

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

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

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

CONTENTS

Management Committee's Statement	2
Independent Auditor's Report	3
Consolidated Statement of Financial Activities	7
Consolidated Statement of Financial Position	10
Statement of Financial Position of the Society	11
Consolidated Statement of Changes in Fund	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14

Fiducia LLP
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MANAGEMENT COMMITTEE'S STATEMENT

The Management Committee present their statement together with the audited financial statements of the Society and its subsidiary (collectively the "Group") for the financial year ended 31 March 2019 and the statement of financial position of the SOSD (the "Society") as at 31 March 2019.


In the opinion of the Management Committee,

- a) the statement of financial position of 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 Group and the Society as at 31 March 2019, and the results, changes in fund and cash flows of the Group for the financial year 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.

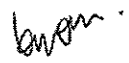
The Management Committee, comprising the following, authorised the issue of these financial statements on

Siew Tuck Wah	President
Chan Yuen Leng	Secretary
Wong Pey Giok	Treasurer
Malina Adinegara Tjhin	Ordinary Member
Nurstasha Arifin Wong Ji Han	Ordinary Member
Andy Cheng Chen Chiang	Ordinary Member
Mark Wong Lai Choong	Ordinary Member

On behalf of the Management Committee,



Siew Tuck Wah
President



Wong Pey Giok
Treasurer

Singapore,

2 5 SEP 2019

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SOSD (the "Society") and its subsidiary (collectively 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 2019, and the consolidated statement of financial activities, consolidated statement of changes in fund and consolidated statement of cash flows of the Group for the 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 provisions 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 2019, and the results, changes in the fund and cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 Management Committee's Statement and detailed statement of financial activities 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:

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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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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 information 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 entity incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, Chapter 50.
- (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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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 year:

- (a) the Society 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 Society 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, 25 SEP 2019

Partner-in-charge: Soo Hón Weng
PAB No: 01089

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group	
	Note	2019 S\$	2018 S\$
INCOME			
<u>Income from generating funds</u>			
Voluntary income			
- Donations	4	975,257	891,301
- Sponsorships	4	182,737	192,660
- Grants from Agri-Food and Veterinary Authority		30,000	0
		<u>1,187,994</u>	<u>1,083,961</u>
<u>Income from charitable activities</u>			
Sale of merchandise	4	<u>43,199</u>	<u>219,113</u>
Other income			
Interest income		3,781	4,525
Insurance compensation		10,221	0
IRAS - Wage credit scheme payout		15,026	9,756
CPF - Temporary employment credit		531	1,225
Gain on foreign exchange		0	98
Special employment credit		625	0
Transport income	4	0	690
Others		0	1,007
		<u>30,184</u>	<u>17,301</u>
Total income		<u>1,261,377</u>	<u>1,320,375</u>
EXPENDITURE			
Cost of generating funds		34,343	88,834
Cost of charitable activities		432,428	362,321
Governance and administrative costs		<u>783,127</u>	<u>665,701</u>
Total expenditure		<u>1,249,898</u>	<u>1,116,856</u>
NET INCOME BEFORE INCOME TAX		11,479	203,519
Income tax expense	7	<u>0</u>	<u>(313)</u>
NET INCOME FOR THE FINANCIAL YEAR		<u>11,479</u>	<u>203,206</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

		Group	
	Note	2019 S\$	2018 S\$
EXPENDITURE			
<u>Cost of generating funds</u>			
Charity auction	6	19,961	44,559
Christmas with a cause	6	102	0
Event - Healing Paws		3,071	4,071
Event - LUYL Run		0	539
Event - LWF Charity Concert		11,209	0
Family & Doggie Carnival		0	200
Flag Day - 2017		0	612
Flag Day - 2018	6	0	14,176
General expenses		0	53
Share the flag day's net income with two charities	6	0	24,339
Publicity		0	285
		<u>34,343</u>	<u>88,834</u>
<u>Cost of charitable activities</u>			
Boarding fees		420	0
Cremation		2,360	5,236
Dog food		97,666	42,109
Merchandise		0	5,970
Microchip fees		40	20
Medical supplies		14,032	17,524
Post mortem		225	0
Shelter supplies		4,224	3,262
Stray dog trapping		29,041	25,873
Transportation		28,516	12,808
Vet bills		<u>255,904</u>	<u>249,519</u>
		<u>432,428</u>	<u>362,321</u>
<u>Governance and administrative costs</u>			
Accounting fees		19,900	17,600
Application fee		3,280	0
Audit fee		9,000	9,416
Bank charges		1,355	4,576
Depreciation	13	35,379	19,602
Dues and subscriptions		189	72
Ex-gratia - Meals & Drinks and Volunteer Appreciation night		944	0
General expenses		373	5,858
Give.Asia charges		84	4
Hire purchase interest		2,578	1,435
Insurance		15,200	12,717
IT services		0	137
Management fees - Shelter		404	4,848
Marketing		1,412	2,996
Meals and drinks		0	485
Medical		951	12,389
Balance carried forward		<u>91,049</u>	<u>92,135</u>

