

**SOSD**  
(Registration Number: T12SS0058C)  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**AUDIT TRUST PAC**  
Chartered Accountants, Singapore

**SOSD**  
(Registration Number: T12SS0058C)  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Statement by the Management Committee</b>	<b>1</b>
<b>Independent auditor's report</b>	<b>2 - 5</b>
<b>Statement of financial activities</b>	<b>6</b>
<b>Detailed statement of expenditure</b>	<b>7 - 8</b>
<b>Statement of financial position</b>	<b>9</b>
<b>Statement of changes in funds</b>	<b>10</b>
<b>Statement of cash flows</b>	<b>11</b>
<b>Notes to financial statements</b>	<b>12 - 32</b>

**SOSD**

(Registration Number: T12SS0058C)

**STATEMENT BY THE MANAGEMENT COMMITTEE**

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The Management Committee is pleased to present its statement to the members together with the audited financial statements of SOSD (the "Society") for the financial year ended 31 December 2022.

**OPINION OF THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee,

- (i) the financial statements of the Society are drawn up so as to present fairly, in all material respects, the status of affairs of the Society as at 31 December 2022 and the results, changes in funds and cash flows of the Society for the year then ended; and
- (ii) 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.

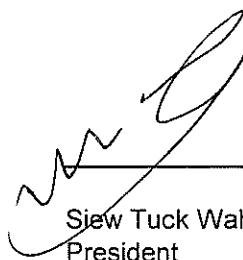
The Management Committee, comprising the following, has authorised these financial statements for issuance.

Siew Tuck Wah	President
Chan Yuen Leng	Secretary
Phang Xin Yi	Treasurer
Malina Adinegara Tjhin	Ordinary Member
Chen JiaXin	Ordinary Member
Chia Su-Lin, Lynnette	Ordinary Member
Yew Poh Leng Dorothy	Ordinary Member
Andy Cheng Chen Chiang	Ordinary Member

**AUDITOR**


AUDIT TRUST PAC has expressed its willingness to accept re-appointment as auditor.

On behalf of the Management Committee,



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Siew Tuck Wah  
President



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Phang Xin Yi  
Treasurer

Singapore

27 April 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOSD**

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**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of SOSD (the "Society"), which comprise the statement of financial position as at 31 December 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements 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 Society as at 31 December 2022 and the results, changes in funds and cash flows of the Society for 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 Society in accordance with the Accounting and Corporate Regulatory Authority (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 opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Statement by the Management Committee.

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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOSD (CONT'D)**

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*Responsibilities of Management for the Financial Statements*

Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee' responsibilities include overseeing the Society's financial reporting process.

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

Our objectives are to obtain reasonable assurance about 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 Society's internal control.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOSD (CONT'D)**

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee.
- 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 Society'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 Society 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.

We communicate with the Management Committee 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 Society Regulations enacted under Societies Act, the Charities Act and Regulation; and
- (b) the fund-raising appeals during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TO THE MEMBERS OF SOSD (CONT'D)**

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

- (a) the Society has not used the donation monies 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 (Institution of a Public Character) Regulations.

*Audit Trust Pac*

**AUDIT TRUST PAC**  
Public Accountants and  
Chartered Accountants  
Singapore

27 April 2023

**SOSD**

(Registration Number: T12SS0058C)

