-	111,932	111,932
Other comprehensive income		-	-	102,581	-	-	102,581
Total		-	-	102,581	-	111,932	214,513
Balance at March 31, 2013		100	(276)	272,190	64,739	1,021,089	1,357,842
Total comprehensive loss for the period							
Profit for the period		-	-	-	-	45,131	45,131
Other comprehensive loss		-	-	(64,339)	-	-	(64,339)
Total		-	-	(64,339)	-	45,131	(19,208)
Transfer of reserve fund to retained earnings	20	-	-	-	(64,739)	64,739	-
Balance at December 31, 2013		100	(276)	207,851	-	1,130,959	1,338,634

	Note	Share capital $'000	Fair value reserve $'000	Reserve fund $'000	Retained earnings $'000	Total $'000
Co-operative						
Balance at April 1, 2012		100	124,250	64,739	740,274	929,363
Total comprehensive income for the year						
Profit for the year		-	-	-	84,743	84,743
Other comprehensive income		-	88,208	-	-	88,208
Total		-	88,208	-	84,743	172,951
Balance at March 31, 2013		100	212,458	64,739	825,017	1,102,314
Total comprehensive loss for the period						
Profit for the period		-	-	-	46,049	46,049
Other comprehensive loss		-	(56,008)	-	-	(56,008)
Total		-	(56,008)	-	46,049	(9,959)
Transfer of reserve fund to retained earnings	20	-	-	(64,739)	64,739	-
Balance at December 31, 2013		100	156,450	-	935,805	1,092,335

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Financial Period from April 1, 2013 to December 31, 2013

	December 31, 2013 (9 months) $'000	March 31, 2013 (12 months) $'000
OPERATING ACTIVITIES		
Profit before income tax	69,265	141,120
Adjustments for:		
(Write-back of) allowance for doubtful receivables (net)	(8)	315
Inventories written-off	11,767	15,475
Depreciation of property, plant and equipment	42,193	47,624
Loss on disposal of property, plant and equipment (net)	420	650
Gain on disposal of jointly controlled assets	-	(1,457)
Reclassification of gain from fair value reserve to profit or loss on disposal of available-for-sale investments	(7,418)	(7,021)
Impairment losses recognised on:		
- property, plant and equipment (net)	3,606	3,673
- equity investments	660	-
Write down of investments in associate	4,068	-
Share of loss (profits) of associates	13,055	(15,560)
Dividend income	(27,638)	(31,991)
Write-back of patronage rebates	(174)	(135)
Interest income	(14,855)	(17,456)
Operating cash flows before working capital changes	94,941	135,237
Inventories	(59,562)	(20,138)
Trade and other receivables	(2,223)	22,000
Trade and other payables	72,016	15,050
Cash generated from operations	105,172	152,149
Dividends on share capital repayable on demand	13,411	14,241
Contribution to Central Co-operative Fund paid	(25)	(25)
Contribution to Singapore Labour Foundation paid	(21,635)	(51,830)
Income tax paid	(324)	(604)
Net cash from operating activities	96,599	113,931

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
Financial Period from April 1, 2013 to December 31, 2013

	December 31, 2013 (9 months) $'000	March 31, 2013 (12 months) $'000
Investing activities		
Purchase of property, plant and equipment	(172,613)	(113,604)
Proceeds from sale of property, plant and equipment	256	15
Dividend received	27,638	31,991
Loan to an associate	(1,650)	(1,800)
Acquisition of investment in an associate	(2,603)	(450)
Interest received	6,315	10,043
Purchases of investments	(70,895)	(189,980)
Restricted cash deposits	1,181	(1,181)
Proceeds from disposal of jointly controlled assets	-	1,457
Proceeds from sale of investments	56,576	81,250
Repayment of advances from associates	69,111	-
Net cash used in investing activities	(86,684)	(182,259)
Financing activities		
Proceeds from issue of shares	1,200	4,448
Payment made for redemption of shares	(1,274)	(1,473)
Dividends paid on share capital repayable on demand	(13,411)	(14,241)
Net cash used in financing activities	(13,485)	(11,266)
Net decrease in cash and cash equivalents	(3,570)	(79,594)
Cash and cash equivalents at beginning of period/year	292,688	372,282
Cash and cash equivalents at end of period/year (Note 6)	289,118	292,688

See accompanying notes to financial statements.

1. GENERAL

The Co-operative (Unique Entity Number S83CS0191L) 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, with the social mission to contribute towards a reduction in the cost of living in Singapore.

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

The consolidated financial statements of the Group and statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Co-operative for the period ended December 31, 2013 were authorised for issue by the Board of Directors on May 4, 2014.

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").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in significant changes to the Group's and Co-operative's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

FRS 110 *Consolidated Financial Statements and* FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation - Special Purpose Entities*.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2014, with retrospective application subject to transitional provisions.

The management is currently evaluating the effects of FRS 110 on its investments in the period of initial adoption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014 and the management is currently evaluating the extent of additional disclosures required.

Amendments to FRS 32 *Financial Instruments: Presentation*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The management does not anticipate that the application of these amendments to FRS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to FRS 36 *Impairment of Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

The management is currently evaluating the impact of amendments to FRS 36 in the period of initial adoption.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 period are included in the consolidated statement of profit or loss and other 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 in full 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In the Co-operative's financial statements, investments in subsidiaries and associates 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 share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer 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)

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 INSTRUMENTS - 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 is determined based on the nature and purpose of financial assets at the time of initial recognition. The Group does not have any financial assets classified as "held-to-maturity investments" and "financial assets at fair value through profit or loss".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 fair value 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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 to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

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 and accumulated under the heading of fair value reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other payables

Trade and other payables are initially recognised 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 except for short-term payables when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

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 or 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

GOODWILL - Where applicable, 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 or the relevant cash-generating unit, 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statement of financial position 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 construction-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	-	1 to 15 years
Plant and machinery	-	2 to 10 years
Equipment and motor vehicles	-	2 to 7 years
Computers	-	1 to 5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

No depreciation is charged for freehold land and construction-in-progress.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial 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 only to the extent 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. 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 statement of profit or loss and other comprehensive income 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 end of 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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. 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 end of 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 financial statements 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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 the reporting period, that have a significant risk of causing a material adjustment to the financial statements 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 period, 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 13 for the carrying amount of the Group's and the Co-operative's property, plant and equipment at the reporting period.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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, 9 and 10 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 18.

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

Investments in subsidiaries, loan to and receivables from subsidiaries and associates 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.

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 flows take into consideration the business plan and expectations of future changes in the market.

