

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

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

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL  
2019 TO 31 DECEMBER 2019**

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**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 period from 1 April 2019 to 31 December 2019 and the statement of financial position of the SOSD (the "Society") for the financial period from 1 April 2019 to 31 December 2019.

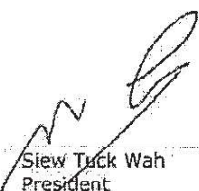
In the opinion of the Management Committee,

- 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 December 2019, and the results, changes in funds and cash flows of the Group for the financial period from 1 April 2019 to 31 December 2019; 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	(Resigned on 22 July 2020)
Kua Yi Wen	Ordinary Member	
Chen JiaXin	Ordinary Member	

On behalf of the Management Committee,



Siew Tuck Wah  
President

Singapore, 30 JUL 2020



Wong Pey Giok  
Treasurer

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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 December 2019, and the consolidated statement of financial activities, consolidated statement of changes in funds and consolidated statement of cash flows of the Group for the financial period from 1 April 2019 to 31 December 2019, 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 December 2019, and the results, changes in the fund and cash flows of the Group for the financial period from 1 April 2019 to 31 December 2019.

#### **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 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)

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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, 30 JUL 2020

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 31 DECEMBER 2019**

		Group		
		01.04.2019 to 31.12.2019	01.04.2018 to 31.03.2019	
		Unrestricted Fund	Designated Fund	Total Funds
Note		S\$	S\$	S\$
				Unrestricted Fund S\$
<b>INCOME</b>				
<u>Income from generating funds</u>				
Voluntary income				
- Donations	4	457,061	132,989	590,050
- Sponsorships	4	124,185	0	124,185
- Registration fee	4	2,543	0	2,543
- Grants from Agri-Food and Veterinary Authority		15,180	0	15,180
		598,969	132,989	731,958
<u>Income from charitable activities</u>				
Training fee	4	5,750	0	5,750
License fee	4	200	0	200
Sale of merchandise	4	34,136	0	34,136
		40,086	0	40,086
<u>Other income</u>				
Interest income		10,987	0	10,987
Insurance compensation		0	0	0
IRAS - Wage credit scheme payout		0	0	0
CPF - Temporary employment credit		0	0	0
Special employment credit		453	0	453
Waiver of amount due to director		45,293	0	45,293
Others		696	0	696
		57,429	0	57,429
<b>Total income</b>		696,484	132,989	829,473
<b>EXPENDITURE</b>				
Cost of generating funds		38,671	0	38,671
Cost of charitable activities		125,894	123,504	249,398
Governance and administrative costs		539,066	0	539,066
<b>Total expenditure</b>		703,631	123,504	827,135
<b>NET INCOME BEFORE INCOME TAX</b>		(7,147)	9,485	2,338
Income tax expense	7	0	0	0
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		(7,147)	9,485	2,338

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



**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 31 DECEMBER 2019 (CONT'D)**

		Group			
		01.04.2019 to 31.12.2019		01.04.2018 to 31.03.2019	
	Note	Unrestricted Fund S\$	Designated Fund S\$	Total Funds S\$	Unrestricted Fund S\$
<b>EXPENDITURE</b>					
<u>Cost of generating funds</u>					
Charity auction	6	0	0	0	19,961
Christmas with a cause	6	0	0	0	102
Event - Healing Paws		34	0	34	3,071
Event - LWF Charity Concert		0	0	0	11,209
Fundraising - Miscellaneous - Tin Cans		10	0	10	0
Give.Asia charges		125	0	125	0
License Fees		1	0	1	0
Movie screening		1,323	0	1,323	0
Calendar - Design & Print Postage & Misc Costs		3,745	0	3,745	0
SG Gives Charges		8,697	0	8,697	0
Transportation - Adoption Drive		420	0	420	0
Eventbrite charges (Shelter tour)		428	0	428	0
Rental of Premise (Shelter tour)		508	0	508	0
Write off expired donated stocks - Medical supplies		23,380	0	23,380	0
		38,671	0	38,671	34,343
<u>Cost of charitable activities</u>					
Boarding fees		0	0	0	420
Cremation		1,959	0	1,959	2,360
Dog food		47,443	18,466	65,909	97,666
Microchip fees		20	0	20	40
Medical supplies		15,402	0	15,402	14,032
Post mortem		0	0	0	225
Purchases		10,193	0	10,193	0
Shelter supplies		1,203	0	1,203	4,224
Stray dog trapping		20,731	0	20,731	29,041
Transportation		5,787	0	5,787	28,516
Vet bills		22,459	105,038	127,497	255,904
Volunteer Training Expenses		697	0	697	0
		125,894	123,504	249,398	432,428
<u>Governance and administrative costs</u>					
Accounting fees		3,900	0	3,900	19,900
Application fee		0	0	0	3,280
Audit fee		9,505	0	9,505	9,000
Bank charges		983	0	983	1,355
Depreciation	13	65,290	0	65,290	35,379
Dues and subscriptions		110	0	110	189
Ex-gratia - Meals & Drinks and Volunteer Appreciation night		236	0	236	944
Interest expenses on lease liabilities		1,789	0	1,789	0
General expenses		1,804	0	1,804	373
Give.Asia charges		0	0	0	84
Hire purchase interest		0	0	0	2,578
Insurance		8,294	0	8,294	15,200
IT services		0	0	0	0
Late payment interest		84	0	84	0
Loss of disposal of fixed asset		1,955	0	1,955	0
Management fees - Shelter		0	0	0	404
Marketing		0	0	0	1,412
Medical		0	0	0	951
Balance carried forward		93,950	0	93,950	91,049