**STATEMENT OF FINANCIAL ACTIVITIES****For the financial year ended 31 December 2022**

	Note	<u>2022</u> \$	<u>2021</u> \$
<b>INCOME</b>			
<u>Income from generated funds</u>			
Voluntary income			
- Donations	4	1,495,169	1,543,593
- Sponsorships	4	15,412	3,000
- Sale of merchandise	4	15,689	17,098
- Enhanced Fund-raising Programme		291,308	-
		<u>1,817,578</u>	<u>1,563,691</u>
<u>Investment income</u>			
Fair value gain		682	87
Interest income		<u>13,981</u>	<u>6,561</u>
		<u>14,663</u>	<u>6,648</u>
<u>Income from charitable activities</u>			
Adoption fee	4	28,000	41,750
Training fee	4	15,000	17,750
License fee	4	2,079	2,426
Sale of merchandise	4	-	31,458
Grants and subsidies		<u>8,988</u>	<u>47,917</u>
		<u>54,067</u>	<u>141,301</u>
<u>Other income</u>			
Insurance compensation		1,278	2,291
Government grants		42,702	41,924
Sundry income		-	11,682
		<u>43,980</u>	<u>55,897</u>
<b>Total income</b>		<u>1,930,288</u>	<u>1,767,537</u>
<b>EXPENDITURE</b>			
Cost of generating funds		73,089	9,383
Cost of charitable activities		1,067,285	1,001,148
Governance and administrative costs		<u>112,536</u>	<u>156,803</u>
<b>Total expenditure</b>		<u>1,252,910</u>	<u>1,167,334</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		<u>677,378</u>	<u>600,203</u>
<b>Other comprehensive income:</b>			
Net fair value loss on financial assets at FVTOCI		<u>16,907</u>	-
<b>Other comprehensive income for the year, net of tax</b>		<u>16,907</u>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>660,471</u>	<u>600,203</u>

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



**SOSD**

(Registration Number: T12SS0058C)

**DETAILED STATEMENT OF EXPENDITURE  
For the financial year ended 31 December 2022**

EXPENDITURE	Note	<u>2022</u> \$	<u>2021</u> \$
<u>Cost of generated funds</u>			
Charity dinner		54,611	-
Cost of calendar		3,023	3,408
Marketing and promotion		2,011	36
Merchandise cost		267	559
Transaction fees		13,177	5,380
		<u>73,089</u>	<u>9,383</u>
<u>Cost of charitable activities</u>			
Cost of stray dog feeding drive		-	15,504
Cremation of dogs		2,971	1,270
Dog food		63,184	75,640
Depreciation expense	12	59,840	63,689
Donated items		57,446	68,703
General expenses		163	256
Insurance		2,384	1,381
License fees		2,048	2,268
Medical supplies		14,281	15,145
Motor vehicle expenses		8,281	4,505
Outreach expenses		16,474	-
Salaries and related expenses		575,561	474,165
Shelter expenses		16,957	13,135
Subscription costs		528	583
Stray dog trapping		10,120	4,199
Training expenses for dogs		14,600	9,720
Transportation		5,816	22,266
Vet bills		216,631	228,719
		<u>1,067,285</u>	<u>1,001,148</u>

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

**SOSD**

(Registration Number: T12SS0058C)

**DETAILED STATEMENT OF EXPENDITURE (CONT'D)  
For the financial year ended 31 December 2022**

EXPENDITURE (CONT'D)	Note	<u>2022</u> \$	<u>2021</u> \$
<u>Governance and administrative costs</u>			
Audit fee		7,000	6,000
Bank charges		1,394	1,675
Depreciation expense	12	144	-
Donated items		-	1,366
General expenses		675	-
Insurance		13,740	9,229
Inventories written off		-	3,806
Lease liabilities interest		1,918	3,044
Printing and stationery		735	339
Salaries and related expenses		79,536	123,148
Service charges		2,400	2,400
Small asset acquisition		1,892	898
Software subscription and license fees		775	750
Transportation for staff		411	314
Volunteer expenses		1,689	3,788
Website		227	46
		<u>112,536</u>	<u>156,803</u>
<b>Total expenditure</b>		<u>1,252,910</u>	<u>1,167,334</u>

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

**SOSD**

(Registration Number: T12SS0058C)