The carrying amounts of investments in, loan to and receivables from subsidiaries and associate are disclosed in Notes 7, 10, 11 and 14.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Impairment on available-for-sale investments

In determining the impairment of an available-for-sale investments, management uses significant judgement and evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, operational and financing cash flow. The carrying amount of available-for-sale investments is disclosed in Note 12.

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.

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Co-operative uses market-observable data to the extent it is available.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed in notes 4 and 12.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	513,788	604,830	518,305	606,550
Available-for-sale financial assets	935,500	918,527	829,548	799,742
Financial liabilities				
Amortised costs (including share capital repayable on demand)	895,719	804,059	935,635	837,796

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(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 dollar, Indonesian rupiah, Philippine peso, Sterling pound, European euro, Swiss franc and Australian dollar 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. No foreign exchange contracts are entered for speculative purposes.

At the end of the reporting period, the carrying amounts of significant 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	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
United States dollar	11,366	16,892	7,803	5,704
Hong Kong dollar	10,179	14,331	-	-
Indonesian rupiah	741	2,065	-	-
Philippine peso	-	836	-	-
European euro	2,733	-	223	-
Swiss franc	1,682	-	-	-
Sterling pound	1,456	-	-	-
Australian dollar	-	-	1,094	-

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

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:

	GROUP AND CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
Foreign currency impact		
United States dollar	356	1,119
Hong Kong dollar	1,018	1,433
Indonesian rupiah	74	207
Philippine peso	-	84
European euro	251	-
Swiss franc	168	-
Sterling pound	146	-
Australian dollar	(109)	3

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 the end of the reporting period.

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

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

(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 interest-earning financial assets and interest-bearing financial liabilities are as disclosed in Notes 6, 10, 12 and 14 respectively.

LIQUIDITY AND INTEREST RISK ANALYSES

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets (excluding available-for-sale investments). 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 these financial assets including interest that will be earned on these 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)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
Group					
December 31, 2013					
Non-interest bearing	-	262,961	-	-	262,961
Fixed interest rate instruments	0.37	75,452	3,450	(1)	78,901
Variable interest rate instruments	4.4	-	179,152	(7,226)	171,926
		338,413	182,602	(7,227)	513,788
March 31, 2013					
Non-interest bearing	-	216,990	29,352	(1,314)	245,028
Fixed interest rate instruments	1.11	124,199	68,639	(6,950)	185,888
Variable interest rate instruments	5.6	-	183,137	(9,223)	173,914
		341,189	281,128	(17,487)	604,830

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000
Co-operative					
December 31, 2013					
Non-interest bearing	1.08	237,824	-	-	237,824
Fixed interest rate instruments		104,813	13,370	(7,501)	110,682
Variable interest rate instruments	4.4	-	177,163	(7,364)	169,799
		342,637	190,533	(14,865)	518,305
March 31, 2013					
Non-interest bearing	-	189,666	29,352	(1,314)	217,704
Fixed interest rate instruments	1.34	145,352	83,147	(13,567)	214,932
Variable interest rate instruments	5.6	-	183,137	(9,223)	173,914
		335,018	295,636	(24,104)	606,550

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

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	Total
	%	$'000	$'000
Group			
December 31, 2013			
Non-interest bearing	-	709,793	709,793
Variable interest rate instruments	5.0	185,926	185,926
		895,719	895,719
March 31, 2013			
Non-interest bearing	-	618,059	618,059
Variable interest rate instruments	7.5	186,000	186,000
		804,059	804,059
Co-operative			
December 31, 2013			
Non-interest bearing	-	749,709	749,709
Variable interest rate instruments	5.0	185,926	185,926
		935,635	935,635
March 31, 2013			
Non-interest bearing	-	651,796	651,796
Variable interest rate instruments	7.5	186,000	186,000
		837,796	837,796

No sensitivity analysis is disclosed by the Group and Co-operative as the effect is not material.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

(iv) Price risk management on available-for-sale investments

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

Further details of these investments can be found in Note 12.

Investments price sensitivity

Group

If prices for available-for-sale investments increase by 10% (March 31, 2013 : 10%) with all other variables held constant, the Group's profit or loss would increase by $551,000 (March 31, 2013 : $Nil) in the current and previous year, and the Group's fair value reserves would increase by $90,347,000 (March 31, 2013 : $88,803,000).

If prices for available-for-sale investments decrease by 10% (March 31, 2013 : 10%) with all other variables held constant, the Group's impairment on investments would have been higher by $954,000 (March 31, 2013 : $31,000) and the Group's fair value reserves would decrease by $89,944,000 (March 31, 2013 : $88,772,000).

Co-operative

If prices for available-for-sale investments increase by 10% (March 31, 2013 : 10%) with all other variables held constant, the Co-operative's profit or loss would increased by $551,000 (March 31, 2013 : $Nil) and the Co-operative's fair value reserves would increase by $81,179,000 (March 31, 2013 : $78,744,000).

If prices for available-for-sale investments decrease by 10% (March 31, 2013 : 10%) with all other variables held constant, the Co-operative's impairment on investments would have been higher by $954,000 (March 31, 2013 : $31,000) and the Co-operative's fair value reserves would decrease by $80,776,000 (March 31, 2013 : $78,713,000).

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 into consideration the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 7, 9 and 10.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, 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 Group determines fair values of various financial assets in the following manner:

Fair value of the Group's financial assets that are measured in fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets are determined.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

Financial Asset Available-for-sale (see Note 12)	Group Fair Value as at ($'000)		Co-operative Fair Value as at ($'000)		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013		
1) Quoted unit trust investments	567,100	542,813	475,418	442,226	Level 1	(a)
2) Quoted equity investments	103,468	96,629	103,468	96,629	Level 1	(a)
3) Quoted bond investments	210,412	220,584	210,412	220,584	Level 1	(a)
4) Unquoted debt instruments	28,000	28,000	28,000	28,000	Level 2	(b)
5) Unquoted equity investments	14,270	18,198	-	-	Level 3	(c)
Total	923,250	906,224	817,298	787,439		

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

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

(b) the fair values of the unquoted debt instruments included within level 2 are estimated based on discounted cash flow analysis. Key inputs include the contract interest rates, discounted at a rate that reflects the credit risk of various counterparties;

(c) The fair values of the unquoted equity investments included within level 3 are estimated based on the Group's share of the net asset values of the investee company, which approximates their fair values as at December 31, 2013. The investee company's main asset is an investment property which is carried at fair value.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

Details of valuation technique and significant unobservable inputs used in the fair value measurement of unquoted equity investments as at December 31, 2013 are as follows:

Description	Share on fair value of the investee company's investment property as at		Valuation technique (s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	December 31, 2013 $'000	March 31, 2013 $'000			
Investment property comprising 283 retail strata lots and 4 office strata lots in Chinatown Point at 133 New Bridge Road, Singapore 059413	14,270	18,198	Direct sale comparison approach	Price per square meter [1]	See Note [1] below.