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 31 DECEMBER 2019 (CONT'D)**

	Group		
	01.04.2019 to 31.12.2019		01.04.2018 to 31.03.2019
	Unrestricted Fund	Designated Fund	Unrestricted Fund
	S\$	S\$	S\$
<b>EXPENDITURE (CONT'D)</b>			
<u>Governance and administrative costs (Cont'd)</u>			
Balance brought forward	93,950	0	93,950
Miscellaneous	0	0	856
Merchant Point Of Sale service charges	0	0	331
Motor vehicle Repair and Maint	969	0	0
NETS charges	5	0	77
Paypal charges	2,358	0	4,354
Postage and courier	104	0	64
Printing and stationery	781	0	700
Professional fees	0	0	3,967
Purchases	0	0	56,760
Rental - new shelter	17,003	0	65,775
Rental - office	14,445	0	4,815
Repairs and maintenance	471	0	122
Secretarial fees	1,000	0	1,800
Services fee	0	0	8,400
SG Gives Charges	0	0	14,328
Singpost box services	18	0	161
Small asset acquisition	0	0	3,119
Software Subscription - Xero			
Accounting & 365 Microsoft Office			
Licence	358	0	0
Staff costs:		0	
Allowance - staff	47,195	0	5,400
Bonus - staff	180	0	2,400
CPF employer portion	49,818	0	67,244
Foreign worker levy	8,722	0	12,474
Leave encashment	1,660	0	1,373
Medical Expenses	895	0	0
Skills Development Levy	834	0	1,030
Staff Air Passage	464	0	0
Staff Employment & Recruitment Expenses	1,451	0	0
Training fee	0	0	61
Wages and Salaries - staff	282,729	0	409,564
Tax fee	(20)	0	450
Telephone and internet	1,253	0	2,671
Transport	4,234	0	11,374
Utility fees - shelter	5,456	0	6,961
Van running	2,393	0	410
Warehouse rent	0	0	4,752
Website	340	0	285
	<u>539,066</u>	<u>0</u>	<u>783,127</u>
<b>Total expenditure</b>	<u>703,631</u>	<u>123,504</u>	<u>1,249,898</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

		Group	
	Note	31.12.2019 S\$	31.03.2019 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	952,177	1,048,457
Trade and other receivables	9	69,885	18,426
Inventories	10	5,208	5,908
		<u>1,027,270</u>	<u>1,072,791</u>
<b>Non-current asset</b>			
Plant and equipment	13	<u>130,707</u>	<u>86,753</u>
<b>Total assets</b>		<u>1,157,977</u>	<u>1,159,544</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	70,127	143,011
Lease liabilities	15	56,072	0
		<u>126,199</u>	<u>143,011</u>
<b>Non-current liabilities</b>			
Lease liabilities	15	<u>12,907</u>	<u>0</u>
<b>Total liabilities</b>		<u>139,106</u>	<u>143,011</u>
<b>NET ASSETS</b>		<u>1,018,871</u>	<u>1,016,533</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
Accumulated fund	16	1,009,386	1,016,533
<b>Designated fund</b>			
SOSD Dog Food and Medical fee fund	16	<u>9,485</u>	<u>0</u>
<b>Total funds</b>		<u>1,018,871</u>	<u>1,016,533</u>

