



# SOSD

Annual Report for Financial Year Ended  
31 March 2018

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**SOSD** is a society registered under the Societies Act (Cap. 311 of Singapore). It is also a charity and an institute of public character ("IPC") pursuant to the Charities Act (Cap. 37 of Singapore).

**UEN Number:** T12SS0058C

**Registered Address:** 59 Sungei Tengah Road Blk T #01-42, Singapore 699014 (as of June 2018)

**Financial Year End:** 31 March

**Date of Charity Registration:** 23 April 2013

**Period of IPC Status:** From 25 April 2017 to 24 April 2019

## 1. About SOSD

### 1.1 OUR VISION

To be the leading humane organization advocating canine welfare and promoting positive interactions between humans and dogs.

### 1.2 OUR MISSION

Work to reduce cruelty to dogs by raising public awareness

Improve the lives of dogs, through rescue, rehabilitation, rehoming, and Trap-Neuter-Release ("TNR") programs

Improve appreciation of canine companionship through outreach activities

Use canine-related activities for specific beneficiary groups

### 1.3 OUR CORE VALUES

**Compassion** We advocate compassion towards all living beings. Compassion for stray and abandoned dogs lies at the core of our rescue and rehoming operations

**Integrity** We believe in the importance of honesty and upholding our values and principles.

**Impartiality** We will try our best to render help to any dog in need regardless of breed.

**Resilience** Despite obstacles and challenges, we are committed to humane solutions for Singapore's stray dog problems.

**Harmony** We are committed to promoting harmonious relationships between human and dogs.

#### **1.4 OUR STRATEGY**

In pursuing our mission, SOSD will:

Use highly focused, quality programs to:

- Rescue abused, abandoned, stray, injured dogs
- Rehabilitate rescued dogs
- Rehome rescued dogs
- Treat injured/sick dogs and return them to their habitat
- Trap, Neuter and Release stray dogs

Run educational and outreach activities to inculcate kindness, compassion, harmony and responsibility

Promote social acceptance and humane treatment of dogs

Help persons in need through animal-assisted activities

#### **1.5 PRINCIPLE SOURCES OF FUNDS**

SOSD is supported entirely through generous donations from the public.

#### **1.6 RESERVES POLICY**

SOSD aims to maintain its reserves at a level which is at least equivalent to six months' worth of operating expenditure.

The reserves are to be invested in financial instruments offered by established banks in Singapore that provide 100% principal protection.

The Management Committee conducts six-monthly reviews on the amount of reserves that are required to ensure that they are adequate.

The reserves shall not be used except with the approval of the Management Committee and only when the cashflow falls below two months' worth of the operating expenses.

## **1.7 RELATED ENTITIES**

SOSD has a wholly-owned subsidiary, Pet Guru Pte. Ltd., whose primary role is to support SOSD's fund raising efforts for stray dog feeders and canines in need.

The SOSD President is SOSD's nominee director in charge of the management of Pet Guru Pte. Ltd.

## **1.8 CONFLICT OF INTERESTS POLICY**

SOSD requires all Management Committee members and employees to submit an annual conflict of interest declaration in the form provided by SOSD at the end of each financial year.

Management Committee members and employees are also required to declare, as soon as they are aware, that they have any conflict of interest or potential conflict of interest in relation to any transaction or matter involving SOSD.

Management Committee members are not allowed to vote on any matters in which they have a conflict of interest. They are also not allowed to participate in any discussion on matters in which they are personally interested. A Management Committee member is required to recuse himself or herself from any meeting where such discussion takes place. The reason for how a final decision is made on the matter is also required to be recorded in the minutes of meeting.

## **1.9 REWARDS AND COMPENSATION**

No Management Committee member was paid any remuneration for their services as Management Committee members in FY2018.

There is no employee whose annual remuneration in FY2018 was \$100,000 or more.

## 2. Management Committee, Auditors, Advisors, Staff, and Organization

### 2.1 Management Committee

For the financial year ended 31 March 2018 ("FY2018"), our Management Committee comprised:

NAME	DESIGNATION	FIRST ELECTION DATE	LAST RE-ELECTION DATE
<b>Siew Tuck Wah</b>	President  (Occupation: Doctor in private practice)	3 April 2012	24 September 2018
<b>Catherine Wong Pey Giok</b>	Treasurer  (Occupation: Trade accounting Manager)	1 September 2016	24 September 2018
<b>Nurstasha Arifin Wong Ji Han</b>	Secretary  (Occupation: Graduate student at National University of Singapore)  SOSD Healing Paws Programme Coordinator	29 September 2015	20 December 2017
<b>Malina Adinegara Tjhin</b>	Ordinary Member  General Manager, SOSD	3 April 2012	20 December 2017
<b>Chan Yuen Leng</b>	Ordinary Member  Legal Advisor	29 September 2015	20 December 2017
<b>Mark Wong Lai Choong</b>	Ordinary Member  Shelter Officer	19 February 2018	N.A
<b>Cheng Chen Chiang, Andy</b>	Ordinary Member  Head of Fundraising Team	Originally appointed 29 September 2015, and resigned in February 2017	20 December 2017