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Group	
	2019 S\$	2018 S\$
EXPENDITURE (CONT'D)		
<u>Governance and administrative costs (Cont'd)</u>		
Balance brought forward	91,049	92,135
Miscellaneous	856	30
Merchant Point Of Sale service charges	331	0
NETS charges	77	0
Paypal charges	4,354	5,575
Penalty	0	75
Postage and courier	64	51
Printing and stationery	700	1,043
Professional fees	3,967	(1,000)
Purchases	56,760	157,772
Rental - new shelter	65,775	2,000
Rental - office	4,815	0
Repairs and maintenance	122	0
Secretarial fees	1,800	1,651
Services fee	8,400	17,270
SG Gives charges	14,328	4,482
Singpost box services	161	142
Small asset acquisition	3,119	0
Staff costs:		
Allowance - staff	5,400	26,100
Bonus - staff	2,400	19,261
CPF employer portion	67,244	41,794
Foreign worker levy	12,474	16,800
Leave encashment	1,373	0
Skills Development Levy	1,030	589
Training fee	61	0
Wages and Salaries - staff	409,564	245,661
Stamp fees	0	1,008
Tax fee	450	(200)
Telephone and internet	2,671	4,629
Transport	11,374	0
Utility fees - shelter	6,961	10,202
Van running	410	3,084
Volunteer Appreciation Night	0	387
Warehouse rent	4,752	14,245
Website	285	915
	783,127	665,701
Total expenditure	1,249,898	1,116,856

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		Group	
	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,048,457	1,122,664
Trade and other receivables	9	18,426	27,874
Inventories	10	5,908	47,245
		<u>1,072,791</u>	<u>1,197,783</u>
Non-current asset			
Plant and equipment	13	<u>86,753</u>	<u>59,079</u>
Total assets		<u>1,159,544</u>	<u>1,256,862</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	143,011	200,282
Finance lease liabilities	15	0	14,446
		<u>143,011</u>	<u>214,728</u>
Non-current liability			
Finance lease liabilities	15	<u>0</u>	<u>37,080</u>
Total liabilities		<u>143,011</u>	<u>251,808</u>
NET ASSETS		<u>1,016,533</u>	<u>1,005,054</u>
FUND			
Unrestricted fund			
Accumulated fund		<u>1,016,533</u>	<u>1,005,054</u>

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

STATEMENT OF FINANCIAL POSITION OF THE SOCIETY AS AT 31 MARCH 2019

		Society	
	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,031,406	1,117,874
Trade and other receivables	9	17,843	26,082
Inventories	10	5,908	0
Loan to a subsidiary	11	39,299	38,347
		<u>1,094,456</u>	<u>1,182,303</u>
Non-current assets			
Investment in a subsidiary	12	29	29
Plant and equipment	13	88,435	456
		<u>88,464</u>	<u>485</u>
Total assets		<u>1,182,920</u>	<u>1,182,788</u>
LIABILITIES			
Current liability			
Trade and other payables	14	93,569	124,934
Total liabilities		<u>93,569</u>	<u>124,934</u>
NET ASSETS		<u>1,089,351</u>	<u>1,057,854</u>
FUND			
Unrestricted fund			
Accumulated fund		<u>1,089,351</u>	<u>1,057,854</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Group	
	2019 S\$	2018 S\$
<u>Unrestricted fund</u>		
<u>Accumulated fund</u>		
Balance at beginning of financial year	1,005,054	801,848
Net income for the financial year	<u>11,479</u>	<u>203,206</u>
Balance at end of financial year	<u><u>1,016,533</u></u>	<u><u>1,005,054</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 2019**