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



**STATEMENT OF FINANCIAL POSITION OF THE SOCIETY AS AT 31 DECEMBER 2019**

		Society	
	Note	31.12.2019 S\$	31.03.2019 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	933,262	1,031,406
Trade and other receivables	9	69,660	17,843
Inventories	10	5,208	5,908
Loan to a subsidiary	11	14,000	39,299
		<u>1,022,130</u>	<u>1,094,456</u>
<b>Non-current assets</b>			
Investment in a subsidiary	12	29	29
Plant and equipment	13	132,389	88,435
		<u>132,418</u>	<u>88,464</u>
<b>Total assets</b>		<u>1,154,548</u>	<u>1,182,920</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	48,730	93,569
Lease Liabilities	15	56,072	0
		<u>104,802</u>	<u>93,569</u>
<b>Non-current liabilities</b>			
Lease Liabilities	15	12,907	0
<b>Total liabilities</b>		<u>117,709</u>	<u>93,569</u>
<b>NET ASSETS</b>		<u>1,036,839</u>	<u>1,089,351</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
Accumulated fund	16	1,027,354	1,089,351
<b>Designated fund</b>			
SOSD Dog food and Medical fee fund	16	9,485	0
<b>Total funds</b>		<u>1,036,839</u>	<u>1,089,351</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 31 DECEMBER 2019**

	Group	
	01.04.2019 to 31.12.2019 S\$	01.04.2018 to 31.03.2019 S\$
<b><u>Unrestricted fund</u></b>		
<b><u>Accumulated fund</u></b>		
Balance at beginning of financial period/year	1,016,533	1,005,054
Net income for the financial period/year	(7,147)	11,479
Balance at end of financial period/year	<u>1,009,386</u>	<u>1,016,533</u>
<b><u>Designated fund</u></b>		
<b><u>Accumulated fund</u></b>		
Balance at beginning of financial period/year	0	0
Net income for the financial period/year	<u>9,485</u>	<u>0</u>
Balance at end of financial period/year	<u>9,485</u>	<u>0</u>
<b>Total</b>	<u>1,018,871</u>	<u>1,016,533</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 31 DECEMBER 2019**

	Note	Group	
		01.04.2019 to 31.12.2019 S\$	01.04.2018 to 31.03.2019 S\$
<b>Cash flows from operating activities</b>			
Net income before income tax		2,338	11,479
Adjustments for:			
- Depreciation	13	65,290	35,379
- Hire purchase interest		0	2,578
- Waiver of amount due to director		(45,293)	0
- Interest expense on lease liabilities		1,789	0
- Interest income		(10,987)	(3,781)
Operating cash flows before changes in working capital		13,137	45,655
Changes in working capital			
- Trade and other receivables		(51,459)	9,448
- Trade and other payables		(27,591)	(57,271)
- Inventories		700	41,337
Cash flows generated from operations		(65,213)	39,169
- Interest received		10,987	3,781
<b>Net cash flows (used in)/ generated from operating activities</b>		(54,226)	42,950
<b>Cash flows from investing activity</b>			
Purchases of plant and equipment	13	0	(63,053)
<b>Net cash flows used in investing activity</b>		0	(63,053)
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(40,265)	(51,526)
Interest paid		(1,789)	(2,578)
<b>Net cash flows used in financing activities</b>		(42,054)	(54,104)
<b>Net decrease in cash and cash equivalents</b>		(96,280)	(74,207)
Cash and cash equivalents at beginning of financial year		1,048,457	1,122,664
Cash and cash equivalents at end of financial year	8	952,177	1,048,457

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



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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.

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

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

#### **2.1.1 Interpretations and amendments to published standards effective in 2019**

On 1 April 2019, 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 except for the following:

##### **(a) Adoption of FRS 116 Leases**

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.16.