## **2.2 OUR BANKERS**

United Overseas Bank

CIMB Bank

OCBC Bank

## **2.3 Our Auditors**

Fiducia LLP

## **2.4 Our Other Advisors**

Legal: Chan Yuen Leng

Veterinary Care: Dr Song V-Lynn

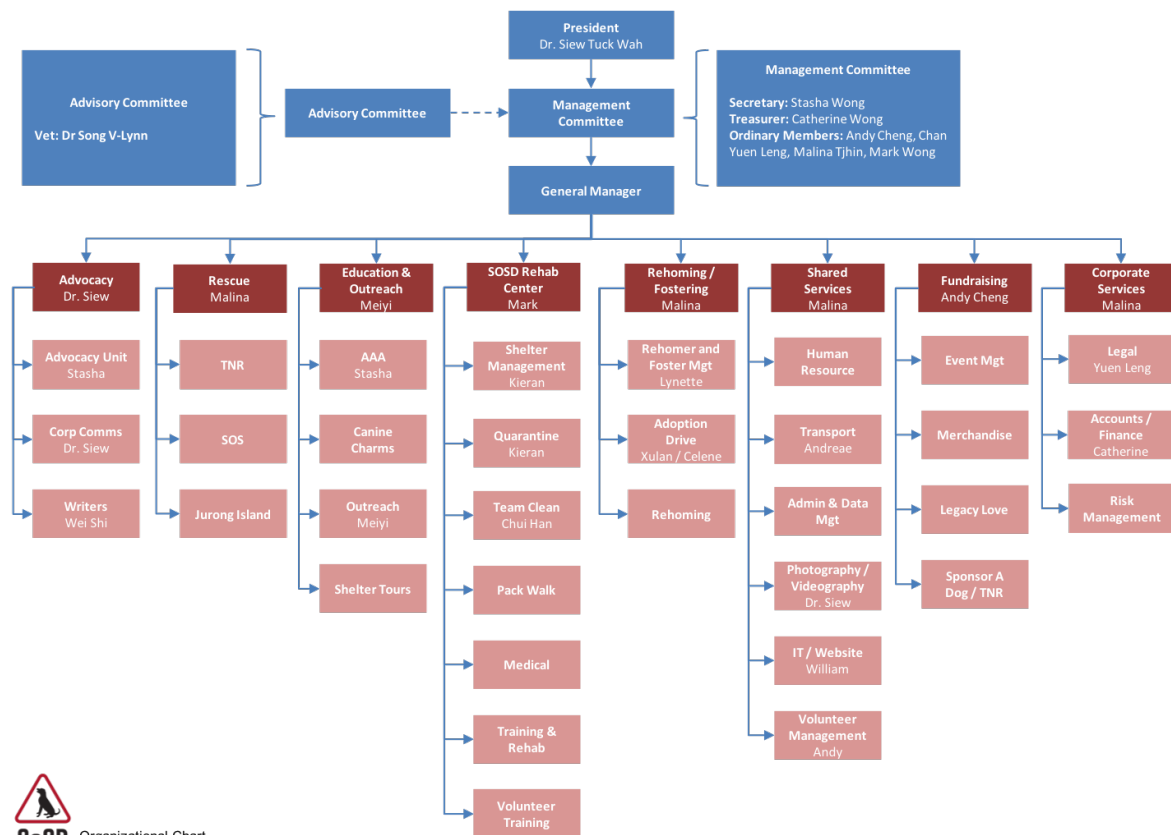
## **2.5 Details of Employees**

Malina Tjhin assumed the role of General Manager of SOSD on 1 January 2018. In FY2018, SOSD was run by volunteers and 9 employees comprising:

- A General Manager
- A Shelter and Admin Manager
- Two shelter workers
- Three shelter managers at the Jurong Island site
- An Administrative and Rehoming Manager
- A Trap-Neuter-Release-Management (“TNRM”) Manager

(After the end of FY 2018 SOSD added one part-time staff at Jurong Island and one Accounts Executive to its staff count.)

## 2.6 SOSD Organization Chart



Organizational Chart  
Updated: Jan 2018



### 3. Our Operational Teams

At the heart of SOSD's operations are the goodwill and hard work of our volunteers. While volunteers form the bulk of SOSD's sub-committees, our 9 staff occupy key roles in the smooth running of SOSD's daily operations.

Our core volunteer teams in FY2018 are as follows.



*Team Kennel volunteers getting ready for pack walk*

#### 3.1 Team Kennel

**Team Kennel** operates SOSD's Rehabilitation Centre ("SRC"), the physical centre of all of SOSD's canine operations. The SRC has a quarantine for newly rescued dogs as well as a larger component, the rehabilitation centre, which houses the dogs awaiting re-homing or adoption. The centre is run by a Shelter Manager who is assisted by several teams that give SRC much of its character: the Rehabilitation Team, the four Pack Walk Teams, the Veterinary Support Team, the Training Team, and Team Clean.

The **Rehabilitation Team's** objectives are to nurture rescued dogs back to health and, by training and conditioning, prepare these dogs for adoption.

Four **Pack Walk Teams** have the important duty of taking the dogs out for exercise, shampoo and grooming, training and conditioning, and feeding.

The **Veterinary Support Team** provides critical veterinarian care for dogs in quarantine as well as those in rehabilitation and training.

**Team Clean** members are volunteers who provide critical help with the daily washing and cleaning of the kennels in SRC. Without these volunteers, the living conditions of the shelter dogs will suffer.

The **Training Team** is a small but very dedicated training team and forms the cradle from where all SOSD dog handlers, as well as the many other volunteers in SOSD, first start.

All the teams in Team Kennel are filled with and are run by extremely dedicated volunteers working closely with each other and in cooperation with the Shelter Manager and SOSD owe a huge debt of gratitude to each and every one of these committed individuals.



*Rehoming volunteers and fosterers smiling for a picture*

### **3.2 Team Rehoming and Fosterers**

Team Rehoming and Fosterers make up the largest group of volunteers in SOSD.

Rehomers are friendly and people-oriented volunteers dedicated to working with potential adopters from the moment of their application, and even far beyond adoption. Team members implement a rigorous screening process, to ensure the best possible match between dogs and adopters. Following which, adopters living in HDB apartments are guided through the regulatory process for dog adoption under Project ADORE. Even after adoption, rehomers follow up with guidance and loving support, particularly for first-time dog owners.

Fosterers play a key role in helping our rescued dogs cope with transitioning into home environments. Through fostering, our rescued dogs are socialized to living in a home environment, practise their basic obedience, and perhaps most importantly, learn critical skills for confidently and happily settling into their future adopter's homes. Particularly for older dogs or those with pressing medical concerns, our fosterers provide a quiet and calm environment for them to recuperate. As shelter space is extremely limited, our team of dedicated fosterers enables SOSD to sustain its pace of operation.





*Kindergarten students huddling around E&O IC, Cheong Meiyi, and Dog-fficer Baxter*

### **3.3 Team Education & Outreach**

SOSD's outreach objective is to promote positive interaction between people and dogs. The numerous volunteer-run Education and Outreach ("E&O") programmes promote SOSD's message of compassion and harmony. In FY2018, the E&O team made many school visits, participated in media interviews and roadshows, and hosted numerous twice-monthly shelter tours to foster humane treatment of animals and to improve awareness of the stray dogs issues, as well as numerous adoption drives for family-ready dogs.

**Schools and Education Talks** - E&O volunteers educate children and youths about responsible pet ownership, and to respect and cherish the animals that share our environment.