		Group	
	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income before income tax		11,479	203,519
Adjustments for:			
- Depreciation	13	35,379	19,602
- Hire purchase interest		2,578	1,435
- Interest income		(3,781)	(4,525)
Operating cash flows before changes in working capital		45,655	220,031
Changes in working capital			
- Trade and other receivables		9,448	(815)
- Other payables		(57,271)	31,079
- Inventories		41,337	(47,245)
Cash flows generated from operations		39,169	203,050
- Interest received		3,781	2,655
- Income tax paid		0	(1,503)
Net cash flows generated from operating activities		<u>42,950</u>	<u>204,202</u>
Cash flows from investing activity			
Purchases of plant and equipment, representing net cash used in investing activity	13	<u>(63,053)</u>	<u>(3,698)</u>
Cash flows from financing activities			
Repayment of finance lease liabilities		(51,526)	(14,730)
Interest paid		(2,578)	(1,435)
Net cash flows used in financing activities		<u>(54,104)</u>	<u>(16,165)</u>
Net (decrease) / increase in cash and cash equivalents		(74,207)	184,339
Cash and cash equivalents at beginning of financial year		1,122,664	938,325
Cash and cash equivalents at end of financial year	8	<u>1,048,457</u>	<u>1,122,664</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 2017 to 24 April 2019 and renewed for the period from 25 April 2019 to 24 April 2020.

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.
- (e) To provide comfort and companionship to persons in Singapore who are in need through activities or programmes involving dogs.

The principal activities of the subsidiary are those of sale of pet accessories and food and no sale of animals.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"), the disclosure requirements of the Societies Act, Chapter 311 and the provisions of Charity Act, Chapter 37.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement 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 estimates and assumptions are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2018

On 1 April 2018, the Group adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") 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 FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs 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 year.

New or amended Standards and Interpretation not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
Amendments to FRS 19 Employee benefits (Plan amendments, curtailment or settlement)	1 January 2019
Amendments to FRS 109 Financial instruments (Prepayments features with negative compensation)	1 January 2019

Except for FRS 116, the management expect that the adoption of the above 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 FRS 116 are described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position 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 exemption for lessees- leases of "low value" assets and short-term leases, which do not contain any purchase options. 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, total liabilities and earnings before interest, taxes, depreciation and amortisation.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

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

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

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.

2.2.2 Transport service

Revenue from transport service is recognised when the services rendered have been performed and the fees accepted (i.e. at a point in time).

2.2.3 Sale of goods

Income from the sale of goods is recognised when the Group has delivered the products to the customers, and all criteria for acceptance have been satisfied (i.e. at a point in time).

2.2.4 Other income is recognised when received.

2.3 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.

2.4 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.

2.4.1 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. Significant accounting policies (Cont'd)

2.4 Expense recognition (Cont'd)

2.4.2 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.

2.4.3 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.

2.5 Group accounting

Consolidation

Subsidiary is an entity 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. Subsidiary is 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 the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.6 Investment in 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. Significant accounting policies (Cont'd)

2.7 Plant and equipment

2.7.1 Measurement

All 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 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 plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the plant and equipment.

2.7.2 Depreciation

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

	Useful lives
Motor vehicle	5 years
Renovation	3 years
Software	1 year

The residual values, estimated useful lives and depreciation method of 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.

2.7.3 Subsequent expenditure

Subsequent expenditure relating to 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.

2.7.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.8 Impairment of non-financial assets

Non-financial assets 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 the consolidated statement of financial activities.

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 consolidated statement of financial activities.

2.9 Financial assets

2.9.1 The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables

- Cash and cash equivalents
- Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are 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.

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

2.9.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Group classifies its financial assets into the following measurement category:

- Amortised cost

The classification of debt instruments depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

2.9.2.1 *At initial recognition*

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

2.9.2.2 *At subsequent measurement*

Debt instruments of the Group mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristics of the assets. The Group managed these group of financial assets by collecting the contractual cash flows and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and trade and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.10 Cash and cash equivalents

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

2. Significant accounting policies (Cont'd)

2.11 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.