On initial application of FRS 116, the Group has elected to apply the following practical expedients:

- i. For all contracts entered into before 1 April 2019 and that were previously identified as leases under FRSs 1-17 Lease and FRSs INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under FRS 116; and
- ii. On a lease-by-lease basis, the Group has:
  - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
  - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
  - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
  - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
  - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

- (i) The right-of-use assets for the leases were recognised based on an amount equal to the lease liability, adjusted for previously recognised prepaid or accrued lease payments. As a result, no adjustment to the opening balance of retained earnings was provided at the date of initial adoption as at 1 April 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 April are determined as the carrying amount of the ROU assets and lease liabilities.

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

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

#### 2.1.1 Interpretations and amendments to published standards effective in 2019 (Cont'd)

##### (a) Adoption of FRS 116 Leases (Cont'd)

Based on the above, as at 1 April 2019:

- right-of-use assets of S\$109,244 were recognised and presented within plant and equipment; and
- lease liabilities of S\$109,244 were recognised.

The effects of adoption of FRS116 on the Group and Society's financial statements as at 1 April 2019 are as follows:

	1 April 2019 S\$ (As previously reported)	FRS 116 adjustments S\$	1 April 2019 S\$ (As restated)
<b>Group</b>			
<b><u>Statement of financial position</u></b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	86,753	109,244	195,997
<b><u>Society</u></b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	88,435	109,244	197,679
<b><u>Group and Society</u></b>			
<b><u>Statement of financial position</u></b>			
<b><u>Current liabilities</u></b>			
Lease liabilities	0	(40,265)	(40,265)
<b><u>Non-current liabilities</u></b>			
Lease liabilities	0	(68,979)	(68,979)

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	S\$
Operating lease commitments as at 31 March 2019	196,045
Incremental borrowing rate as at 1 April 2019	2.75%
Lease liabilities as at 1 April 2019	<u>109,244</u>



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

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

#### **2.1.2 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
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107: Interest Rate Benchmark Reform	1 January 2020

The Management believe that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

### **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**

Income 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 Training and license fees**

Income from training and license are recognised when the services rendered have been performed and the fees accepted (i.e. at a point in time).

#### **2.2.5 Registration fee**

Income from registration fee is recognised when the fees accepted (i.e. at a point in time).

#### **2.2.6 Other income**

Other income is recognised when received.

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

**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**

Costs that are directly attributable to event organised by Group and are separated from those costs incurred in undertaking charitable activities.

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

### **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.

### **2.7 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
Right-of-use asset – office premises	Over the remaining lease term

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**

#### **(a) Classification and measurement**

The Group classifies its financial assets under the amortised cost category.

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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### At subsequent measurement

##### Debt instrument

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



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

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

#### **(a) Classification and measurement (Cont'd)**

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### **(b) Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the FRS109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents 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.

#### **(c) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

### **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.

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

### **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 "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.

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

### **2.16 Leases**

(a) The accounting policy for leases before 1 April 2019 are as follows:

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.

(b) The accounting policy for leases from 1 April 2019 are as follows:

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **Right-of-use assets**

The Group recognises the right-of-use assets based on an amount equal to the lease liability, adjusted for previously recognised prepaid or accrued lease payments. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8. The Group's right-of-use assets are presented within plant and equipment as disclosed in Note 13.



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

### **2.16 Leases (Cont'd)**

(b) The accounting policy for leases from 1 April 2019 are as follows (Cont'd):

When the Group is the lessee (Cont'd)

- **Lease liabilities**

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Society shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group's lease liabilities are disclosed in Note 15.

- **Short term and low value leases**

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.



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

### **2.17 Employee compensation**

#### **2.17.2 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.

#### **2.17.2 Short-term employee benefits**

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

### **2.18 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 reporting date.

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 affects neither accounting nor taxable profit or loss at the time of the transaction.

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.

### **2.19 Borrowing costs**

Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

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

**2.20 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

**2.21 Events after the reporting date**

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

**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**

(a) Disaggregation of revenue from contracts with customers

	Group	
	01.04.2019 to 31.12.2019 S\$	01.04.2019 to 31.03.2019 S\$
<b>Revenue from:</b>		
Donations	590,050	975,257
Sponsorships	124,185	182,737
Sale of merchandise	34,136	43,199
Registration fee	2,543	0
Training fee	5,750	0
License fee	200	0
	<u>756,864</u>	<u>1,201,193</u>
Timing of transfer of services		
At a point in time	<u>756,864</u>	<u>1,201,193</u>

(b) Contract liabilities

The details of contract liabilities are disclosed in Note 14.