**Healing Paws** - Healing Paws works with human-oriented partner organisations to bring Animal Assisted Activities (“AAA”) to their various beneficiaries. AAA involve our volunteers and dogs visiting people in a casual setting and enhancing their quality of life through the motivational, educational, recreational benefits of animal-human interaction. Our team of 70 active volunteers conduct on average 11 visits a month to various community hospitals, elderly hospices and youth homes in Singapore.

**Canine Chums** – Canine Chums volunteers bring SOSD dogs to educational institutions and private organisations for fun-filled interactions between dogs and humans. Through Canine Chums, SOSD shares the message of compassion, with the deeper aim of changing stereotyped attitudes about local dogs, the Singapore Specials. Participants gain greater understanding of the challenges SOSD and other animal welfare groups face, responsible pet ownership, and how they can contribute to improving the welfare of Singapore’s street dogs.



*A dog stretches out on the sand at Jurong Island shelter*

### **3.4 Team TNRM and Team Jurong Island**

**Team Trap-Neuter-Release-Management (“TNRM”)** and **Team Jurong Island** are staff-lead, small, yet effective. Team members work tirelessly with government and private stakeholders to ensure humane outcomes for Singapore strays. Their work is often physically-

demanding and even frustrating, monitoring target sites in difficult terrain and weather conditions for weeks or even months, and requires detailed planning and coordination as Singapore Specials are very intelligent and hardly fall for the same trap twice! More than that, the teams trap and treat injured or sick dogs and often have to make difficult decisions to either release or rehome treated dogs, given SOSD's resource constraints and the dog's welfare in its original environment. In spite of these challenges, Team TNRM and Team Jurong Island form the backbone of SOSD's rescue operations and the heart of our belief in TNRM as a humane and effective means to managing the stray dog population.



*Volunteers giving a heartfelt performance at the annual charity inner*

### **3.5 Team Fundraising**

Team Fundraising organizes events to raise financial support for SOSD, such as the annual flag day and annual charity dinner. Fundraising volunteers also build strong networks and relationships with donors and corporate sponsors, and work with Team Kennel to manage the Sponsor-a-Dog scheme.





*Dusty sits in his car, waiting for it to move off*

### **3.6 Team Transport**

Team transport volunteers are the fabric that weave together SOSD's logistics capability. These volunteers are behind the success of SOSD's many events. They provide two-way transport for all our dogs that need to visit veterinary clinics, adoption drives, outreach events and cart our equipment to and from all events. But for the transport team, SOSD's logistics costs would reach unsustainable levels. Money saved on transport is instead used for saving dogs.

### **3.7 Team IT**

Team IT are the unsung heroes of SOSD, providing the crucial support needed to maintain SOSD's IT infrastructure, and ultimately, to sustain SOSD's daily operations.

### **3.8 Team Photography and Team Social Media**

Team Photography volunteers are the creative minds that capture SOSD's happenings in photographic and video format.

Team Social Media are volunteers adept at harnessing the power of social media, and who craft and curate public posts about SOSD to share with its followers.

As an organisation supported entirely by the public, SOSD's success is contingent upon Team Photography and Team Social Media in capturing stories, from heartening to heart-rendering, of our struggles and successes. Not only are online platforms key to helping our rescues find their future adopters, they are also a channel through which SOSD can rally the public in support of animal welfare issues.

## 4. Our Growth at a Glance

### **In FY2018, SOSD ...**

#### **rescued:**

**336** dogs, providing them veterinary treatment and care and/or shelter in SRC or our fosterers' homes

#### **sheltered:**

**115** dogs at SRC

**85** dogs in fostered homes

**160** dogs at Jurong Island Shelter

#### **re-homed:**

**274** dogs, **94** of which were re-homed under Project ADORE

#### **trapped and neutered:**

**68** dogs from Jurong Island

**120** dogs from across Singapore, some of which were either released or re-homed by SOSD or other third-party rescuers

#### **supported:**

**36** injured or sick dogs which were rescued by third party rescuers

**20** stray feeders by providing them with **10,000KG** of kibbles through stray feeder donation drives



**conducted:**

**12** adoption drives

**20** training sessions for new volunteers

**29** private shelter tours at SRC for approximately **850** persons

**18** public tours at SRC reaching out to about **720** members of the public to raise the profile of its canine residents and to raise awareness of the plight of Singapore's stray dogs

**69** visits to approximately **15** Healing Paws' partner organisations, providing Animal-Assisted Activities ("AAA") to about 350 beneficiaries

**7** Canine Chums sessions in schools and educational institutions and interacting with more than **180** participants

**5** talks and outreach events in different schools and educational institutions, reaching out to more than **1800** students to spread the message of kindness to animals and responsible pet ownership

**recruited:**

**123** new volunteers under the various departments

**2** new staff members

**SOSD has also raised funds through its various programmes and events, including:**

**Flag Day 2018**

**\$51,054** was raised, of which \$24,339 was donated to Animal Lovers League ("ALL") and Oasis Second Chance Shelter ("OSCAS")

**Charity Dinner 2018**

**\$74,710** was raised

**24** donated items were put on auction

**258** guests were in attendance

## Sponsor-a-Dog Programme

**\$152,630** was raised



*Crates used to transport dogs from Pasir Ris to Sungei Tengah, stacked up before the move.*

## 5. Looking Forward – New Challenges

In June 2018, SOSD moved into our new shelter at AVA's 'the Animal Lodge' ("AVASTAL") in Sungei Tengah.

SOSD's new shelter has lesser space as compared to its previous home. This reduces its operational capacity and limits performance and results. SOSD is also faced with increased operating costs i.e., higher rentals and facility management costs. SOSD must work harder in order to sustain its operations. Current facility specifications impact dogs' quality of life in terms of exacerbated behavioral problems and increased risks of infectious diseases transmission.

SOSD will need to redouble its efforts to find solutions to these myriad problems, increase its capacity and continue to work towards a better quality of life for the homeless dogs of Singapore.



*Puppies at an adoption drive sleeping peacefully.*

## 6. Review of Financial Statement and Explanation of Major Financial Transactions in FY2018

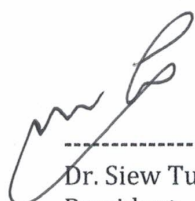
- 6.1 SOSD has a surplus of \$203,519 which is an increase of approximately 1.5 times compared to FY2017 (\$83,470), and its total revenue of \$1,320,375 increased by 1.8 percent as compared to FY2017. The increase in total revenue and surplus are mainly contributed by a decrease in SOSD's canine related expenses such as veterinary expenses, stray dog trapping costs, food and medical supplies (FY2018: \$362,321, FY2017: \$568,304). Unlike in FY2017, SOSD did not have to deal with any Canine Parvovirus outbreaks in FY2018, hence the reduction in total veterinary expenses.
- 6.2 Out of the total Flag Day proceeds of \$51,054, SOSD donated \$24,339 to Animal Lovers League and Oasis Second Chance Shelter which are registered charities and animal welfare organisations focused on the rescue of stray animals.
- 6.3 There is an increase in Governance & Admin costs of approximately \$85,0000, details of which are shown below.