2.12 Financial liabilities

Financial liabilities are recognised when the Group and the Society 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" and "Finance lease liabilities" on statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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.

2.13 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.

2.14 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.

2.15 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)

2.16 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.

2.17 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.

2.18 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.

2. Significant accounting policies (Cont'd)

2.18 Income taxes (Cont'd)

Deferred income tax is recognised for all 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 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.

A 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 and tax losses can be utilised.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiary, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is 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 substantively enacted by the reporting date; and
- b) based on the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a transaction, which is recognised directly in equity.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements 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. At the reporting date, 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

At the reporting date, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

4. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

	Group	
	2019 S\$	2018 S\$
Revenue from:		
Donations	975,257	891,301
Sponsorships	182,737	192,660
Sale of merchandise	43,199	219,113
Transport income	0	690
	<u>1,201,193</u>	<u>1,303,764</u>
Timing of transfer of services		
- At a point in time	<u>1,201,193</u>	<u>1,303,764</u>

5. Donations and sponsorships

The total tax-deductible receipts issued by the Society for donations and sponsorship received during the financial year amounting to S\$897,960 (2018: S\$718,761), pursuant to its IPC status.

6. Fund raising

	Group	
	2019 S\$	2018 S\$
Income from fund-raising event		
Donation – Flag Day	0	51,054
Donation – Events	96,480	0
Sale of merchandise	88	0
	<u>96,568</u>	<u>51,054</u>
Cost of fund-raising expenses		
Flay Day - 2018	0	(14,176)
Charity auction	(19,961)	0
Christmas with a cause	(102)	0
Share of flag day's net income with two charities	0	(24,339)
	<u>(20,063)</u>	<u>(38,515)</u>
Percentage of fund-raising expenses over income from fund raising event before share of flag day's net income (pertaining to last year) with two charities	<u>21%</u>	<u>28%</u>

7. 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	
	2019	2018
	S\$	S\$
Under-provision in prior financial years:		
- Current income tax	0	313

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	
	2019	2018
	S\$	S\$
Profit before income tax	11,479	203,519
Tax calculated at a tax rate of 17%	1,951	34,598
Effects of:		
- Income not subject to tax	(5,426)	(34,705)
- Under-provision of tax in prior financial years	0	313
- Deferred tax assets not recognised	3,475	107
Tax charge	0	313

	Group	
	2019	2018
	S\$	S\$
Movement in current income tax liabilities		
Balance at beginning of the financial year	0	1,190
Income tax paid	0	(1,503)
Under-provision of tax in prior financial year	0	313
Balance at end of the financial year	0	0

At the reporting date, the Group has an unabsorbed loss carried forward amounted to approximately S\$23,000 (2018: S\$9,000). The availability of the tax loss for offset against future taxable income is subject to agreement by the Singapore Comptroller of Income Tax and the requirement under Section 37 and 23 of Singapore Income Tax Act.

8. Cash and cash equivalents

	Group		Society	
	2019	2018	2019	2018
	S\$	S\$	S\$	S\$
Cash in hand	100	0	100	0
Cash at banks	612,302	662,471	595,251	657,681
Cash in transit	0	305,026	0	305,026
Fixed deposits	436,055	155,167	436,055	155,167
	<u>1,048,457</u>	<u>1,122,664</u>	<u>1,031,406</u>	<u>1,117,874</u>

8. Cash and cash equivalents (Cont'd)

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

	Group		Society	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
Singapore Dollar	1,048,457	1,120,889	1,031,406	1,116,099
Pound Sterling	0	1,775	0	1,775
	<u>1,048,457</u>	<u>1,122,664</u>	<u>1,031,406</u>	<u>1,117,874</u>

Fixed deposits with a financial institution at the reporting date have maturity dates of 1 to 7 months (2018: 10 months) and a weighted average effective interest rate 1.37% (2018: 2.92%) 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.