[1] Price per square meter is based on recent transactions adjusted for location, size, improvement, time element, tenure, prevailing market conditions and all other relevant factors affecting its value. Any significant isolated increases (decrease) in the estimated price per square meter would result in a significantly higher (lower) fair value measurement.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL ASSETS MANAGEMENT (CONT'D)

Financial instruments measured at fair value based on level 3

	Available-for-sale financial assets representing, total unquoted equities
	$'000
Group	
At April 1, 2012	17,542
Gains in other comprehensive income	656
At March 31, 2013	18,198
Reduction in equity	(4,500)
Gains in other comprehensive income	572
At December 31, 2013	14,270

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

The Group and Co-operative have no financial liabilities carried at fair value as at December 31, 2013.

(c) Capital risk management policies and objectives

The management periodically reviews the capital structure 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.

5. RELATED PARTY TRANSACTIONS

The Co-operative is a subsidiary of NTUC Enterprise Co-operative Limited ("NTUC Enterprise"), incorporated in the Republic of Singapore, which is also the Co-operative's ultimate holding entity. Related companies in these financial statements refer to members of the holding entity's group of companies.

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.

5. RELATED PARTY TRANSACTIONS (CONT'D)

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

	GROUP		CO-OPERATIVE	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000	$'000	$'000
Donations to NTUC Fairprice Foundation Limited (Note 10)	3,900	10,000	400	5,200
Sales of goods to associates	-	(659)	-	-
Rental income from:				
- associate	(1,082)	(1,518)	(1,082)	(1,518)
- related parties	(1,525)	-	(1,525)	-
Interest income from associates	(10,066)	(11,817)	(10,066)	(11,817)
Interest income from subsidiaries	-	-	(659)	(837)
Rental expenses to associates	9,431	7,008	9,124	7,008
Repair and maintenance to associates	1,401	1,279	1,182	967
Issuance/redemption of link points by associates	47	802	87	802
Purchases from associates	437	574	419	574
Printing expenses to associates	895	1,216	895	1,216
Other operating expenses to related party	1,404	-	1,404	-
Transfer of property, plant and equipment to a subsidiary (Note 13)	-	-	7,868	-
Sponsorship to:				
- Holding entity	53	-	53	-
- Related parties	11,417	-	11,417	-
Dividend Income from:				
- Associate	278	296	278	296
- Related parties	657	-	657	-

Please refer to Notes 11 and 14 for additional information on related party transactions with associates.

5. RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of directors and key management personnel

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

	GROUP AND CO-OPERATIVE	
	April 1, 2013 to December 31, 2013 $'000	April 1, 2012 to March 31, 2013 $'000
Salaries, short-term benefits and post-employment benefits:		
- directors	524	512
- officers	6,392	8,320

6. CASH AND BANK BALANCES

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Cash on hand	7,525	7,013	7,521	7,009
Cash at bank	206,142	162,665	180,683	137,654
Fixed deposits	75,451	124,191	75,451	124,191
Cash and bank balances	289,118	293,869	263,655	268,854
Less: Restricted cash	-	(1,181)	-	(1,181)
Cash and cash equivalents	289,118	292,688	263,655	267,673

Fixed deposits of the Group and the Co-operative bear interest at average rates ranging from 0.05% to 0.25% (March 31, 2013 : 0.05% to 0.25%) per annum. The fixed deposits are for an average tenure of approximately 23 days (March 31, 2013 : 24 days).

Included in cash at bank is $Nil (March 31, 2013 : $1,181,000) held by the bank as escrow account for the project Saigon Co-operative Limited Liability for which balances are not available for general use by the Group.

6. CASH AND BANK BALANCES (CONT'D)

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

	GROUP AND CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
United States dollar	1,876	2,191

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Outside parties	21,477	18,666	21,226	17,855
Less: Allowance for doubtful receivables	(262)	(315)	(262)	(315)
	21,215	18,351	20,964	17,540
Related parties (Note 5)	200	-	200	-
Associates (Note 11)	90	341	90	341
Total	21,505	18,692	21,254	17,881

The average credit period on sale of goods is 30 days (March 31, 2013 : 30 days).

An allowance has been made for the estimated irrecoverable amounts of $262,000 (March 31, 2013 : $315,000). This allowance has been determined by reference to past default experience.

The Group and Co-operative have trade receivables amounting to $13,711,000 (March 31, 2013 : $12,255,000) and $13,618,000 (March 31, 2013 : $12,233,000) respectively that were past due at the end of the reporting period for which the Group and Co-operative have not provided as there has not been a significant change in credit quality from the receivables inception date 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.

7. TRADE RECEIVABLES (CONT'D)

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.

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Not past due and not impaired	7,794	6,437	7,636	5,648
Past due but not impaired (i)	13,711	12,255	13,618	12,233
	21,505	18,692	21,254	17,881
Impaired receivables - individually assessed (ii)				
- Past due more than 36 months and no response to repayment demands	262	315	262	315
Less: Allowance for doubtful receivables	(262)	(315)	(262)	(315)
	-	-	-	-
Total trade receivables, net	21,505	18,692	21,254	17,881

Notes:

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

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
1 to 30 days overdue	9,451	7,341	9,448	7,333
30 to 60 days overdue	2,466	2,584	2,468	2,570
> 60 days overdue	1,794	2,330	1,702	2,330
	13,711	12,255	13,618	12,233

7. TRADE RECEIVABLES (CONT'D)

(ii) The following is an analysis of allowance for doubtful receivables:

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
At beginning of the period/year	315	65	315	65
Allowance made during the period/year	7	315	7	315
Amount written off during the period/year	(45)	(65)	(45)	(65)
Allowance written back during the period/year	(15)	-	(15)	-
At end of the period/year	262	315	262	315

Trade receivables are denominated in Singapore dollar.

8. INVENTORIES

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

During the period, inventories written off amounting to $11,767,000 (March 31, 2013 : $15,475,000) and $10,766,000 (March 31, 2013 : $14,065,000) was recognised in profit or loss of the Group and Co-operative respectively.