	2018 (S\$)	2017 (S\$)	Difference (S\$)
<i>Insurance*</i>	12,717	631	12,086
<i>Medical expense†</i>	12,389	3,341	9,048
<i>Wages &amp; Contract fee‡</i>	262,931	199,307	63,624

6.4 SOSD provided a loan of \$29,000 to its subsidiary Pet Guru Pte. Ltd. for working capital purposes. The loan was made on arms-length terms at an interest rate of 2.68 percent per annum.

6.5 SOSD's FY2018 audited financial statements appear on the following page.

**For and on behalf of the Management Committee**



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Dr. Siew Tuck Wah  
President  
21 September 2018

\* Comprising premiums for SOSD's Workplace Injury Compensation (WIC) insurance policy, foreign worker medical insurance policy and public liability insurance policy. FY2018 saw an increase in our WIC insurance premiums due to an increase in staff headcount.

† Comprising payments to staff and volunteers for their medical claims.

‡ There was an increase in wage and contract fees due to the addition of three staff members between August 2016 to June 2016, and two staff members in January 2018.

**SOSD  
AND ITS SUBSIDIARY**

[UEN. T12SS058C]

[Registered under the Societies Act, Chapter 311  
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2018**

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**Fiducia LLP**

(UEN. T10LL0955L)

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**MANAGEMENT COMMITTEE'S STATEMENT**

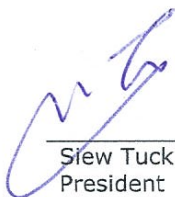
In the opinion of the management committee,

- a) the statement of financial position of **SOSD** (the "Society") and the consolidated financial statements of the Group are drawn up so as to present fairly, in all material respects, the state of affairs of the of the Society and the Group as at 31 March 2018, and the results, changes in fund and cash flows of the Group for the financial year then ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on  
**21 SEP 2018**

Siew Tuck Wah	President
Nurstasha Arifin Wong Ji Han	Secretary
Malina Adinegara	Rescue and Rehoming Officer
Chan Yuen Leng	Legal Advisor
Wong Pey Giok	Treasurer
Andy Cheng Chen Chiang	Ordinary Member
Mark Wong Lai Choong	Ordinary Member

On behalf of the Management Committee,



Siew Tuck Wah  
President

Singapore, **21 SEP 2018**



Wong Pey Giok  
Treasurer

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Independent auditor's report to the members of:

**SOSD AND ITS SUBSIDIARY**  
[UEN: T12SS0058C]

[Registered under the Societies Act, Chapter 311  
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### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **SOSD** (the "Society") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Society as at 31 March 2018, and the consolidated statement of financial activities, consolidated statement of changes in fund and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Society are properly drawn up in accordance with the provision of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Group and the Society as at 31 March 2018, and of the results of the Group, consolidated changes in fund and consolidated cash flows of the Group for the financial year ended on that date.

#### Basis for Opinion

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

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and management committee's statement, but does not include the financial statements and our auditor's report thereon.

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

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

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(CONT'D)

Independent auditor's report to the members of:

**SOSD AND ITS SUBSIDIARY**  
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### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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(CONT'D)

Independent auditor's report to the members of:

### **SOSD AND ITS SUBSIDIARY**

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#### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and; based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

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

#### **Report on Other Legal and Regulatory Requirements**

In our opinion,

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under Societies Act, the Charities Act and Regulations and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, Chapter 50; and
- (b) the fund-raising appeals during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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Independent auditor's report to the members of:

### **SOSD AND ITS SUBSIDIARY**

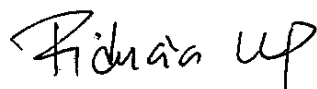
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### **Report on other Legal and Regulatory Requirements (Cont'd)**

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 21 SEP 2018

Partner-in-charge: Looi Chee Bin  
PAB. No.: 01834

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

		Group	
	Note	2018 S\$	2017 S\$
<b>INCOME</b>			
<u>Income from generating funds</u>			
Voluntary income			
- Donations		891,301	805,133
- Sponsorships		192,660	211,155
- NCSS – VCF Grant		0	2,635
		<u>1,083,961</u>	<u>1,018,923</u>
Activities for generating funds			
- Sale of merchandise – Flag Day	5	0	2,665
Total income from generating funds		<u>1,083,961</u>	<u>1,021,588</u>
<u>Income from charitable activities</u>			
Sale of merchandise		<u>219,113</u>	<u>264,819</u>
<u>Other income</u>			
Interest income		4,525	7,884
Insurance compensation		0	695
IRAS – Wage credit scheme payout		9,756	0
CPF – Temporary employment credit		1,225	669
Gain on foreign exchange		98	0
Transport income		690	941
Others		1,007	446
		<u>17,301</u>	<u>10,635</u>
<b>Total income</b>		<u>1,320,375</u>	<u>1,297,042</u>
<b>EXPENDITURE</b>			
Cost of generating funds		88,834	65,891
Cost of charitable activities		362,321	568,304
Governance and administrative costs		<u>665,701</u>	<u>579,377</u>
<b>Total expenditure</b>		<u>1,116,856</u>	<u>1,213,572</u>
<b>Net income before income tax</b>		203,519	83,470
Income tax	6	<u>(313)</u>	<u>0</u>
<b>NET INCOME FOR THE YEAR</b>		<u>203,206</u>	<u>83,470</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