**STATEMENT OF FINANCIAL POSITION  
As at 31 December 2022**

	Note	<u>2022</u> \$	<u>2021</u> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	2,933,539	2,527,708
Financial assets at FVTPL	9	-	50,084
Other receivables	10	123,369	83,213
Inventories	11	42	245
		<u>3,056,950</u>	<u>2,661,250</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	123,967	104,456
Financial assets at FVTOCI	13	235,718	-
		<u>359,685</u>	<u>104,456</u>
<b>Total assets</b>		<u>3,416,635</u>	<u>2,765,706</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	131,800	96,533
Borrowings	15	46,118	44,809
		<u>177,918</u>	<u>141,342</u>
<b>Non-current liabilities</b>			
Borrowings	15	-	46,118
<b>Total liabilities</b>		<u>177,918</u>	<u>187,460</u>
<b>NET ASSETS</b>		<u>3,238,717</u>	<u>2,578,246</u>
<b>FUNDS</b>			
Unrestricted funds	17	3,255,624	2,578,246
Fair value reserve	18	(16,907)	-
<b>TOTAL FUNDS</b>		<u>3,238,717</u>	<u>2,578,246</u>

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

**SOSD**

(Registration Number: T12SS0058C)

**STATEMENT OF CHANGES IN FUNDS****For the financial year ended 31 December 2022**

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	<b>Unrestricted funds</b>	<b>Fair value reserve</b>	<b>Total funds</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 January 2021	1,978,043	-	1,978,043
Net income for the financial year	600,203	-	600,203
Balance as at 31 December 2021	2,578,246	-	2,578,246
Net income for the financial year	677,378	-	677,378
Net fair value loss on financial assets at FVTOCI	-	(16,907)	(16,907)
Balance as at 31 December 2022	3,255,624	(16,907)	3,238,717

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

**SOSD**

(Registration Number: T12SS0058C)

**STATEMENT OF CASH FLOWS****For the financial year ended 31 December 2022**

	<u>2022</u> \$	<u>2021</u> \$
<b>Cash flows from operating activities</b>		
Income for the year	677,378	600,203
<b>Adjustments for:</b>		
Depreciation expense	59,984	63,689
Fair value gain	(682)	(87)
Interest income	(13,981)	(6,561)
Interest expense	1,918	3,044
Rent concessions received from lessor	-	(11,682)
	<u>47,239</u>	<u>48,403</u>
<b>Operating cash flow before working capital changes</b>	724,617	648,606
<b>Changes in operating assets and liabilities:</b>		
Inventories	203	5,650
Other receivables	(40,156)	(30,254)
Trade and other payables	35,267	(49,034)
	<u>(4,686)</u>	<u>(73,638)</u>
<b>Net cash from operating activities</b>	719,931	574,968
<b>Cash flows from investing activities</b>		
Interest received	13,981	6,561
Acquisition of property, plant and equipment	(79,495)	-
Acquisition of investments	(252,625)	(50,000)
Proceed from disposal of other investments	50,766	3
<b>Net cash used in investing activities</b>	(267,373)	(43,436)
<b>Cash flows from financing activities</b>		
Interest paid	(1,918)	(3,044)
Payment of principal portion of lease liabilities	(44,809)	(34,188)
<b>Net cash used in financing activities</b>	<u>(46,727)</u>	<u>(37,232)</u>
<b>Net increase in cash and cash equivalents</b>	405,831	494,300
<b>Cash and cash equivalents at beginning of the year</b>	<u>2,527,708</u>	<u>2,033,408</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>2,933,539</u></u>	<u><u>2,527,708</u></u>

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



**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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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 on 3 April 2012 and subsequently approved as Charity under the Charities Act, Chapter 37 on 23 April 2013.

The Society is domiciled in Singapore with its registered office and principal place of business 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 2019 to 24 April 2020. Its IPC status was subsequently renewed to 24 July 2024.

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 charitable and welfare work for the purposes of the Society including, without limiting the generality of the foregoing, to support the work of stray dog feeders in Singapore by providing financial support, veterinary assistance and/or food donation;
- (d) To rescue, neuter, rehabilitate and re-home stray dogs, abandoned dogs and dogs in need of a home; and
- (e) To provide comfort and companionship to persons in Singapore who are in need through activities or programmes involving dogs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

The financial statements of the Society have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs), the disclosure requirements of the Society Act, Chapter 311 and the Charity Act, Chapter 37. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Singapore Dollar, which is the Society's functional currency.