9. Trade and other receivables

	Group		Society	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
Trade receivables				
- Third parties	<u>583</u>	<u>69</u>	<u>0</u>	<u>0</u>
Other receivables				
- Third parties	13,163	19,913	13,163	19,560
- Deposits	2,950	4,815	2,950	4,000
- Prepayments	1,730	860	1,730	305
- Interest receivable	0	2,217	0	2,217
	<u>17,843</u>	<u>27,805</u>	<u>17,843</u>	<u>26,082</u>
Total	<u>18,426</u>	<u>27,874</u>	<u>17,843</u>	<u>26,082</u>

Trade receivables are interest-free and are generally repayable within 30 (2018: 30) days' term.

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

10. Inventories

	Group		Society	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
Inventories	<u>5,908</u>	<u>47,245</u>	<u>5,908</u>	<u>0</u>

The cost of inventories recognised as an expense and included in "Purchases" amounted to S\$56,760 (2018: S\$157,772).

11. Loan to a subsidiary

	Group		Society	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
Loan to a subsidiary	<u>0</u>	<u>0</u>	<u>39,299</u>	<u>38,347</u>

The loan to a subsidiary is unsecured, non-trade in nature, with effective interest rate of 2.51% (2018:0.68%) and due for repayment on 31 December 2018. On 25 July 2019, the loan from ultimate holding entity has revised to non-interest bearing and repayable on demand.

12. Investment in a subsidiary

	Society	
	2019 S\$	2018 S\$
Unquoted shares, at cost	<u>29</u>	<u>29</u>

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		2019	2018	
Pet Guru Pte. Ltd.	Singapore	100%	100%	Sale of pet accessories and food and no sale of animals

Share held in trust

The subsidiary is held in trust by Malina Adinegara Tjhin, a member 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.

13. Plant and equipment

	Motor vehicle S\$	Renovation S\$	Software S\$	Total S\$
2019				
Group				
Cost				
Beginning of financial year	81,800	0	3,698	85,498
Additions	0	63,053	0	63,053
End of financial year	81,800	63,053	3,698	148,551
Accumulated depreciation				
Beginning of financial year	23,177	0	3,242	26,419
Depreciation	13,905	21,018	456	35,379
End of financial year	37,082	21,018	3,698	61,798
Carrying amount	44,718	42,035	0	86,753
2018				
Group				
Cost				
Beginning of financial year	81,800	0	0	81,800
Additions	0	0	3,698	3,698
End of financial year	81,800	0	3,698	85,498
Accumulated depreciation				
Beginning of financial year	6,817	0	0	6,817
Depreciation	16,360	0	3,242	19,602
End of financial year	23,177	0	3,242	26,419
Carrying amount	58,623	0	456	59,079
2019				
Society				
Cost				
Beginning of financial year	0	0	3,698	3,698
Additions	58,000	63,053	0	121,053
End of financial year	58,000	63,053	3,698	124,751
Accumulated depreciation				
Beginning of financial year	0	0	3,242	3,242
Depreciation	11,600	21,018	456	33,074
End of financial year	11,600	21,018	3,698	36,316
Carrying amount	46,400	42,035	0	88,435

13. Plant and equipment (Cont'd)

	Motor vehicle S\$	Renovation S\$	Software S\$	Total S\$
2018				
Society				
Cost				
Beginning and end of financial year	0	0	3,698	3,698
Accumulated depreciation				
Beginning of financial year	0	0	0	0
Depreciation	0	0	3,242	3,242
End of financial year	0	0	3,242	3,242
Carrying amount	0	0	456	456

In year 2017, the Group acquired additional 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 amount of motor vehicle held under finance lease at the end of the financial year were \$Nil (2018: \$58,623). The finance lease has been fully settled during the financial year.

14. Trade and other payables

	Group		Society	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
Trade payables				
- Third parties	67,748	77,277	66,849	58,668
Other payables				
- Third parties	1,121	6,064	1,121	0
- CPF payables	13,421	9,382	13,421	9,382
- Accrued expenses	15,399	62,237	12,149	56,855
- Advance from a director	45,322	45,322	29	29
	75,263	123,005	26,720	66,266
Total	143,011	200,282	93,569	124,934

Trade payables are non-interest bearing and are generally repayable within 30 (2018: 30) days' term.