9. OTHER RECEIVABLES

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Deposits	16,547	17,247	13,703	14,979
Prepayments	9,963	9,714	9,619	9,115
Interest receivables	3,001	2,818	3,001	2,818
Link card/phone card sales	4,247	4,739	4,247	4,738
Other receivables				
Outside parties	3,994	3,816	3,969	3,583
Subsidiary (Note 10)	-	-	3,419	-
Total	37,752	38,334	37,958	35,233

The Group and the Co-operative's other receivables are interest-free and repayable on demand and the average age of these receivables is less than 30 days. The Group and the Co-operative have not recognised any allowance for doubtful receivables as the management is of the view that these receivables are recoverable.

Other receivables are denominated in Singapore dollar.

10. SUBSIDIARIES

	CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
Unquoted equity shares, at cost	30,274	30,274
Less: Impairment loss	(4,536)	(4,536)
	25,738	25,738
Receivables from subsidiaries	83,808	82,391
Less: Allowance for doubtful receivables	(50,677)	(50,543)
	33,131	31,848
Total	58,869	57,586

Receivables from subsidiaries where no allowance is made have been assessed to be creditworthy based on credit evaluation process by management.

The receivables from subsidiaries include a principal amount of $24,100,000 (March 31, 2013 : $28,600,000) advanced to a subsidiary. This amount is unsecured, interest bearing and not expected to be repaid within 12 months from the end of the reporting period. The effective interest rate of the advance is approximately 3% (March 31, 2013 : 3%) per annum. The carrying value of these receivables from subsidiaries approximates its fair value because the effective interest rate of the receivables approximates the market interest rate. These receivables are classified as Level 2 within the fair value hierarchy and fair value is estimated based on discounted cash flow analysis.

The remaining balance of $59,708,000 (March 31, 2013 : $53,791,000) is unsecured, interest-free and not expected to be repaid within 12 months from the end of the reporting period. The fair value of this receivable is not determinable as there is no fixed repayment terms and the receivable is classified as Level 3 within the fair value hierarchy.

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 doubtful receivables:

	CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
At beginning of the period/year	50,543	50,481
Allowance made during the period/year	134	62
At end of the period/year	50,677	50,543

10. SUBSIDIARIES (CONT'D)

Details of the Co-operative's subsidiaries as at December 31, 2013 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held December 31, 2013 %	Proportion of ownership interest and voting power held March 31, 2013 %	Principal activities
Grocery Logistics of Singapore Pte Ltd	Singapore	100	100	Warehousing and distribution
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	Trading
FPTM Pte Ltd	Singapore	100	100	Investment holding
Fairprice International (2010) Pte Ltd	Singapore	100	100	Investment holding
Thomson Plaza (Private) Limited	Singapore	100	100	Dormant

10. SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		December 31, 2013	March 31, 2013	
		%	%	
Subsidiaries of AlphaPlus Investments Pte Ltd				
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.

11. ASSOCIATES

	GROUP		CO-OPERATIVE	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	82,095	79,493	53,128	53,128
Excess of nominal value over the fair value of the advance at inception date (Note 14)	-	4,068	-	4,068
Share of post-acquisition accumulated (losses) profits, net of dividend received	(5,978)	7,076	-	-
Less: Impairment losses	-	-	(608)	(104)
Net	76,117	90,637	52,520	57,092

The following is an analysis of allowance for impairment loss:

	CO-OPERATIVE	
	December 31, 2013	March 31, 2013
	$'000	$'000
At beginning of the period/year	104	104
Impairment made during the period	504	-
At end of the period/year	608	104

The excess of nominal value over the fair value of the advance of $4,068,000 has been written down during the financial period (Note 23).

Details of the associates as at December 31, 2013 are as follows:

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		December 31, 2013	March 31, 2013	
		%	%	
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

11. ASSOCIATES (CONT'D)

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		December 31, 2013	March 31, 2013	
		%	%	
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 [(6)]	Singapore	20.0	20.0	Investment holding
Mercatus Co-operative Limited [(4)]	Singapore	36.7	36.7	Property investment
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 [(5)]	Cayman Islands	33.7	33.7	Hypermarket retailing
Quayline Fairprice Sdn Bhd [(5)]	Malaysia	40.0	40.0	Supermarket retailing

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December 31, 2013

11. ASSOCIATES (CONT'D)

Name of company	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		December 31, 2013	March 31, 2013	
		%	%	
Associates of AlphaPlus Investments Pte Ltd				
SMRT Alpha Pte. Ltd. [(7)]	Singapore	30.0	30.0	Real estate management
Associate of Fairprice International (2010) Pte Ltd				
Saigon Co-operative [(8)] Fairprice Ltd	Vietnam	36.0	-	Supermarket retailing

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

(2) Audited by KPMG LLP, Singapore.

(3) Audited by Pricewaterhousecoopers LLP, Singapore.

(4) Audited by Ernst and Young LLP, Singapore.

(5) Company is under members' voluntary liquidation.

(6) The Co-operative has a joint arrangement 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. During the financial period, the Clementi Mall was disposed to SPH Reit. The Co-operative received cash of $59,897,000 as full payment of the interest bearing advances. The principal amount of the non-interest bearing loan of $29,352,000 has been discharged in the form of an exchange for a quoted unit trust available-for-sale investment having a market value of $60,491,700 as at July 2013. The excess consideration received is accounted for as an amount due to associate of $30,883,000 (Note 16).

The financial statements of SG Domain Pte Ltd are made up to August 31, 2013 and audited by KPMG LLP, Singapore. For the purpose of applying the equity method of accounting, the management accounts of SG Domain Pte Ltd for the period ended December 31, 2013 have been used with appropriate adjustments made by management after taking into consideration the audit adjustments made for the financial year ended August 31, 2013 and significant transactions between August 31, 2013 and December 31, 2013.

11. ASSOCIATES (CONT'D)

(7) In the last financial year, AlphaPlus Investments Pte Ltd, a subsidiary of the Co-operative, has a joint arrangement with SMRT Investments Pte Ltd for the tendering of bid to Singapore Sports Hub Pte Ltd for the development and management of the commercial and retail area in the new Singapore Sports Hub. AlphaPlus Investments Pte Ltd has 30% share in the project via an investment of $0.45 million in SMRT Alpha Pte. Ltd. The associate is audited by Ernst and Young LLP, Singapore.

(8) Audited by Deloitte Vietnam.

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

	December 31, 2013 $'000	March 31, 2013 $'000
Total assets	1,404,156	1,863,296
Total liabilities	(1,133,580)	(1,530,277)
Net assets	270,576	333,019
Group's share of associates' net assets	76,117	90,637
Revenue	137,795	194,985
(Loss)/Profit for the period/year	(36,720)	38,670
Group's share of associates' (loss)/profits for the period/year	(13,055)	15,560

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 (March 31, 2013 : $231,000).