**5. Donations and sponsorships**

The total tax-deductible receipts issued by the Society for donations and sponsorship received during the financial period 1 January 2019 to 31 December 2019 amounting to S\$691,958 (2018: S\$897,960), pursuant to its IPC status.

**6. Fund raising**

	Group	
	01.04.2019 to 31.12.2019 S\$	01.04.2019 to 31.03.2019 S\$
Income from fund-raising event		
Donation – Events	451,652	96,480
Sale of merchandise	9,552	88
	<u>461,204</u>	<u>96,568</u>
Cost of fund-raising expenses		
Charity auction	0	(19,961)
Christmas with a cause	0	(102)
Event costs	(15,257)	0
	<u>(15,257)</u>	<u>(20,063)</u>
Percentage of fund-raising expenses over income from fund raising event	<u>3%</u>	<u>21%</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	
	01.04.2019 to 31.12.2019 S\$	01.04.2019 to 31.03.2019 S\$
Under-provision in prior financial years:		
- Current income tax	<u>0</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	
	01.04.2019 to 31.12.2019 S\$	01.04.2019 to 31.03.2019 S\$
Profit before income tax	<u>2,338</u>	<u>11,479</u>
Tax calculated at a tax rate of 17%	397	1,951
Effects of:		
- Income not subject to tax	0	(5,426)
- Deferred tax assets not recognised	0	3,475
- Utilisation of deferred tax previously not recognised	(4,008)	0
- Statutory tax exemptions and tax rebates	5,413	0
- Others	(1,802)	0
Tax charge	<u>0</u>	<u>0</u>



**7. Income tax (Cont'd)**

At the reporting date, the Group has an unabsorbed loss carried forward amounted to approximately S\$Nil (31.03.2019: S\$23,000). 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	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Cash in hand	100	100	100	100
Cash at banks	506,222	541,819	501,144	524,768
Paypal	45,855	70,483	32,018	70,483
Fixed deposits	400,000	436,055	400,000	436,055
	<u>952,177</u>	<u>1,048,457</u>	<u>933,262</u>	<u>1,031,406</u>

Fixed deposits with a financial institution at the reporting date have maturity dates of 5 to 8 months (31.03.2019: 1-7 months) and a weighted average effective interest rate 2.11% (31.03.2019: 1.37%) 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	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Trade receivables				
- Third parties	<u>63</u>	<u>583</u>	<u>0</u>	<u>0</u>
Other receivables				
- Third parties	60,918	13,163	60,918	13,163
- Deposits	6,100	2,950	6,100	2,950
- Prepayments	<u>2,804</u>	<u>1,730</u>	<u>2,642</u>	<u>1,730</u>
	<u>69,822</u>	<u>17,843</u>	<u>69,660</u>	<u>17,843</u>
Total	<u>69,885</u>	<u>18,426</u>	<u>69,660</u>	<u>17,843</u>

Trade receivables are interest-free and are generally repayable within 30 (31.03.2019: 30) days' term.

Other receivables are unsecured, interest-free and repayable on demand.

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

**10. Inventories**

	Group		Society	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Inventories – Pet accessories and food	4,984	5,908	4,984	5,908
Other assets	224	0	224	0
	<u>5,208</u>	<u>5,908</u>	<u>5,208</u>	<u>5,908</u>

The cost of inventories recognised as an expense and included in "Purchases" amounted to S\$10,193 (31.03.2019: S\$56,760).

Other assets pertain to donated items that are not yet sold as at the end of the financial year.

**11. Loan to a subsidiary**

	Group		Society	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Loan to a subsidiary	<u>0</u>	<u>0</u>	<u>14,000</u>	<u>39,299</u>

The loan to a subsidiary is unsecured, non-trade in nature, with effective interest rate of 2.51% (31.03.2019: 2.51%) 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. As a result, interest receivables amounting to S\$1,299 was waived during the financial period.