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

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

15. Finance lease liabilities

	Group	
	2019	2018
	S\$	S\$
Minimum lease payments due:		
- Not later than one year	0	16,164
- Between two and five years	0	40,388
	0	56,552
Less: Future finance charges	0	(5,026)
Present value of minimum lease payments	0	51,526
Current liabilities		
- Not later than one year	0	14,446
Non-current liabilities:		
- Between two and five years	0	37,080
	0	51,526

The effective interest rate of the finance lease liabilities was 3.85% per annum as at 31 March 2018.

16. Operating lease commitments

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

	2019	2018
	S\$	S\$
<i>Future minimum lease payments</i>		
Not later than one year	100,430	49,063
Between one and five years	95,615	112,144
	196,045	161,207

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.

17. 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	
	2019 S\$	2018 S\$	2019 S\$	2018 S\$
<u>Subsidiary Income</u>				
Interest income	0	0	(952)	(260)
Gain or loss on disposal of motor vehicle	0	0	(2,103)	0
<u>Expenses</u>				
Dog food	0	0	35,857	46,050
Transport	0	0	0	8,040
Vet bill	0	0	0	82
Proceeds from sale of motor vehicle	0	0	58,000	0
Loan to subsidiary	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,000</u>

ii. Remuneration of key management personnel

There is a Management Committee member who received a fee as follows:

	Group and Society	
	2019 S\$	2018 S\$
Salary	65,083	16,500
CPF employer portion and SDL	<u>11,065</u>	<u>2,834</u>
	<u>76,148</u>	<u>19,334</u>

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

18. 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.

19. Reserve position and policy

The Society's reserve position for financial year ended 31 March 2019 and 31 March 2018 is as follows:

		2019	2018	Increase
		\$'000	\$'000	%
A	Unrestricted Funds			
	Accumulated General Funds	1,089	1,058	2.93%
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	N/A
	Restricted Funds	N/A	N/A	N/A
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	1,089	1,058	2.93%
E	Total Annual Operating Expenditure	1,201	912	31.69%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.91	1.16	

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 the Society is to provide financial stability and the means to development of the Society's activities. The Society 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 the Society's continuing obligation.

20. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Management Committee are responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement and exposure limits and hedging strategies, in accordance with the objectives and underlying principle approved by the Management Committee. Financial risk management is carried out by accounting personnel.

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.

20. Financial risk management (Cont'd)

20.1 Credit risk

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

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

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

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

Cash and cash equivalents of the Group are placed with reputable bank and are neither past due nor impaired. The trade receivables are neither past due nor impaired. The Management Committee are of the opinion that they are not impaired since they will subsequently be collected.

20.2 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	
	2019	2018	2019	2018
	S\$	S\$	S\$	S\$
<u>Payable within one year</u>				
<i>Financial liabilities</i>				
Trade and other payables	143,011	200,482	93,569	124,934
Finance lease liabilities	0	16,164	0	0
	<u>143,011</u>	<u>216,646</u>	<u>93,569</u>	<u>124,934</u>
<u>Payable between one to five years</u>				
<i>Financial liabilities</i>				
Finance lease liabilities	<u>0</u>	<u>40,388</u>	<u>0</u>	<u>0</u>

20. Financial risk management (Cont'd)

20.3 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 reporting date.

20.4 Foreign currency risk

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

21. 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.

22. Financial instruments by Category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised costs are as follows:

	2019	
	Group S\$	Society S\$
Financial assets, at amortised cost	1,065,153	1,086,818
Financial liabilities, at amortised cost	<u>143,011</u>	<u>93,569</u>
	2018	
	Group S\$	Society S\$
Loans and receivables	1,149,678	1,181,998
Financial liabilities, at amortised cost	<u>251,808</u>	<u>124,934</u>

23. 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 2019 and 2018. The Group is not subjected to externally imposed capital requirements.