12. INVESTMENTS

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Current portion:				
Quoted unit trust available-for-sale	238,614	182,801	238,614	182,801
Quoted equity available-for-sale	103,468	96,629	103,468	96,629
Unquoted debt instruments	28,000	28,000	28,000	28,000
Quoted bonds available-for-sale	210,412	220,584	210,412	220,584
Total current portion	580,494	528,014	580,494	528,014
Non-current portion:				
Quoted unit trust available-for-sale	328,486	360,012	236,804	259,425
Unquoted equity available-for-sale	26,520	30,501	12,250	12,303
Other investments	750	750	750	750
Total non-current portion	355,756	391,263	249,804	272,478
Total investments	936,250	919,277	830,298	800,492

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 $12,250,000 (March 31, 2013 : $12,303,000) which is measured at cost less accumulated impairment loss of $Nil (March 31, 2013 : $104,000).

Other investments are stated at cost less accumulated impairment loss.

Investments in quoted bonds have effective interest rates at approximately 5.22% (March 31, 2013 : 5.53%) per annum and have maturity dates ranging from May 2015 to October 2022 (March 31, 2013 : July 2013 to October 2022). 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	
	December 31, 2013 $'000	March 31, 2013 $'000
At beginning of the period/year	104	104
Write off of impairment during the period	(104)	-
Impairment made during the period	660	-
At end of the period/year	660	104

12. INVESTMENTS (CONT'D)

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

	GROUP		CO-OPERATIVE	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	$'000	$'000	$'000	$'000
United States dollar	9,490	14,701	9,490	14,701
Hong Kong dollar	10,179	14,331	10,179	14,331
Indonesian rupiah	741	2,065	741	2,065
Philippine peso	-	836	-	836
European euro	2,733	-	2,733	-
Swiss franc	1,682	-	1,682	-
Sterling pound	1,456	-	1,456	-
Taiwan dollar	352	-	-	-

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold buildings	Leasehold land and buildings	Furniture, fittings and renovation	Plant and machinery	Equipment and motor vehicles	Computers	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Cost:									
At April 1, 2012	4,625	25,332	334,621	175,588	53,632	62,047	43,718	8,995	708,558
Additions	-	-	-	25,237	5,810	13,135	5,824	63,598	113,604
Disposals	-	-	-	(7,109)	(1,358)	(3,814)	(585)	-	(12,866)
Transfers	-	-	-	(382)	-	543	(161)	-	-
At March 31, 2013	4,625	25,332	334,621	193,334	58,084	71,911	48,796	72,593	809,296
Additions	-	-	-	36,326	5,137	17,256	4,658	109,236	172,613
Disposals	-	-	-	(3,665)	(992)	(2,011)	(1,962)	-	(8,630)
Transfers	-	-	-	18	369	(16)	67	(438)	-
At December 31, 2013	4,625	25,332	334,621	226,013	62,598	87,140	51,559	181,391	973,279
Accumulated depreciation:									
At April 1, 2012	-	12,737	109,590	111,309	36,063	42,109	28,525	-	340,333
Depreciation expense	-	695	6,713	19,098	5,776	8,856	6,486	-	47,624
Disposals	-	-	-	(6,560)	(1,322)	(3,772)	(547)	-	(12,201)
Transfers	-	-	-	(33)	-	99	(66)	-	-
At March 31, 2013	-	13,432	116,303	123,814	40,517	47,292	34,398	-	375,756
Depreciation expense		521	5,035	19,468	4,535	7,793	4,841	-	42,193
Disposals	-	-	-	(3,345)	(958)	(1,936)	(1,715)	-	(7,954)
Transfers	-	-	-	4	(59)	59	(4)	-	-
At December 31, 2013	-	13,953	121,338	139,941	44,035	53,208	37,520	-	409,995

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land	Freehold buildings	Leasehold land and buildings	Furniture, fittings and renovation	Plant and machinery	Equipment and motor vehicles	Computers	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Impairment:									
At April 1, 2012	-	-	191	1,890	277	1,010	197	-	3,565
Charge/(Reversal) of impairment loss	-	-	134	2,607	232	718	(18)	-	3,673
At March 31, 2013	-	-	325	4,497	509	1,728	179	-	7,238
Charge/(Reversal) of impairment loss	-	-	(205)	1,994	599	1,116	102	-	3,606
At December 31, 2013	-	-	120	6,491	1,108	2,844	281	-	10,844
Carrying amount:									
At December 31, 2013	4,625	11,379	213,163	79,581	17,455	31,088	13,758	181,391	552,440
At March 31, 2013	4,625	11,900	217,993	65,023	17,058	22,891	14,219	72,593	426,302

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land	Freehold buildings	Leasehold land and buildings	Furniture, fittings and renovation	Plant and machinery	Equipment and motor vehicles	Computers	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Co-operative									
Cost:									
At April 1, 2012	4,625	25,332	263,096	164,255	26,755	58,657	36,130	-	578,850
Additions	-	-	-	23,327	3,961	12,439	5,166	43,958	88,851
Disposals	-	-	-	(6,387)	(1,216)	(3,748)	(346)	-	(11,697)
Transfers	-	-	-	(382)	-	543	(161)	-	-
At March 31, 2013	4,625	25,332	263,096	180,813	29,500	67,891	40,789	43,958	656,004
Additions	-	-	-	35,409	4,208	16,937	4,420	107,078	168,052
Disposals	-	-	-	(3,089)	(598)	(1,899)	(1,706)	-	(7,292)
Transfer to a subsidiary	-	-	-	-	-	-	-	(7,868)	(7,868)
Transfers	-	-	-	18	2	(16)	(4)	-	-
At December 31, 2013	4,625	25,332	263,096	213,151	33,112	82,913	43,499	143,168	808,896
Accumulated depreciation:									
At April 1, 2012	-	12,737	87,198	103,189	18,168	39,811	23,682	-	284,785
Depreciation expense	-	695	5,440	17,863	3,020	8,376	5,551	-	40,945
Disposals	-	-	-	(6,067)	(1,199)	(3,712)	(344)	-	(11,322)
At March 31, 2013	-	13,432	92,638	114,985	19,989	44,475	28,889	-	314,408
Depreciation expense	-	521	4,080	18,654	2,539	7,440	4,166	-	37,400
Disposals	-	-	-	(3,015)	(596)	(1,835)	(1,506)	-	(6,952)
Transfer	-	-	-	4	(11)	8	(1)	-	-
At December 31, 2013	-	13,953	96,718	130,628	21,921	50,088	31,548	-	344,856