		Group	
	Note	2018 S\$	2017 S\$
<b>EXPENDITURE</b>			
<u>Cost of generating funds</u>			
Charity auction		44,559	35,076
Charity movie screening		0	10,701
Event – Healing Paws		4,071	460
Event – LUYL Run		539	1,284
Event – Ubi Day		0	490
Family & Doggie Carnival		200	0
Flag Day - 2017	5	612	17,880
Flag Day - 2018	5	14,176	0
General Expenses		53	0
Share the flag day's net income with two charities	5	24,339	0
Publicity		285	0
		<u>88,834</u>	<u>65,891</u>
<u>Cost of charitable activities</u>			
Animal assisted activities		0	720
Canine behaviour workshop fee		0	720
Cremation		5,236	2,281
Dog food		42,109	64,432
Dog charity event		0	740
License fees		0	490
Merchandise		5,970	0
Microchip fees		20	80
Medical supplier		17,524	28,236
Shelter supplies		3,262	14,298
Stray dog trapping		25,873	46,880
Transportation		12,808	22,686
Vet bills		249,519	386,741
		<u>362,321</u>	<u>568,304</u>
<u>Governance and administrative costs</u>			
Accounting fees		17,600	9,600
Advertising		0	203
Audit fee		9,416	9,120
Bank charges		4,576	2,073
Depreciation	12	19,602	6,817
Dues & subscriptions		72	0
Fastpay charges		0	385
General expenses		5,858	5,920
Give.Asia charges		4	0
Hire purchase interest		1,435	2,144
Insurance		12,717	631
Interest expense		0	10
IT services		137	0
Loss of disposal of plant and equipment		0	14,280
Management fees - Shelter		4,848	4,444
Marketing expenses		2,996	436
Meals and drinks		485	0
Medical expenses		12,389	3,341

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Group	
	2018	2017
	S\$	S\$
<b>EXPENDITURE (CONT'D)</b>		
<u>Governance and administrative costs (Cont'd)</u>		
Miscellaneous	30	145
NETS charges	0	52
Packing materials	0	369
Paypal charges	5,575	7,001
Penalty	75	0
Postage & courier	51	51
Printing & stationery	1,043	837
Professional fees	(1,000)	2,980
Purchases	157,772	195,733
Rental – New shelter	2,000	0
Secretarial fees	1,651	600
Services fee	17,270	0
SG Gives charges	4,482	2,222
Singpost box services	142	161
Staff costs:		
Allowance - Staff	26,100	24,400
Bonus – Staff	19,261	9,581
CPF employer portion	41,794	32,972
Foreign worker levy	16,800	14,185
SDL	589	386
Wages & Salaries – Staff	245,661	199,307
Stamp fees	1,008	0
Tax fee	(200)	300
Telephone & internet	4,629	3,270
Transport	0	1,942
Travel & Entertainment	0	245
Uniform	0	2,352
Unrealised currency loss	0	29
Utility fees – Shelter	10,202	10,256
Van running expenses	3,084	9,697
Volunteer Appreciation Night	387	0
Warehouse rent	14,245	0
Website	915	900
	<u>665,701</u>	<u>579,377</u>
<b>Total expenditure</b>	<u>1,116,856</u>	<u>1,213,572</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

		Group	
	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,122,664	938,325
Trade and other receivables	8	27,874	25,189
Inventories	9	47,245	0
		<u>1,197,783</u>	<u>963,514</u>
<b>Non-current assets</b>			
Plant and equipment	12	<u>59,079</u>	<u>74,983</u>
<b>Total assets</b>		<u>1,256,862</u>	<u>1,038,497</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	200,282	169,203
Finance lease liabilities	14	14,446	13,881
Current income tax payable	6	0	1,190
		<u>214,728</u>	<u>184,274</u>
<b>Non-current liabilities</b>			
Finance lease liabilities	14	<u>37,080</u>	<u>52,375</u>
<b>Total liabilities</b>		<u>251,808</u>	<u>236,649</u>
<b>NET ASSETS</b>		<u>1,005,054</u>	<u>801,848</u>
<b>FUND</b>			
<b>Unrestricted fund</b>			
Accumulated fund		<u>1,005,054</u>	<u>801,848</u>

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

**STATEMENT OF FINANCIAL POSITION OF THE SOCIETY AS AT 31 MARCH 2018**

		Society	
	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,117,874	919,419
Other receivables	8	26,082	18,648
Loan to a subsidiary	10	38,347	9,000
		<u>1,182,303</u>	<u>947,067</u>
<b>Non-current assets</b>			
Investment in a subsidiary	11	29	29
Plant and equipment - Software	12	456	0
		<u>485</u>	<u>29</u>
<b>Total assets</b>		<u>1,182,788</u>	<u>947,096</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	124,934	93,388
<b>Total liabilities</b>		<u>124,934</u>	<u>93,388</u>
<b>NET ASSETS</b>		<u>1,057,854</u>	<u>853,708</u>
<b>FUND</b>			
<b>Unrestricted fund</b>			
Accumulated fund		<u>1,057,854</u>	<u>853,708</u>

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

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**CONSOLIDATED STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Group	
	2018	2017
	S\$	S\$
<b><u>Unrestricted fund</u></b>		
<b><u>Accumulated fund</u></b>		
Balance at beginning of financial year	801,848	718,378
Net income	<u>203,206</u>	<u>83,470</u>
Balance at end of financial year	<u><u>1,005,054</u></u>	<u><u>801,848</u></u>

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



**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

		Group	
	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net income before income tax		203,519	83,470
Adjustments for:			
- Depreciation	12	19,602	6,817
- Loss on disposal of plant and equipment		0	14,280
- Hire purchase interest		1,435	2,144
- Interest income		(4,525)	(7,884)
Operating cash flow before changes in working capital		220,031	98,827
Changes in working capital			
- Other receivables		(815)	(15,490)
- Other payables		31,079	43,121
- Inventory		(47,245)	0
Cash flows generated from operations		203,050	126,458
- Interest received		2,655	7,537
- Income tax paid		(1,503)	0
<b>Net cash flows generated from operating activities</b>		<b>204,202</b>	<b>133,995</b>
<b>Cash flows from investing activities</b>			
Purchases of plant and equipment	12	(3,698)	(8,180)
Proceeds from disposal of plant and equipment		0	12,000
<b>Net cash flows (used in) / generated from investing activities</b>		<b>(3,698)</b>	<b>3,820</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease liabilities		(14,730)	(20,240)
Interest paid		(1,435)	(2,144)
<b>Net cash flows used in financing activities</b>		<b>(16,165)</b>	<b>(22,384)</b>
<b>Net increase in cash and cash equivalents</b>		<b>184,339</b>	<b>115,431</b>
Cash and cash equivalents at beginning of financial year		938,325	822,894
Cash and cash equivalents at end of financial year	7	1,122,664	938,325
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		0	3,811
Cash at bank		662,471	476,977
Cash in transit		305,026	0
Fixed deposit		155,167	457,537
	7	1,122,664	938,325

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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

**1. General information**

SOSD (the "Society") was registered as Society under Societies Act, Chapter 311 and subsequently applied and approved as Charity under the Charities Act, Chapter 37 on 23 April 2013. The Society is domiciled in the Republic of Singapore.