**2.2 Adoption of new and amended standards and interpretation**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Standards issued but not yet effective**

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The management committee expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024

**2.4 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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.

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

	<u>Useful lives</u>
Motor vehicles	- 5 years
Renovation	- 3 years
Software	- 1 years
Laptop	- 3 years
Right-of-use assets	- Over the remaining lease term

The residual value, useful lives and depreciation method are reviewed and adjusted appropriately at the end of each financial year, if necessary.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**For the financial year ended 31 December 2022**

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

**2.5 Impairment of non-financial assets**

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**2.6 Financial instruments**

**(a) Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**For the financial year ended 31 December 2022**

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

**2.6 Financial instruments (cont'd)**

**(a) Financial assets (cont'd)**

**Subsequent measurement**

*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVTOCI and FVTPL. The Society has debt instruments at FVTOCI.

*Financial assets held at FVTOCI*

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVTOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

*Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Society's right to receive payments is established. For investments in equity instruments which the Society has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

**Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**For the financial year ended 31 December 2022**

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

**2.6 Financial instruments (cont'd)**

**(b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Such financial liabilities comprise trade and other payables, and borrowings.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**2.7 Impairment of financial assets**

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For other receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.



**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.7 Impairment of financial assets (cont'd)**

The Society considers a financial asset in default when contractual payments are 30-90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of change in value.

**2.9 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

**2.10 Provisions**

Provisions are recognised when the Society has a present legal obligation (legal or constructive) as a result of past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.11 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**For the financial year ended 31 December 2022**

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

**2.11 Government grants (cont'd)**

Where loans or similar assistance are provided by the governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**2.12 Employee benefits**

*Defined contribution plan*

The Society make contributions to the Central Provident Fund Scheme in Singapore which is a defined contribution pension scheme. These contributions are recognised as compensation expense in the period in which the related service is performed.

*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 Society 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.

**2.13 Leases**

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). 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 Society 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 2.5.

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**For the financial year ended 31 December 2022**

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

**2.13 Leases (cont'd)**

Right-of-use assets (cont'd)

The Society's right-of-use assets are presented within property, plant and equipment (Note 12).

Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Society's lease liabilities are included in borrowings (Note 15).

**2.14 Income recognition**

Income is measured based on the consideration to which the Society 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 Society satisfies a performance obligation by transferring a promised good or 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.

Donations

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

## **SOSD**

(Registration Number: T12SS0058C)

### **NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**For the financial year ended 31 December 2022**

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

### **2.14 Income recognition (cont'd)**

#### Sale of merchandise

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

#### Adoption, training and license fees

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

#### Registration fee

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

#### Dividend income

Dividend income is recognised when the right to receive payment is established.

#### Other income

Other income is recognised when received.

### **2.15 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.

#### Cost of generating funds

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

#### Cost of charitable activities

Costs of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society.

#### Governance and administrative costs

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

### **2.16 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 Society's objects.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgements made in applying accounting policies**

Management Committee is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

**(a) Useful lives of property, plant and equipment**

The Society's property, plant and equipment is depreciated on a straight-line basis over the property, plant and equipment's economic useful lives. Changes in the expected level of usage and technologies developments could impact the economic useful lives and the residual values of these assets, therefore, depreciation charges could be revised. The carrying amount of the Society's property, plant and equipment is disclosed in Note 12.

**4. REVENUE****Disaggregation of revenue**

	<u>2022</u>	<u>2021</u>
	\$	\$
Donations	1,437,723	1,473,474
Donations-in-kind	57,446	70,119
Sponsorships	15,412	3,000
Sale of merchandise	15,689	48,556
Adoption fee	28,000	41,750
Training fee	15,000	17,750
License fee	2,079	2,426
	<u>1,571,349</u>	<u>1,657,075</u>
<u>Timing of transfer of services</u>		
- At a point in time	<u>1,571,349</u>	<u>1,657,075</u>



**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****5. DONATIONS AND SPONSORSHIPS**

The total tax-deductible receipts issued by the Society for donations and sponsorship received during the financial year from 1 January 2022 to 31 December 2022 amounted to \$1,247,599 (2021: \$1,273,055), pursuant to its IPC status.

