

## **CAT WELFARE SOCIETY**

[Unique Entity No. S99SS0144E]

[IPC No. IPC000787]

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

### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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## **Fiducia LLP**

(UEN: T10LL0955L)

Public Accountants and  
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**STATEMENT BY MANAGEMENT COMMITTEE**

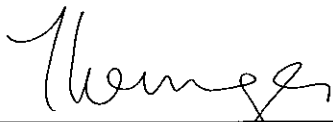
In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2013 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.


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 4 May 2015.

Thenuga Vijakumar	President	Appointed on 14 June 2014
Lau Yun Ping	Vice President	
Ling May Choo	Vice President	Appointed on 14 June 2014
Tan Su Lee Phyllis	Vice President	Appointed on 14 June 2014
Goh Lay Choo	Honorary Treasurer	Appointed on 14 June 2014
Fareena Mozeen Eliena Binte Mehr Omar	Honorary Secretary	
Suzana Binte Sainol Abidin	Committee Member	Appointed on 14 June 2014
Lim Ru Zhen	Committee Member	Appointed on 14 June 2014
Chen Li-Sa Melody	Committee Member	Appointed on 14 June 2014
Soh Soo Ling Juliet	Committee Member	Appointed on 14 June 2014

For and on behalf of the Management Committee,

  
\_\_\_\_\_  
Thenuga Vijakumar  
President

  
\_\_\_\_\_  
Goh Lay Choo  
Honorary Treasurer

Singapore, 4 May 2015.

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Independent auditor's report to the members of:

### **CAT WELFARE SOCIETY**

[UEN: S99SS0144E]  
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[Registered under the Societies Act (Chapter 311) in the Republic of  
Singapore]

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of **CAT WELFARE SOCIETY** (the "Society") for the financial year ended 31 December 2013 as set out on pages 5 to 20, which comprise the statement of financial position as at 31 December 2013, the statement of financial activities, the statement of changes in funds and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Other Matter*

The financial statements for the financial year ended 31 December 2012 were audited by a firm of auditor other than Messrs Fiducia LLP. The audit opinion issued for the financial statement for the financial year ended 31 December 2012 was qualified.

## Fiducia LLP

Public Accountants and  
Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

### **CAT WELFARE SOCIETY**

[UEN: S99SS0144E]  
[IPC No. IPC000787]  
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Singapore]

#### *Basis for Qualified Opinion*

We could not perform other satisfactory alternative audit procedures to satisfy ourselves as to the completeness and accuracy of the donations for the year ended 31 December 2012.

#### *Opinion*

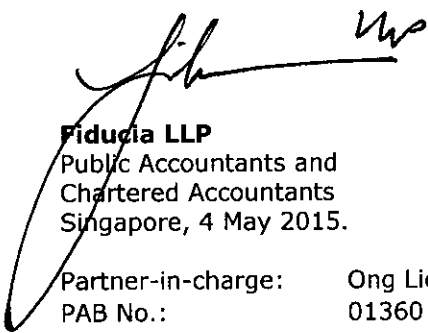
In our opinion, except for the effects on the financial statements of adjustments that may arise from the matters referred to in the preceding paragraphs, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 December 2013, and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

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

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants  
Singapore, 4 May 2015.

Partner-in-charge: Ong Lien Wan  
PAB No.: 01360

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>INCOME</b>			
<b>Voluntary income</b>			
Donations	5	464,351	298,043
Government grants		74,000	0
Membership subscriptions		11,670	10,420
Calandar sponsorship		11,892	8,000
		<u>561,913</u>	<u>316,463</u>
<b>Activities for generating funds</b>			
Events		650	0
Calandar		10,052	0
Merchandise sales		27,908	20,765
		<u>38,610</u>	<u>20,765</u>
<b>Other income</b>			
Foreign exchange gain		2	0
		<u>2</u>	<u>0</u>
<b>TOTAL INCOME</b>		<u>600,525</u>	<u>337,228</u>
<b>LESS: EXPENDITURE</b>			
<b>Cost of generating funds</b>			
Events expenses		187	7,868
Purchases		17,701	25,296
		<u>17,888</u>	<u>33,164</u>
<b>Cost of charitable activities</b>			
Care and medical treatments		15,007	0
Cats ownership programme expenses		28,240	0
Chip and spay day		2,698	0
Collaterals		332	0
Education		0	726
Mediator claims		28,690	0
Mediator support		77,687	50,447
Rescue		3,810	0
Special appeals		44,819	91,064
Special projects		4,973	50,324
Sterilization reimbursement		36,478	0
Sterilization support		63,347	83,821
		<u>306,081</u>	<u>276,382</u>
<b>Governance and administrative costs</b>			
Accounting		2,400	4,800
Audit fee			
- Current year		3,424	0
- Prior year		3,000	0
AXS processing fee		470	858
Bank charges		893	445
Course fee and training		3,000	0
Depreciation of property, plant and equipment	9	190	264
General expenses		26	0
Maintenance		428	0
Meal and refreshment		449	477
Office supplies		74	267
Paypal fee		3,762	272
Balance c/f		<u>18,116</u>	<u>7,383</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**  
**(Cont'd)**