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land	Freehold buildings	Leasehold land and buildings	Furniture, fittings and renovation	Plant and machinery	Equipment and motor vehicles	Computers	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Co-operative									
Impairment:									
At April 1, 2012	-	-	190	1,491	202	927	63	-	2,873
Impairment loss	-	-	134	2,702	235	693	43	-	3,807
At March 31, 2013	-	-	324	4,193	437	1,620	106	-	6,680
Impairment loss	-	-	(205)	1,808	600	1,063	101	-	3,367
At December 31, 2013	-	-	119	6,001	1,037	2,683	207	-	10,047
Carrying amount:									
At December 31, 2013	4,625	11,379	166,259	76,522	10,154	30,142	11,744	143,168	453,993
At March 31, 2013	4,625	11,900	170,134	61,635	9,074	21,796	11,794	43,958	334,916

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. During the year, the Group carried out a review of the property, plant and equipment of the Group, including the supermarket outlets being the cash generating units used in their assessment of impairment. The assessment led to the recognition of a net impairment loss of $3,606,000 (March 31, 2013 : $3,673,000) and $3,367,000 (March 31, 2013 : $3,807,000) that has been recognised in profit or loss of the Group and Co-operative respectively (Note 23). The estimates of recoverable amount were based on value in use of the Group's supermarket outlets and determined using a discount rate of 10% (March 31, 2013 : 10%).

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14. OTHER RECEIVABLES FROM ASSOCIATES

	GROUP		CO-OPERATIVE	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	$'000	$'000	$'000	$'000
Interest bearing advance [a]	-	59,897	-	59,897
Non-interest bearing advance				
- nominal value [b]	-	29,352	-	29,352
Less: Future finance charge	-	(1,314)	-	(1,314)
	-	87,935	-	87,935
Loan to an associate [c]	175,376	175,714	171,926	173,914
	175,376	263,649	171,926	261,849

(a) This interest bearing advance from SG Domain Pte Ltd was unsecured, bear an interest rate of 3% per annum and was fully repaid during the current financial period.

(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 advance to SG Domain Pte Ltd amounting to $29,352,000 as at March 31, 2013 being carried at amortised cost of $28,038,000. During the financial period, the principal amount of the non-interest bearing loan has been discharged in the form of an exchange for a quoted unit trust available-for-sale investment which had a market value of $60,491,700 as at July 2013. The excess consideration received is accounted for as an amount payable to associate of $30,883,000 (Note 16).

(c) The loan to an associate, Mercatus Co-operative Limited, includes a principal amount of $164,700,000 plus compounded interest as at December 31, 2013. This amount is unsecured, interest bearing based on (i) 6.5% of the shareholder's loan amount or (ii) 95% of the Co-operative's share of Net Distributable Surplus in respect of each financial year, whichever amount is lower, and not expected to be repaid within 12 months from the end of the current financial year. The Co-operative and the other shareholders of Mercatus Co-operative Limited have given a letter of undertaking that they will not demand payment of the loan within the next 12 months from December 31, 2013 (Note 11). The fair value of this loan is not determinable as there is no fixed repayment terms and the loan is classified as Level 3 within the fair value hierarchy.

The loan to an associate also includes an amount of $3,450,000 (March 31, 2013 : $1,800,000) loan to SMRT Alphaplus Pte. Ltd. at the end of the financial period. This amount is unsecured and bears an interest of 4% (March 31, 2013 : 4%) per annum. The carrying value of the loan to SMRT Alphaplus Pte. Ltd. approximates its fair value because the effective interest rate of the loan to an associate approximates the market interest rate. This loan is classified as Level 2 within the fair value hierarchy and fair value is estimated based on discounted cash flow analysis.

14. OTHER RECEIVABLES FROM ASSOCIATES (CONT'D)

All the receivables from the associates are denominated in Singapore dollars.

Future finance charge is represented by:

	GROUP AND CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
Excess of nominal value over the fair value of advance (Note 11)	1,314	4,068
Notional interest income adjustment using amortised cost method	(1,314)	(2,754)
	-	1,314

15. TRADE PAYABLES

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Outside parties	518,016	449,083	489,741	416,837
Associates (Note 11)	499	-	499	-
Related parties	47	-	47	-
Subsidiaries (Note 10)	-	-	3,128	1,756
Total	518,562	449,083	493,415	418,593

The average credit period on purchase of goods is 45 days (March 31, 2013 : 45 days). Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. Significant trade payables of the Group and Co-operative that are not denominated in functional currency of the respective Group entities are as follows:

	GROUP AND CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000
United States dollar	7,803	5,704
Australian dollar	1,094	-
European euro	223	-

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

16. OTHER PAYABLES

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Accrued operating expenses	77,065	94,025	72,022	89,825
Deposits received	7,094	6,394	7,030	6,308
Subsidiaries [Note 10 and (a)]	-	-	71,451	69,554
Associates [Note 11 and (b)]	30,883	-	30,883	-
Patronage rebates and dividends payable	485	545	485	545
Salary payable	20,880	16,039	19,625	15,016
Gift vouchers payable	40,064	30,611	40,064	30,611
Other payables	14,760	21,362	14,734	21,344
Contributions to:				
- Central Co-operative Fund (c)	25	25	25	25
- Singapore Labour Foundation (d)	34,608	32,452	34,608	32,452
- Singapore Labour Foundation (e)	-	(6,316)	-	(6,316)
Total	225,864	195,137	290,927	259,364

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

(b) The amounts due to an associate 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 the 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 the amount of $34,608,000 (March 31, 2013 : $32,452,000) is due to be paid out in the next financial year.

(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 $6,316,000 was made by the Co-operative for overpayments of the contributions for the previous financial years. In the previous financial year, the Co-operative has been informed by SLF on the approval of the claim and hence $6,316,000 was recognised to net off against contributions to SLF in the statement of comprehensive income for the year ended March 31, 2013.

17. SHARE CAPITAL

	GROUP AND CO-OPERATIVE			
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	Number of ordinary shares		$'000	$'000
Authorised:				
Ordinary shares	300,000,000	300,000,000	300,000	300,000
Issued and paid up:				
At beginning of the period/year	186,099,920	183,125,354	186,100	183,125
Issue of shares at par for cash	1,200,437	4,448,289	1,200	4,448
Redemption of shares	(1,274,264)	(1,473,723)	(1,274)	(1,473)
At end of the period/year	186,026,093	186,099,920	186,026	186,100
The share capital is represented by:				
Share capital repayable on demand classified as liabilities [(a)]	185,926,093	185,999,920	185,926	186,000
Share capital classified as equity [(b)]	100,000	100,000	100	100
Total	186,026,093	186,099,920	186,026	186,100

[(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. In accordance with By-Laws 5.6, the shares are redeemable at the lower of the nominal value of $1 per share or the net asset value of the share.