**6. FUND-RAISING**

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>\$</b>	<b>\$</b>
<b>Receipts from fund-raising and sponsorships</b>		
- Donations	1,437,723	1,473,474
- Sale of merchandise	15,689	48,556
- Sponsorships	15,412	3,000
	<u>1,468,824</u>	<u>1,525,030</u>
 Fund-raising expenses *	 <u>28,589</u>	 <u>8,380</u>
 Fund-raising expenses as a percentage of total receipts from fund-raising and sponsorships	 <u>1.95%</u>	 <u>0.55%</u>

\* Adjusted for Sponsorships

**7. INCOME TAX**

The Society is an approved charity, no provision for taxation has been made in the financial statement as it is exempted from income tax under Section 13(1) of the Income Tax Act.

**8. CASH AND CASH EQUIVALENTS**

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>\$</b>	<b>\$</b>
Cash at banks	1,015,920	1,218,780
PayPal	15,475	4,928
Fixed deposits	1,902,144	1,304,000
	<u>2,933,539</u>	<u>2,527,708</u>

Fixed deposits with financial institutions have tenure of 6 to 12 months (2021: 6 to 12 months) and a weighted average effective interest rate of 3.43% (2021: 0.39%) per annum.

Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

The carrying amounts of cash and cash equivalents approximate their fair value due to the short-term nature of these balances.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
<b>At fair value through profit or loss</b>		
- Equity funds	<u>-</u>	<u>50,084</u>

The Society has withdrawn the investment in equity funds during the financial year.

**10. OTHER RECEIVABLES**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Other receivables		
- outside parties	87,899	74,942
Deposits	1,770	1,770
Prepayment	<u>33,700</u>	<u>6,501</u>
	<u>123,369</u>	<u>83,213</u>

The carrying amounts of other receivables approximate their fair value due to the short-term nature of these balances.

**11. INVENTORIES**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Pet accessories and food	<u>42</u>	<u>245</u>

The cost of inventories recognised as an expense and included in "Cost of sale of merchandise" amounted to \$267 (2021: \$16,063).

## 12. PROPERTY, PLANT AND EQUIPMENT

	<u>Motor vehicles</u> \$	<u>Renovation</u> \$	<u>Software</u> \$	<u>Office equipment</u> \$	<u>Right-of-use assets</u> \$	<u>Total</u> \$
<b><u>Cost</u></b>						
As at 1 January 2021	58,000	63,053	3,698	-	232,055	356,806
and 31 December 2021	73,000	-	-	6,495	-	79,495
Additions						
As at 31 December 2022	131,000	63,053	3,698	6,495	232,055	436,301
<b><u>Accumulated depreciation</u></b>						
As at 1 January 2021	31,900	57,799	3,698	-	95,264	188,661
Depreciation for the year	11,600	5,254	-	-	46,835	63,689
As at 31 December 2021	43,500	63,053	3,698	-	142,099	252,350
Depreciation for the year	14,642	-	-	361	44,981	59,984
As at 31 December 2022	58,142	63,053	3,698	361	187,080	312,334
<b><u>Carrying amount</u></b>						
31 December 2022	72,858	-	-	6,134	44,975	123,967
31 December 2021	14,500	-	-	-	89,956	104,456

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Quoted corporate bonds - at FVTOCI	<u>235,718</u>	<u>-</u>
Movements in financial assets at FVTOCI were as follows :-		
	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Balance at beginning of the year	-	-
Addition during the year	252,625	-
Fair value change recognised in other comprehensive income (Note 18)	<u>(16,907)</u>	<u>-</u>
Balance at end of the year	<u>235,718</u>	<u>-</u>

The quoted corporate bonds held at FVTOCI classified at FVTOCI mature on 16 September 2026, carry fixed interest rate at 2.035% per annum and are denominated in Singapore dollars. The fair values of these bonds are based on closing quoted market prices on the last market day of the financial year.