**12. Investment in a subsidiary**

	Society	
	31.12.2019	31.03.2019
	S\$	S\$
Unquoted shares, at cost	<u>29</u>	<u>29</u>

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		31.12.2019	31.03.2019	
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\$	Right-of-use – Shelter S\$	Total S\$
<b>Group</b>					
<b>Cost</b>					
At 1 April 2018	81,800	0	3,698	0	85,498
Additions	0	63,053	0	0	63,053
As at 31 March 2019	81,800	63,053	3,698	0	148,551
Effects of adopting FRS 116	0	0	0	109,244	109,244
At 1 April 2019 (restated)	81,800	63,053	3,698	109,244	257,795
Additions	0	0	0	0	0
As at 31 December 2019	81,800	63,053	3,698	109,244	257,795
<b>Accumulated depreciation</b>					
At 1 April 2018	23,177	0	3,242	0	26,419
Depreciation	13,905	21,018	456	0	35,379
As at 31 March 2019	37,082	21,018	3,698	0	61,798
Effects of adopting FRS 116	0	0	0	0	0
At 1 April 2019 (restated)	37,082	21,018	3,698	0	61,798
Depreciation	8,700	15,763	0	40,827	65,290
As at 31 December 2019	45,782	36,781	3,698	40,827	127,088
<b>Carrying amount</b>					
31 March 2019	44,718	42,035	0	0	86,753
31 March 2019 (restated)	44,718	42,035	0	109,244	195,997
31 December 2019	36,018	26,272	0	68,417	130,707
	Motor vehicle S\$	Renovation S\$	Software S\$	Right-of-use – Shelter S\$	Total S\$
<b>Society</b>					
<b>Cost</b>					
At 1 April 2018	0	0	3,698	0	3,698
Additions	58,000	63,053	0	0	121,053
As at 31 March 2019	58,000	63,053	3,698	0	124,751
Effects of adopting FRS 116	0	0	0	109,244	109,244
At 1 April 2019 (restated)	58,000	63,053	3,698	109,244	233,995
Additions	0	0	0	0	0
As at 31 December 2019	58,000	63,053	3,698	109,244	233,995
<b>Accumulated depreciation</b>					
At 1 April 2018	0	0	3,242	0	3,242
Depreciation	11,600	21,018	456	0	33,074
As at 31 March 2019	11,600	21,018	3,698	0	36,316
Effects of adopting FRS 116	0	0	0	0	0
At 1 April 2019 (restated)	11,600	21,018	3,698	0	36,316
Depreciation	8,700	15,763	0	40,827	65,290
As at 31 December 2019	20,300	36,781	3,698	40,827	101,606
<b>Carrying amount</b>					
31 March 2019	46,400	42,035	0	0	88,435
31 March 2019 (restated)	46,400	42,035	0	109,244	197,679
31 December 2019	37,700	26,272	0	68,417	132,389

**14. Trade and other payables**

	Group		Society	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Trade payables				
- Third parties	2,339	67,748	24,781	66,849
Other payables				
- Third parties	24,781	1,121	0	1,121
- CPF payables	9,858	13,421	9,858	13,421
- Accrued expenses	16,950	15,399	14,062	12,149
- Advance from a director	29	45,322	29	29
- Contract liabilities	16,170	0	0	0
	<u>67,788</u>	<u>75,263</u>	<u>23,949</u>	<u>26,720</u>
Total	<u>70,127</u>	<u>143,011</u>	<u>48,730</u>	<u>93,569</u>

Trade payables are non-interest bearing and are generally repayable within 30 (31.03.2019: 30) days' term.

Other payables are unsecured, interest-free and repayable on demand.

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

Contract liability relates to the Company's obligation to deliver goods to customers for which the Company has received advances from customers for the goods to be delivered. Contract liability is recognised as revenue when the goods are delivered to the customers.

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



**15. Lease liabilities**

	Group and Society	
	31.12.2019 S\$	31.03.2019 S\$
Current	56,072	0
Non-current	12,907	0
	<u>68,979</u>	<u>0</u>

Leases – The Group and Society as a lessee

Nature of the Group and Society's leasing activities

The Group and Society leases premises for the purpose of its operations.

- (a) Carrying amount

Right-of-use ("ROU") assets classified within plant and equipment

	Group and Society	
	31.12.2019 S\$	31.03.2019 S\$
Shelter	<u>68,417</u>	<u>109,244</u>

- (b) Amount recognised in profit or loss

	Note	2019 S\$
Depreciation	13	40,827
Interest expense on lease liabilities		<u>1,789</u>
Total amount recognised in profit or loss		<u>42,616</u>

- (c) Total cash outflow:

The Group had total cash outflows for leases of S\$42,054 in 2019.