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

[(c)] In accordance with By-Laws 4.2.2, the Board of Directors shall have the absolute discretion to approve or reject any application for membership or for additional shares without assigning any reason for its decision. By-Laws 4.6 also states that, 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;

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

17. SHARE CAPITAL (CONT'D)

(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.

18. 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	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	$'000	$'000	$'000	$'000
At beginning of the period/year	23,660	21,956	22,498	20,884
Utilisation of provision	(198)	(172)	-	(113)
Provisions made during the period/year	4,873	1,876	4,757	1,727
At end of the period/year	28,335	23,660	27,255	22,498

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 2 months to 13 years (March 31, 2013 : 1 month to 14.08 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 date of the financial year . The provision is discounted using a current rate of 5% (March 31, 2013 : 5%) that reflects the risks specific to the liability.

19. 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	Unabsorbed donations	Provisions	Total
	$'000	$'000	$'000	$'000
At April 1, 2012	2,346	(935)	(184)	1,227
Credit to profit or loss for the period/year (Note 25)	1,123	-	298	1,421
At March 31, 2013	3,469	(935)	114	2,648
Credit to profit or loss for the period/year (Note 25)	781	(777)	35	39
At December 31, 2013	4,250	(1,712)	149	2,687

20. OTHER RESERVES

	GROUP		CO-OPERATIVE	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
	$'000	$'000	$'000	$'000
Fair value reserve [(a)]	207,851	272,190	156,450	212,458
Foreign currency translation reserve [(b)]	(276)	(276)		-
Reserve fund [(c)]	-	64,739	-	64,739
Total	207,575	336,653	156,450	277,197

(a) The fair value reserve arises from the revaluation of available-for-sale investments. Where a revalued financial asset is impaired or sold, the portion of the reserve that relates to that financial asset is reclassified to profit or loss.

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

20. OTHER RESERVES (CONT'D)

(c) In the previous financial years, 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, 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.

During the financial period, pursuant to the Co-operative Societies (Amendment) Act 2010, Section 70 has been deleted and accordingly the reserve fund is no longer required. The transfer of reserve fund to retained earnings has been approved by the Board of Directors at its 30th Annual General Meeting held on September 23, 2013.

21. REVENUE

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

22. OTHER INCOME

	GROUP		CO-OPERATIVE	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000	$'000	$'000
Rental income	27,169	34,221	27,027	33,581
Dividend income	27,638	31,991	24,005	27,438
Interest income:				
- financial institutions	204	369	204	369
- subsidiaries	-	-	(659)	(837)
- bonds	4,585	5,270	4,585	5,270
- associates	10,066	11,817	10,066	11,817
Reclassification of gain from fair value reserve to profit or loss on disposal of available-for-sale investments	7,418	7,021	7,418	7,021
Gain on disposal of jointly-controlled assets	-	1,457	-	1,457
Advertising and promotion	8,204	8,609	6,205	7,175
Concessionary, commission and other service income	77,640	99,212	57,900	73,052
Discounts received	1,745	2,437	1,643	2,295
Others	13,198	13,825	8,253	6,983
Total	177,867	216,229	146,647	175,621

23. OTHER OPERATING EXPENSES

	GROUP		CO-OPERATIVE	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000	$'000	$'000
Rental and conservancy charges	96,223	118,681	84,325	102,410
Utilities	35,117	46,730	29,150	38,272
Repair, maintenance and supplies	24,407	27,690	20,825	22,536
Impairment of plant and equipment	3,606	3,673	3,367	3,807
Impairment of investments in associate	-	-	504	-
Write down of investments in associate (Note 11)	4,068	-	4,068	-
Impairment of equity investments	660	-	660	-
(Write back of) Allowance for doubtful trade receivables	(8)	315	(8)	315
Loss on disposal of plant and equipment	420	650	125	358
Packing and delivery expenses	21,046	25,901	14,424	17,783
Donation to NTUC Fairprice Foundation Limited	3,900	10,000	400	5,200
Marketing expenses	31,731	25,849	31,658	25,849
Allowance for doubtful receivable from subsidiary (Note 10)	-	-	134	62
Others	36,753	34,740	29,805	28,920
Total	257,923	294,229	219,437	245,512

24. DISTRIBUTIONS TO MEMBERS

	GROUP		CO-OPERATIVE	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000	$'000	$'000
Distributions to members of the Co-operative [Note 17]				
- first and final dividend	13,411	14,241	13,411	14,241

First and final dividend of 7.5% (March 31, 2013 : 8%) was paid out to the members of the Co-operative during the financial period.

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December 31, 2013

25. INCOME TAX EXPENSE

	GROUP	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000
Current income tax:		
Current year	279	430
Under provision in prior years	-	212
Deferred taxation (Note 19):		
Current year	746	972
(Over) Underprovision in prior years	(707)	449
	318	2,063

Domestic income tax calculated at 17% (March 31, 2013 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	GROUP	
	April 1, 2013 to December 31, 2013	April 1, 2012 to March 31, 2013
	$'000	$'000
Profit before income tax	69,265	141,120
Tax at the domestic income tax rate of 17% (March 31, 2013 : 17%)	11,775	23,990
Under (Over) provision in prior years	(707)	661
Tax effect of:		
Non-deductible expenses	568	1,401
Tax effect of share of results of associates	2,219	354
Exempt income (1)	(12,837)	(21,976)
Income not subject to tax	-	(41)
Effect of tax concessions		
- donation	(382)	(2,040)
- productivity and innovation credit scheme	(1,101)	(12)
Losses carried forward	-	23
Tax rebate	(60)	-
Others	843	(297)
	318	2,063

25. INCOME TAX EXPENSE (CONT'D)

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

Subject to the agreement by the tax authorities, at the end of the reporting period, a subsidiary in the Group has an unutilised donation of $1.6 million (March 31, 2013 : $3.4 million) available for offset against future profits.