The Society's registered office and place of business is located at 59 Sungei Tengah Road #01-41/42 Singapore 699014.

The Society was accorded as an Institution of a Public Character ("IPC") status for the period from 25 April 2016 to 24 April 2017 and renewed for the period from 25 April 2017 to 24 April 2019.

The objectives of the Society are as follows:

- (a) To assist in the social integration and humane management of strays and the furtherance of animal welfare in our Society;
- (b) To promote education or participate in schemes proposed to promote education in developing social acceptance and consciousness towards the attributes of kindness, compassion and graciousness for animal life in our Society;
- (c) To engage in such charitable and welfare work as the Society may think fit; and
- (d) To rescue and re-home stray, abandoned dogs, and dogs in need of a home.

The principal activities of the subsidiary are those of sale of pet accessories and food as well as pet transport.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"), the disclosure requirements of the Societies Act, Chapter 311 and the provision of Charity Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are presented in Singapore Dollars (S\$), which is the Group's functional currency.

**Interpretations and amendments to published standards effective in 2017**

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years.

## **2. Significant accounting policies (Cont'd)**

### **2.1 Basis of preparation (Cont'd)**

#### **Standards issued has not yet effective**

The Group has not adopted the following standards that have been issued but not yet effective:

<b>Descriptions</b>	<b>Annual periods commencing on</b>
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases - FRS 109 Prepayment Features with Negative Compensation - FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

Except for FRS 116, management believe that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of the initial application. The nature of the impending changes in accounting policy on adoption of the FRS116 is described below.

#### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities.

### **2.2 Income recognition**

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Group's activities. Income is recognised as follows:

#### **2.2.1 Donations**

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind and sponsorship are recognised when the fair value of the assets received can be reasonably ascertained.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition (Cont'd)**

#### **2.2.2 Transport service**

Revenue from transport service is recognised when the services rendered have been performed and the fees accepted.

#### **2.2.3 Sale of goods**

Income from the sale of goods is recognised when the Group has delivered the products to the buyer, the buyer has accepted the products, and the collectability of the related receivables is reasonably assured.

#### **2.2.4 Sponsorship income**

Sponsorship income is recognised on accrual basis.

#### **2.2.5 Government grant**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Society will comply with all attached conditions. Government grants, relating to cost, are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

#### **2.2.6 Other income**

Other income is recognised when received.

### **2.3 Expenditure recognition**

All expenses are accounted for on an accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### **2.3.1 Cost of generating funds from fund-raising activities**

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

#### **2.3.2 Cost of charitable activities**

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Group. The total costs of charitable activities are apportionment of overhead and shared costs.

#### **2.3.3 Governance and administrative costs**

Governance costs include the costs of governance arrangement, which relate to the general running of the Group, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

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## **2. Significant accounting policies (Cont'd)**

### **2.4 Group accounting**

#### **2.4.1 Subsidiaries**

##### **(i) Consolidation**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Society. They are shown separately in the consolidated statement of financial activities, statement of changes in fund, and statement of financial position. Total income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

##### **(ii) Acquisitions**

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

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## **2. Significant accounting policies (Cont'd)**

### **2.4 Group accounting (Cont'd)**

#### **2.4.1 Subsidiaries (Cont'd)**

##### **(iii) Disposals (Cont'd)**

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in statement of financial activities.

#### **2.4.2 Transactions with non-controlling interests**

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Society. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within accumulated fund attributable to the Society.

### **2.5 Property, plant and equipment**

#### **2.5.1 Measurement**

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

#### **2.5.2 Depreciation**

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

	Useful lives
Motor vehicle	5 years
Software	1 year

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in statement of financial activities when the changes arise.

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## **2. Significant accounting policies (Cont'd)**

### **2.5 Property, plant and equipment (Cont'd)**

#### **2.5.3 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

#### **2.5.4 Disposal**

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of financial activities.

### **2.6 Investment in a subsidiary**

Investment in a subsidiary is carried at cost, less accumulated impairment losses in the Society's statement of financial position. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in statement of financial activities.

### **2.7 Impairment of non-financial assets**

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

### **2.8 Financial assets**

#### **2.8.1 Classification**

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

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## **2. Significant accounting policies (Cont'd)**

### **2.8 Financial assets (Cont'd)**

#### **2.8.1 Classification (Cont'd)**

##### Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are represented as current assets, except those expected to be realised later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

#### **2.8.2 Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in statement of financial activities.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

#### **2.8.3 Measurement**

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

#### **2.8.4 Impairment**

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

##### Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in statement of financial activities.

The impairment allowance is reduced through profit or loss in a subsequent year when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior years.



## **2. Significant accounting policies (Cont'd)**

### **2.9 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

### **2.10 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis and includes freight and handling charges. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### **2.11 Financial liabilities**

Financial liabilities are recognised when the Society and the Group becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables" on statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### **2.12 Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### **2.13 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Society and the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.14 Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Group's purposes. There is no restricted fund at the end of the financial year.

## **2. Significant accounting policies (Cont'd)**

### **2.15 Leases**

When the Group is the lessee:

The Group leases motor vehicles under finance leases and the new shelter under operating leases from non-related parties.

#### Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

#### Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

### **2.16 Employee compensation**

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pay fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### 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 date.

### **2.17 Income taxes**

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax assets / liabilities are recognised for all deductible / taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets / liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

**2. Significant accounting policies (Cont'd)**

**2.17 Income taxes (Cont'd)**

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured:

- a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date; and
- b) the tax consequences that would follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of financial activities for the period.

**3. Critical accounting estimates, assumptions and judgments**

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the entity's accounting policies

There are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

**4. Donations and sponsorships**

The total tax deductible receipts issued by the Society for donations and sponsorship received during the financial year amounting to S\$718,761 (2017: S\$636,411), pursuant to its Institutions of a Public Character ("IPC") status.