- (d) A reconciliation of liabilities arising from financing activities is as follows:

	Group and Society				
	1 April 2019 S\$	Cash flows S\$	Accretion of interests S\$	Other S\$	31 December 2019 S\$
<b>Liabilities</b>					
Lease liabilities					
- current	40,265	(42,054)	1,789	40,827	40,827
- non-current	<u>68,979</u>	<u>0</u>	<u>0</u>	<u>(40,827)</u>	<u>28,152</u>

## 16. Funds

### 16.1 Unrestricted Fund

This accumulated fund is for the purpose of meeting operating expenses incurred by the Group and Society.

### 16.2 Designated Fund - SOSD Dog food and Medical fee fund

Designated fund consists of online appeals mainly for the purpose of dog medical fees and food.

## 17. Operating lease commitments

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

	31.12.2019 S\$	31.03.2019 S\$
<i>Future minimum lease payments</i>		
Not later than one year	0	100,430
Between one and five years	0	95,615
	<u>0</u>	<u>196,045</u>

As disclosed in Note 2.1.1, the Group and Society has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 December 2019, except for short-term and low-value assets.

## 18. 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	
	31.12.2019 S\$	31.03.2019 S\$	31.12.2019 S\$	31.03.2019 S\$
<i>Subsidiary</i>				
<u>Income</u>				
Interest income	0	0	0	(952)
Waiver of amount due from subsidiary	0	0	(1,299)	0
Waiver of amount due to director	(45,293)	0	(45,293)	0
Gain on disposal of motor vehicle				(2,103)
<u>Expenses</u>				
Dog food	0	0	0	35,857
Proceeds from sale of motor vehicle	0	0	0	58,000
Repayment of Loan to subsidiary	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>0</u>

## 18. Related party transactions (Cont'd)

### ii. Remuneration of key management personnel

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

	Group and Society	
	31.12.2019	31.03.2019
	S\$	S\$
Salary	32,024	65,083
CPF employer portion and SDL	5,445	11,065
	<u>37,469</u>	<u>76,148</u>

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

## 19. 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.

## 20. Reserve position and policy

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

		31.12.2019	31.03.2019	Increase
		\$'000	\$'000	%
A	Unrestricted Funds			
	Accumulated General Funds	1,027	1,089	-5.69%
B	Restricted or Designated Funds			
	Designated Funds	9	0	100%
	Restricted Funds	N/A	N/A	N/A
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	1,036	1,089	-4.87%
E	Total Annual Operating Expenditure	813	1,201	-32.31%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.26	0.91	

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 generating funds, 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.



## **21. 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.

### **21.1 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 minimizes 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.

#### Other receivables

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

### **21.2 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.



## **21. Financial risk management (Cont'd)**

### **21.2 Liquidity risk (Cont'd)**

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	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
<u>Payable within one year</u>				
<i>Financial liabilities</i>				
Trade and other payables	53,957	143,011	48,730	93,569
Lease liabilities	56,072	0	56,072	0
	<u>110,029</u>	<u>143,011</u>	<u>104,802</u>	<u>93,569</u>
<u>Payable between one to five years</u>				
<i>Financial liabilities</i>				
Lease liabilities	14,018	0	14,018	0

### **21.3 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.

### **21.4 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.

## **22. Fair values**

Non-current 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.

## **23. Financial instruments by Category**

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

	Group		Society	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	S\$	S\$	S\$	S\$
Financial assets, at amortised cost	1,019,258	1,065,153	1,014,280	1,086,818
Financial liabilities, at amortised cost	<u>122,936</u>	<u>143,011</u>	<u>117,709</u>	<u>93,569</u>

**24. 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 December 2019 and 31 March 2019. The Group is not subjected to externally imposed capital requirements.

**25. Comparative information**

The current financial period comprises nine months from 1 April 2019 to 31 December 2019 as the Company changed its financial year end from 31 March to 31 December. The audited comparative figures presented in the financial statements are not entirely comparable as they cover a period from 1 April 2018 to 31 March 2019.

**26. Events occurring after reporting date**

The novel coronavirus (COVID-19) outbreak in early 2020 did not have an immediate impact on the performance of the Group and Society. However, since the outbreak was declared a Public Health Emergency of International Concern. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered a disruption to the Society's operations. The Group and Society have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government's responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group and Society for future periods.

**27. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Society on **30 JUL 2020**