26. 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	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
(a) Capital commitments:				
Purchase of property, plant and equipment approved by the directors				
- contracted	112,000	222,988	84,200	187,900
- not contracted	152,150	166,200	147,300	159,100
	264,150	389,188	231,500	347,000

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

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Within 1 year	91,954	102,376	80,547	90,419
After 1 year but within 5 years	131,664	146,718	119,026	134,929
After 5 years	57,157	54,835	28,768	28,768
	280,775	303,929	228,341	254,116

Operating lease payments represent rental payable by the Group and the 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.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

26. COMMITMENTS (CONT'D)

(c) The Group rents out its leasehold properties in Singapore under operating leases. Property rental income earned during the year was $27,169,000 (March 31, 2013 : $34,221,000). As at the end of reporting period, the Group and Co-operative have contracted with certain tenants under non-cancellable operating lease receivables as follows:

	GROUP		CO-OPERATIVE	
	December 31, 2013 $'000	March 31, 2013 $'000	December 31, 2013 $'000	March 31, 2013 $'000
Within 1 year	29,080	27,337	28,376	26,591
After 1 year but within 5 years	28,318	26,113	26,921	22,840
After 5 years	8	34	8	-
	57,406	53,484	55,305	49,431

(d) The Group has committed to donate $10 million to Labour Movement.

27. PATRONAGE REBATES, DIRECTORS' HONORARIA AND DIVIDENDS

Subsequent to the end of the reporting period, the directors proposed the following patronage rebates, directors' honoraria and dividends. The patronage rebates, directors' honararia and dividends have not been provided for, subject to approval in the Annual General Meeting.

	GROUP AND CO-OPERATIVE	
	December 31, 2013 (9 months) $'000	March 31, 2013 (12 months) $'000
Patronage rebates	39,696	50,947
Directors' honoraria	395	524
First and final dividend of 5% (March 31, 2013 : 7.5%)	9,301	13,958
	49,392	65,429

The proposed patronage rebates represent 4.5% (March 31, 2013 : 4.5%) of the eligible purchases.

NOTES TO FINANCIAL STATEMENTS
December 31, 2013

28. COMPARATIVE INFORMATION

During the current financial period, the Group changed its financial year from March 31 to December 31 to be coterminous with the financial year end of its ultimate holding entity. Accordingly, the financial statements of the Group for the financial period ended December 31, 2013 covers 9 months period from April 1, 2013 to December 31, 2013. The comparative figures for the financial year ended March 31, 2013 covers 12 months period from April 1, 2012 to March 31, 2013.

29. EVENTS AFTER THE REPORTING PERIOD

On January 1, 2014, NTUC Enterprise subscribed for, and was allotted, 50,000,000 shares of $1 each in the Co-operative. NTUC Enterprise will further subscribe for an additional 50,000,000 shares of $1 each in the Co-operative on July 1, 2014.

The Board on September 23, 2013 had agreed to allot the above 100,000,000 shares in the Co-operative to NTUC Enterprise conditional upon such shares not to be withdrawn or transferred within ten years from the date of their issue. The additional funds from these shares subscription by NTUC Enterprise will be used for the Co-operative's expansion and business growth in the years ahead.

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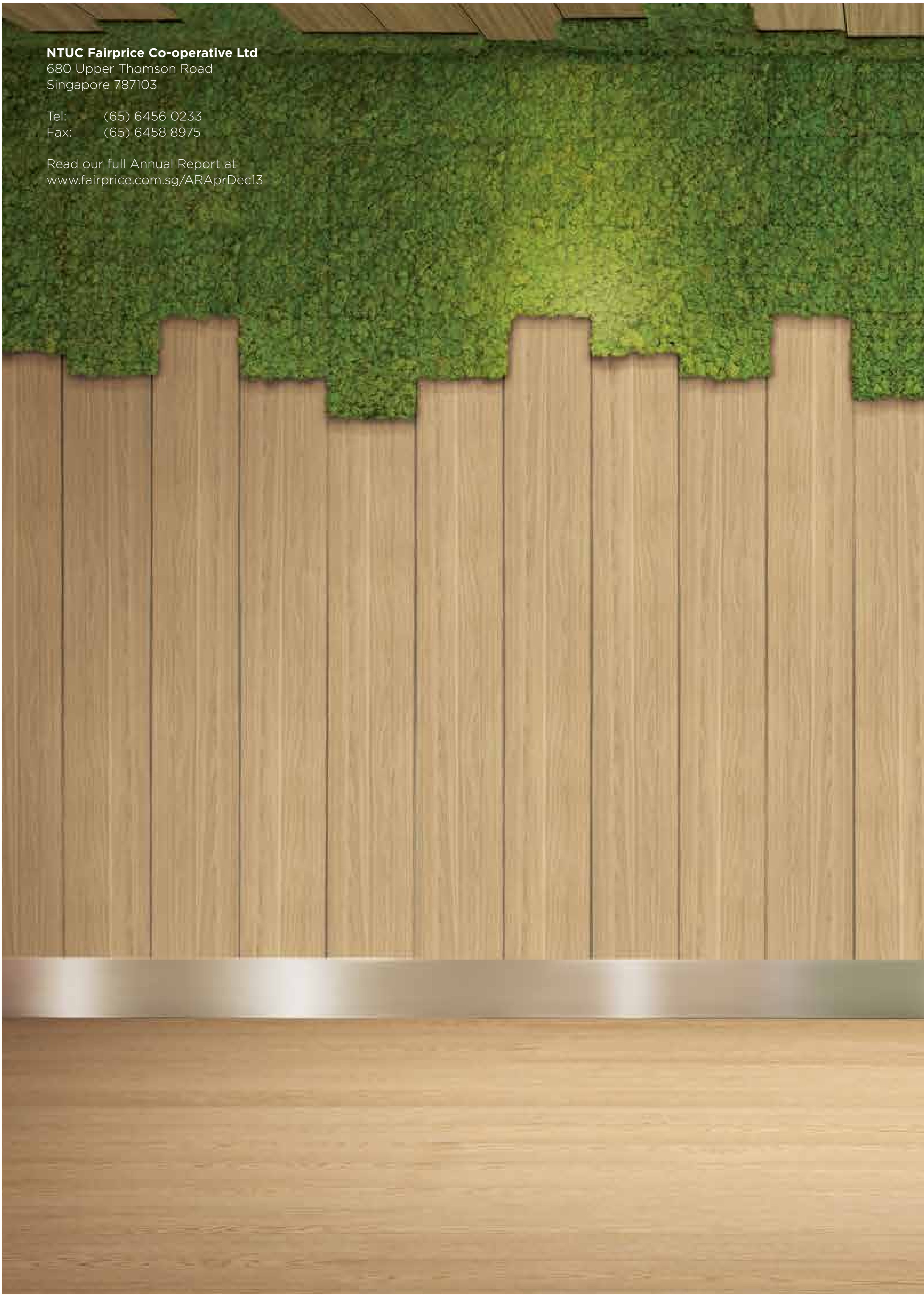

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