**14. TRADE AND OTHER PAYABLES**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Trade payables		
- outside parties	37,921	37,309
Accrued expenses	<u>93,879</u>	<u>59,224</u>
	<u>131,800</u>	<u>96,533</u>

Trade payables are non-interest bearing and are normally settled on 30 days' (2021: 30 days) terms. The carrying amounts of these payables approximate their fair values as they are subject to normal trade credit terms.

**15. BORROWINGS**

	<u><b>2022</b></u> \$	<u><b>2021</b></u> \$
Current:		
- Lease liabilities (Note 16)	<u>46,118</u>	<u>44,809</u>
Non-current:		
- Lease liabilities (Note 16)	<u>-</u>	<u>46,118</u>
	<u>46,118</u>	<u>90,927</u>

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****15. BORROWINGS (CONT'D)**

A reconciliation of liabilities arising from financing activities is as follows:

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>\$</b>	<b>\$</b>
As at beginning of the year	90,927	136,797
<b>Changes from financing cash flows</b>		
Interest paid	(1,918)	(3,044)
Repayment of lease liabilities	(44,809)	(34,188)
<b>Total changes from financing cash flows</b>	<u>(46,727)</u>	<u>(37,232)</u>
<b>Other changes</b>		
Interest expense	1,918	3,044
Rent Concession	-	(11,682)
<b>Total other changes</b>	<u>1,918</u>	<u>(8,638)</u>
As at end of the year	<u><u>46,118</u></u>	<u><u>90,927</u></u>

**16. LEASES**

The Society has lease contracts for building. The Society's obligations under these leases are secured by the lessor's title to the leased assets. The Society is restricted from assigning and subleasing the leased assets.

**(a) Carrying amounts of right-of-use assets classified within property, plant and equipment**

	<b>Right-of-use assets</b>
	<b>\$</b>
At 1 January 2022	89,956
Depreciation	<u>(44,981)</u>
At 31 December 2022	<u><u>44,975</u></u>

**(b) Amounts recognised in profit or loss**

	<u><b>2022</b></u>	<u><b>2021</b></u>
	<b>\$</b>	<b>\$</b>
Depreciation of right-of-use assets	44,981	46,835
Lease liabilities interest	<u>1,918</u>	<u>3,044</u>
Total amount recognised in profit or loss	<u><u>46,899</u></u>	<u><u>49,879</u></u>



**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****16. LEASES (CONT'D)****(c) Total cash outflow**

The Society had total cash outflows for leases of \$46,727 (2021: \$37,232).

**17. UNRESTRICTED FUNDS**

This accumulated fund is for the purpose of meeting the operating expenses incurred by the Society in furthering its objects.

**18. FAIR VALUE RESERVE**

Fair value reserve represent the cumulative fair value changes, net of tax, of financial asset until it is disposed of.

	<u>2022</u> \$	<u>2021</u> \$
At beginning of the year	-	-
Fair value changes recognised in other comprehensive income	<u>(16,907)</u>	<u>-</u>
At end of the year	<u><u>(16,907)</u></u>	<u><u>-</u></u>

**19. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

*Significant related party transactions*

	<u>2022</u> \$	<u>2021</u> \$
Purchases from related parties	1,722	442
Donations from Management Committee	<u>11,700</u>	<u>-</u>

There was a Management Committee member who received remuneration as follows:-

	<u>2022</u> \$	<u>2021</u> \$
Salary	-	24,500
Employer's CPF	-	4,165
Transportation	<u>-</u>	<u>630</u>

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

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

For the financial year ended 31 December 2022

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**20. MANAGEMENT OF CONFLICT OF INTEREST**

The Management Committee are required to disclose any interest that they may have, whether directly or indirectly, that Society has dealings with or is considering dealing with and any personal interests accruing to him as one of the Society'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.

**21. RESERVE POSITION AND POLICY**

The Society's reserve position for financial year ended 31 December 2022 and 2021 is as follows:

	<u>2022</u> \$'000	<u>2021</u> \$'000
Total funds	3,256	2,578
Total annual operating expenditure	1,253	1,167
Ratio	2.60	2.21

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 reviews the amount of funds regularly to ensure that they are adequate to fulfil the Society's continuing obligation.