## 5. Fund raising

	2018 S\$	2017 S\$
Income from fund-raising event		
Donation – Flag Day	51,054	72,792
Sale of merchandise	0	2,665
	<u>51,054</u>	<u>75,457</u>
Cost of fund raising expenses		
Flag Day - 2018	(14,176)	(17,880)
Share of flag day's net income with two charities	(24,339)	(0)
	<u>(38,515)</u>	<u>(17,880)</u>
Percentage of fund raising expenses over income from fund raising event before share of flag day's net income with two charities	<u>28%</u>	<u>24%</u>

## 6. Income tax

The Society is registered as a Charity organisation under Charities Act since 23 April 2013. Consequently, the income of the Society is exempted from income tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

The Group's income tax solely includes the profit before income tax attributable to its subsidiary.

	Group	
	2018 S\$	2017 S\$
Under provision in prior financial years:		
- Current income tax	<u>313</u>	<u>0</u>

The income tax expense on the Group's profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	Group	
	2018 S\$	2017 S\$
Profit before income tax	<u>203,519</u>	<u>83,470</u>
Tax calculated at a tax rate of 17% (2017: 17%)	34,598	14,190
Effects of:		
- Income not subject to tax	(34,705)	(18,770)
- Non-deductible expenses	2,781	1,523
- Utilisation of previously unrecognised capital allowances and tax losses	(2,674)	0
- Under provision of tax in prior financial years	313	0
- Deferred tax assets not recognised	0	3,057
Tax charge	<u>313</u>	<u>0</u>
	2018 S\$	2017 S\$
<b>Movement in current income tax liabilities</b>		
Balance at beginning of the financial year	1,190	1,190
Income tax paid	(1,503)	0
Under provision of tax in prior financial year	313	0
Balance at end of the financial year	<u>0</u>	<u>1,190</u>

**7. Cash and cash equivalents**

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Cash on hand	0	3,811	0	0
Cash at banks	662,471	476,977	657,681	461,882
Cash in transit	305,026	0	305,026	0
Fixed deposits	155,167	457,537	155,167	457,537
	<u>1,122,664</u>	<u>938,325</u>	<u>1,117,874</u>	<u>919,419</u>

Cash and cash equivalents at the reporting date were denominated in the following currencies:

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Singapore Dollar	1,120,889	938,325	1,116,099	919,419
Pound Sterling	1,775	0	1,775	0
	<u>1,122,664</u>	<u>938,325</u>	<u>1,117,874</u>	<u>919,419</u>

Fixed deposits with a financial institution at the reporting date had a maturity dates of 10 months (2017: 4 to 22 months) and a weighted average effective interest rate 2.92% (2017: 1.18%) per annum.

Long-term fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

**8. Trade and other receivables**

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Trade receivables				
- Non-related parties	<u>69</u>	<u>6,128</u>	<u>0</u>	<u>0</u>
Other receivables				
- Non-related parties	19,913	6,755	19,560	6,755
- Deposits	4,815	11,000	4,000	11,000
- Prepayments	860	959	305	459
- Interest receivable	<u>2,217</u>	<u>347</u>	<u>2,217</u>	<u>434</u>
	<u>27,805</u>	<u>19,061</u>	<u>26,082</u>	<u>18,648</u>
Total	<u>27,874</u>	<u>25,189</u>	<u>26,082</u>	<u>18,648</u>

Trade receivables are interest-free and generally collectible within 30 (2017: 30) days' term.

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

**9. Inventories**

	Group	
	2018 S\$	2017 S\$
Inventories	47,245	0

The cost of inventories recognised as an expense and included in "Purchases" amounted to S\$157,772 (2017: S\$195,733).

**10. Loan to a subsidiary**

	Group		Society	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Loan to a subsidiary	0	0	38,347	9,000

The loan to a subsidiary is unsecured, non-trade in nature, with effective interest rate of 0.68% (2017: 0.96%) and due for repayment on 31 December 2018.

**11. Investment in a subsidiary**

	Society	
	2018 S\$	2017 S\$
Unquoted shares, at cost	29	29

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		2018	2017	
Pet Guru Pte. Ltd.	Singapore	100%	100%	Sale of pet accessories, food and pet transport

Share held in trust

The subsidiary is held in trust by Malina Adinegara Tjhin, one of the Management Committee of the Society (the "trustee"). The trustee is the registered holder of the one fully paid ordinary share in the subsidiary.

**12. Plant and equipment**

<b>Group</b>	<b>2018</b>			<b>2017</b>
	<b>S\$ Motor vehicle</b>	<b>S\$ Software</b>	<b>S\$ Total</b>	<b>S\$ Motor vehicle</b>
<b>Cost</b>				
Beginning of financial year	81,800	0	81,800	43,800
Additions	0	3,698	3,698	81,800
Disposals	0	0	0	(43,800)
End of financial year	<u>81,800</u>	<u>3,698</u>	<u>85,498</u>	<u>81,800</u>
<b>Accumulated depreciation</b>				
Beginning of financial year	6,817	0	6,817	17,520
Depreciation	16,360	3,242	19,602	6,817
Disposals	0	0	0	(17,520)
End of financial year	<u>23,177</u>	<u>3,242</u>	<u>26,419</u>	<u>6,817</u>
<b>Carrying amount</b>	<u>58,623</u>	<u>456</u>	<u>59,079</u>	<u>74,983</u>

	<b>2018 S\$</b>	<b>2017 S\$</b>
<b>Society</b>		
<b>Cost - Software</b>		
Additions	<u>3,698</u>	<u>0</u>
End of financial year	<u>3,698</u>	<u>0</u>
<b>Accumulated depreciation - Software</b>		
Depreciation	<u>3,242</u>	<u>0</u>
End of financial year	<u>3,242</u>	<u>0</u>
<b>Carrying amount - Software</b>	<u>456</u>	<u>0</u>

In the previous financial year, the Group acquired motor vehicle with an aggregate cost of S\$81,800 of which S\$73,620 was acquired by means of finance lease arrangement.

The carrying amounts of motor vehicles held under financial leases at the end of the financial year were \$58,623 (2017: S\$74,983).

### 13. Trade and other payables

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Trade payables				
- Non-related parties	<u>77,277</u>	<u>81,005</u>	<u>58,668</u>	<u>58,612</u>
Other payables				
- Non-related parties	6,064	0	0	0
- CPF payables	9,382	5,317	9,382	5,317
- Accrued expenses	62,237	39,137	56,855	29,430
- Advance from a director	<u>45,322</u>	<u>43,744</u>	<u>29</u>	<u>29</u>
	<u>123,005</u>	<u>88,198</u>	<u>66,266</u>	<u>34,776</u>
Total	<u>200,282</u>	<u>169,203</u>	<u>124,934</u>	<u>93,388</u>

Trade payables are non-interest bearing and are generally settled within 30 (2017: 30) days' term.