24. Authorisation of financial statements

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

2 5 SEP 2019

**SUBSEQUENT PAGES COMPRISES OF THE SOCIETY'S DETAILED STATEMENT OF FINANCIAL
ACTIVITIES WHICH IS PREPARED FOR MANAGEMENT PURPOSE ONLY AND
DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

	Society	
	2019 S\$	2018 S\$
INCOME		
<u>Income from generating funds</u>		
Voluntary income		
- Donations	975,257	891,301
- Sponsorships	182,737	192,660
- Grants from Agri-Food and Veterinary Authority	30,000	0
	<u>1,187,994</u>	<u>1,083,961</u>
<u>Income from charitable activities</u>		
Sale of merchandise	<u>13,506</u>	<u>16,595</u>
<u>Other income</u>		
Interest income	4,733	4,785
Insurance compensation	10,221	0
IRAS - Wage credit scheme payout	15,026	9,756
CPF - Temporary employment credit	531	1,225
Gain on foreign exchange	0	98
Special employment credit	625	0
	<u>31,136</u>	<u>15,864</u>
Total income	<u>1,232,636</u>	<u>1,116,420</u>
EXPENDITURE		
Cost of generating funds	34,343	88,834
Cost of charitable activities	432,428	416,493
Governance and administrative costs	<u>734,368</u>	<u>406,947</u>
Total expenditure	<u>1,201,139</u>	<u>912,274</u>
NET INCOME BEFORE INCOME TAX	31,497	204,146
Income tax expense	<u>0</u>	<u>0</u>
NET INCOME FOR THE FINANCIAL YEAR	<u>31,497</u>	<u>204,146</u>

FOR MANAGEMENT PURPOSE ONLY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

EXPENDITURE

Cost of generating funds

	Society	
	2019	2018
	S\$	S\$
Charity auction	19,961	44,559
Christmas with a cause	102	0
Event - Healing Paws	3,071	4,071
Event - LUYL Run	0	539
Event - LWF Charity Concert	11,209	0
Family & Doggie Carnival	0	200
Flag Day - 2017	0	612
Flag Day - 2018	0	14,176
General expenses	0	53
Share the flag day's net income with two charities	0	24,339
Publicity	0	285
	<u>34,343</u>	<u>88,834</u>

Cost of charitable activities

Boarding fees	420	0
Cremation	2,360	5,236
Dog food	97,666	88,159
Merchandise	0	5,970
Microchip fees	40	20
Medical supplies	14,032	17,524
Post mortem	225	0
Shelter supplies	4,224	3,262
Stray dog trapping	29,041	25,873
Transportation	28,516	20,848
Vet bills	255,904	249,601
	<u>432,428</u>	<u>416,493</u>

Governance and administrative costs

Accounting fees	19,900	17,600
Application fee	3,280	0
Audit fee	6,200	6,206
Bank charges	1,123	4,035
Depreciation	33,074	3,242
Dues and subscriptions	189	72
Ex-gratia - Meals & Drinks and Volunteer Appreciation night	944	0
Give.Asia charges	84	4
Insurance	15,200	12,717
IT services	0	137
Management fees - Shelter	404	4,848
Marketing	0	2,996
Meals and drinks	0	485
Medical	951	12,389
Balance carried forward	<u>81,349</u>	<u>64,731</u>

FOR MANAGEMENT PURPOSE ONLY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

	Society	
	2019	2018
	S\$	S\$
EXPENDITURE (CONT'D)		
<u>Governance and administrative costs (Cont'd)</u>		
Balance brought forward	81,349	64,731
Miscellaneous	856	30
Merchant Point Of Sale service charges	331	0
NETS charges	77	0
Paypal charges	4,354	5,575
Postage and courier	64	51
Printing and stationery	610	856
Professional fees	3,967	0
Purchases	35,857	0
Rental - new shelter	65,775	2,000
Rental - Office	4,815	0
Repairs and maintenance	122	0
Secretarial fees	130	0
SG Gives charges	14,328	4,482
Singpost box services	161	142
Small asset acquisition	3,119	0
Staff costs:		
Allowance - staff	5,400	26,100
Bonus - staff	2,400	19,261
CPF employer portion	67,244	36,499
Foreign worker levy	12,474	16,800
Leave encashment	1,373	0
Skills Development Levy	1,030	589
Training fee	61	0
Wages and Salaries - staff	409,564	214,965
Stamp fees	0	1,008
Telephone and internet	2,671	2,354
Transport	8,990	0
Utility fees - shelter	6,961	10,202
Volunteer Appreciation Night	0	387
Website	285	915
	734,368	406,947
Total expenditure	1,201,139	912,274