**22. FINANCIAL RISK MANAGEMENT**

The Society's activities expose it to a variety of financial risks from its operation. The key financial risks includes credit risk, liquidity risk and interest rate risk.

The Management Committee review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

**For the financial year ended 31 December 2022**

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**22. FINANCIAL RISK MANAGEMENT (CONT'D)**

a) Credit risk

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

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

The Society 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 Society 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.

For other receivables, the Society 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 Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

b) Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain a balance between continuity of funding. The Management Committee are satisfied that funds are available to finance the operations of the Society.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****22. FINANCIAL RISK MANAGEMENT (CONT'D)**

## b) Liquidity risk (cont'd)

	<b>2022</b>			
	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>One year or less</b>	<b>More than one year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,933,539	2,933,539	2,933,539	-
Other receivables	89,669	89,669	89,669	-
Total undiscounted financial assets	3,023,208	3,023,208	3,023,208	-
<b>Financial assets at FVTOCI</b>				
Quoted corporate bonds	235,718	235,718	235,718	-
<b>Financial liabilities</b>				
Trade and other payables	131,800	131,800	131,800	-
Lease liabilities	46,118	46,728	46,728	-
Total undiscounted financial liabilities	177,918	178,528	178,528	-
Total net undiscounted financial assets	3,081,008	3,080,398	3,080,398	-
	<b>2021</b>			
	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>One year or less</b>	<b>More than one year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,527,708	2,527,708	2,527,708	-
Other receivables	76,712	76,712	76,712	-
Total undiscounted financial assets	2,604,420	2,604,420	2,604,420	-
<b>Financial assets at FVTPL</b>				
Quoted equity instruments	50,084	50,084	50,084	-
<b>Financial liabilities</b>				
Trade and other payables	96,533	96,533	96,533	-
Lease liabilities	90,927	93,456	46,728	46,728
Total undiscounted financial liabilities	187,460	189,989	143,261	46,728
Total net undiscounted financial assets/ (liabilities)	2,416,960	2,414,431	2,461,159	(46,728)

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)****For the financial year ended 31 December 2022****22. FINANCIAL RISK MANAGEMENT (CONT'D)****c) Interest risk**

The Society'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.

**23. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of financial assets and liabilities at amortised cost were as follows:

	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>\$</b>	<b>\$</b>
<b><u>Financial assets measured at amortised cost</u></b>		
Cash and cash equivalents	2,933,539	2,527,708
Other receivables	89,669	76,712
Total financial assets measured at amortised cost	<u>3,023,208</u>	<u>2,604,420</u>
<b><u>Financial assets at FVTPL</u></b>		
Quoted equity instruments	<u>-</u>	<u>50,084</u>
<b><u>Financial assets at FVTOCI</u></b>		
Quoted corporate bonds	<u>235,718</u>	<u>-</u>
<b><u>Financial liabilities measured at amortised cost</u></b>		
Trade and other payables	131,800	96,533
Borrowings	46,118	90,927
Total financial liabilities measured at amortised cost	<u>177,918</u>	<u>187,460</u>

**24. FAIR VALUE OF ASSETS AND LIABILITIES****(a) Fair value hierarchy**

The Society categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Society can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**SOSD**

(Registration Number: T12SS0058C)

**NOTES TO FINANCIAL STATEMENTS (CONT'D)**

For the financial year ended 31 December 2022

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**24. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

	Quoted prices in active markets for identical instruments Level 1	
	<u>2022</u>	<u>2021</u>
	\$	\$
<b><u>Financial assets:</u></b>		
- At fair value through profit or loss		
- equity securities (quoted)	-	50,084
- At fair value through other comprehensive income		
- corporate bonds (quoted)	<u>235,718</u>	<u>-</u>

**25. FUND MANAGEMENT**

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

The Society manages its fund structure and makes adjustments to it, in light of changes in economic conditions. No changes were made to the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021. The Society is not subjected to externally imposed capital requirements.

**26. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Management Committee of the Society.