The advance from a director is unsecured, non-trade in nature, interest free and payable upon demand.

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

### 14. Finance lease liabilities

	Group	
	2018	2017
	S\$	S\$
Minimum lease payments due:		
- Not later than one year	16,164	16,164
- Between two and five years	<u>40,388</u>	<u>56,552</u>
	56,552	72,716
Less: Future finance charges	<u>(5,026)</u>	<u>(6,460)</u>
Present value of minimum lease payments	<u>51,526</u>	<u>66,256</u>
Current liabilities		
- Not later than one year	14,446	13,881
Non-current liabilities:		
- Between two and five years	<u>37,080</u>	<u>52,375</u>
	<u>51,526</u>	<u>66,256</u>

The effective interest rate of the finance lease liabilities is from 3.85% (2017: 3.85% to 6.23%) per annum.



## 15. Operating lease commitments

As at the reporting date, the Group and Society has commitment for future minimum lease payments under non-cancellable operating leases as follows:

	2018 S\$	2017 S\$
Not later than one year	49,063	0
Between one and five years	112,144	0
	<u>161,207</u>	<u>0</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

## 16. Related party transactions

### i. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with the subsidiary took place at terms agreed between the parties during the financial year.

	Group		Society	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<i>Subsidiary</i>				
<i>Income</i>				
Interest income	0	0	(260)	(87)
<i>Expenses</i>				
Dog food	0	0	46,050	1,404
Transport	0	0	8,040	15,942
Vet bill	0	0	82	0
Loan to subsidiary	<u>0</u>	<u>0</u>	<u>29,000</u>	<u>9,000</u>

### ii. Compensation of personnel recharged to subsidiary

	Group	
	2018 S\$	2017 S\$
Wages	<u>0</u>	<u>2,293</u>

In the previous year, the staff, Kieran Kua, is a full time employee of SOSD. However, she has been spending half of her working hours in Pet Guru Pet Ltd. SOSD has recharged 50% of her gross salary (plus employer's portion of CPF 17%) to the Subsidiary, payable by the Subsidiary.

### iii. Remuneration of key management personnel

There is a Management Committee who received a fee as follow:

	Group and Society	
	2018 S\$	2017 S\$
Service fee	0	4,800
Salary	16,500	0
CPF employer portion and SDL	2,834	0
	<u>19,334</u>	<u>4,800</u>

There is no staff receiving more than S\$100,000 in annual remuneration.

## 17. Management of conflict of interest

The Management Committee are required to disclose any interest that they may have, whether directly or indirectly, that the Group may enter into or in any organisation that the Group has dealings with or is considering dealing with and any personal interests accruing to him as one of the Group's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected member of the Management Committee may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

## 18. Reserve position

The Society's reserve position for financial year ended 31 March 2018 is as follows:

		2018	2017	Increase
		\$'000	\$'000	%
A	Unrestricted Funds			
	Accumulated General Funds	1,058	854	24%
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	
	Restricted Funds	N/A	N/A	
C	Endowment Funds	N/A	N/A	
D	Total Funds	1,058	854	24%
E	Total Annual Operating Expenditure	912	925	(1%)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.16	0.92	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Administrative Costs.

The reserve policy of SOSD is to provide financial stability and the means to development of SOSD's activities. SOSD intends to improve the reserves to a level sufficient for its operating needs.

The Management Committee will review semi-annually the amount of funds that is required to ensure that they are adequate to fulfil SOSD's continuing obligation.

## 19. Financial instruments

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
<b>Financial assets</b>				
Cash and cash equivalents	1,122,664	938,325	1,117,874	919,419
Trade and other receivables (excluding prepayment)	27,014	24,230	25,777	18,189
Loan to a subsidiary	0	0	38,347	9,000
<i>Loan and receivables</i>	<u>1,149,678</u>	<u>962,555</u>	<u>1,181,998</u>	<u>946,608</u>
<b>Financial liabilities</b>				
Trade and other payables	200,482	169,203	124,934	93,388
Finance lease liabilities	<u>51,526</u>	<u>66,256</u>	<u>0</u>	<u>0</u>
<i>Financial liabilities carried at amortised cost</i>	<u>252,008</u>	<u>235,459</u>	<u>124,934</u>	<u>93,388</u>

## 20. Financial risk management

The Group's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee of the Group on an informal basis.

### *Credit risk*

The Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the Group resulting in a loss to the Group.

The carrying amount of cash and cash equivalents and trade and other receivables represents the Group's maximum exposure to credit risk in relation to financial assets.

The trade receivables relate to revenue. The Group performs on-going credit evaluation of its customers' financial conditions.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit agencies.

### *Liquidity risk*

Liquidity risk refers to the risk that the Group will not have sufficient funds to pay its debts as and when they fall due.

The Group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents deemed adequate by the Management Committee to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group has the continuing financial support of its Management Committee to meet its working capital requirements.

The table below summarises the profile of the Group's financial liabilities at the end of the reporting year based on contractual undiscounted payments, including interest payments:

	Group		Society	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
<b><u>Payable within one year</u></b>				
<i>Financial liabilities</i>				
Trade and other payables	200,482	169,203	124,934	93,388
Finance lease liabilities	16,164	16,164	0	0
	<u>216,646</u>	<u>185,367</u>	<u>124,934</u>	<u>93,388</u>
<b><u>Payable between one to five years</u></b>				
<i>Financial liabilities</i>				
Finance lease liabilities	<u>40,388</u>	<u>56,552</u>	<u>0</u>	<u>0</u>

**20. Financial risk management (Cont'd)**

*Interest rate risk*

The Group's revenue and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the statement of financial position date.

*Currency risk*

The Group is not exposed to foreign currency exchange risk as most of its transactions are in Singapore Dollars, its functional currency.

**Fair values**

Non-current finance lease liabilities of the Group approximate their fair value as the interest is approximately to the market interest rate.

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Group approximate their fair values due to their short-term nature.

**21. Fund Management**

The primary objective of the Group's fund management is to ensure that the funding from the members and other sources are properly managed and used to support its operations.

The Group manages its fund structure and makes adjustment to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2018 and 2017. The Group is not subjected to externally imposed capital requirements.

**22. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Society on

**21 SEP 2018**