	Note	2013 S\$	2012 S\$
<b>Governance and administrative costs (Cont'd)</b>			
Balance b/f		18,116	7,383
Postage and courier		579	1,282
Printing and stationery		665	633
Professional fee		4,950	0
Registration and licenses		0	40
Rental		504	599
SG Gives fee		1,600	337
Staff costs	6	43,785	3,956
Telecommunications		1,865	1,455
Transport		7,731	7,755
		79,795	23,440
<b>TOTAL EXPENDITURE</b>		403,764	332,986
Net income for the year		196,761	4,242
Total funds brought forward		120,514	116,272
Total funds carried forward		317,275	120,514

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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	Note	2013 S\$	2012 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	319,685	132,459
Other receivables	8	<u>30,679</u>	<u>5,525</u>
		<u>350,364</u>	<u>137,984</u>
<b>Non-current asset</b>			
Property, plant and equipment	9	<u>267</u>	<u>259</u>
		<u>267</u>	<u>259</u>
<b>Total assets</b>		<u>350,631</u>	<u>138,243</u>
<b>LIABILITY</b>			
<b>Current liability</b>			
Other payables	10	<u>33,356</u>	<u>17,729</u>
<b>Total liability</b>		<u>33,356</u>	<u>17,729</u>
<b>NET ASSETS</b>		<u>317,275</u>	<u>120,514</u>
<b>UNRESTRICTED FUND</b>			
General Fund	11	<u>317,275</u>	<u>120,514</u>

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

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**STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	Note	Balance at beginning of year S\$	Net income for the year S\$	Transfers between funds S\$	Balance at end of year S\$
<b>2013</b>					
<b>UNRESTRICTED FUND</b>					
General Fund	11	<u>120,514</u>	<u>196,761</u>	<u>0</u>	<u>317,275</u>
<b>2012</b>					
<b>UNRESTRICTED FUND</b>					
General Fund	11	<u>116,272</u>	<u>4,242</u>	<u>0</u>	<u>120,514</u>

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



**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		196,761	4,242
Adjustments for:			
- Depreciation of property, plant and equipment	9	<u>190</u>	<u>264</u>
Operating cash flow before working capital changes		196,951	4,506
Changes in operating assets and liabilities			
- Other receivables		(25,154)	(570)
- Other payables		<u>15,627</u>	<u>15,445</u>
<b>Net cash provided by operating activities</b>		<u>187,424</u>	<u>19,381</u>
<b>Cash flows from investing activity</b>			
Purchase of property, plant and equipment		<u>(198)</u>	<u>(523)</u>
<b>Net cash used in investing activity</b>		<u>(198)</u>	<u>(523)</u>
<b>Net increase in cash and cash equivalents</b>		187,226	18,858
Cash and cash equivalents at beginning of financial year		<u>132,459</u>	<u>113,601</u>
<b>Cash and cash equivalents at end of financial year</b>	7	<u>319,685</u>	<u>132,459</u>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances	7	<u>319,685</u>	<u>132,459</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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

### **1. General information**

Cat Welfare Society ("the Society") was registered under the Societies Act (Chapter 311) on 23 October 1999. The address of its registered office and principal place of business is located at 11 Joo Chiat Place #02-03 Singapore 427744.

It is a charity registered under the Charities Act (Chapter 37) since 28 June 2004. The Company has been accorded an Institution of Public Character ('IPC') status for the period from 8 May 2013 to 7 May 2015.

The principal activities of the Society are those of caring and socially responsible society where cats are treated humanely as sentinel beings, where they are care for responsibly as pets and treated with compassion as community cats, without being subjected to abandonment and abuse.

These financial statements are presented in Singapore Dollar, which is the Society's functional currency.

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

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

#### **Interpretations and amendments to published standards effective in 2013**

On 1 January 2013, the Society adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

#### Standard issued but not yet effective

New standards, amendments to standards and interpretations that are not yet effective for the financial year ended 31 December 2013 have not been applied in preparing these financial statements.

None of these will have a significant effect on the financial statements of the Society.

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

### **2.2 Revenue recognition**

Sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Society's activities. Revenue is presented, net of goods and services tax, rebates and discounts, where applicable. Revenue is recognized as follows:

#### **2.2.1 Sale of goods**

Revenue from the sale of goods is recognized when the Society has delivered the products to the customers; the customer has accepted the products and the collectability of the related receivables are reasonably assured.

#### **2.2.2 Rendering of services**

Revenue from services is recognized over the period in which the services are rendered, using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed.

#### **2.2.3 Donations**

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

#### **2.2.4 Government grants**

Grants received, contributions and donations are recognized on a cash basis.

#### **2.2.5 Other Income**

Other income is recognized when incurred.

### **2.3 Property, plant and equipment**

#### **2.3.1 Measurement**

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any costs that are 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.

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

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

#### **2.3.2 Depreciation**

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers and software	1 year
Equipment	3 years

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

#### **2.3.3 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that have already been recognized 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 Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expenses in statement of financial activities during the financial year in which it is incurred.

#### **2.3.4 Disposal**

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

## **2.4 Financial assets**

### **2.4.1 Classification**

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

#### Loans and receivables

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

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

**2.4 Financial assets (Cont'd)**

**2.4.2 Recognition and derecognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

**2.4.3 Measurement**

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

**2.5 Fair value estimation of financial assets and liabilities**

The carrying amounts of current financial assets and liabilities, carried at amortized cost, approximate their fair values due to their short-term nature.

**2.6 Leases**

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

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

**2.7 Other payables**

Other payables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

**2.8 Other receivables**

Other receivables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

**2.9 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognized when the Society 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. Significant accounting policies (Cont'd)**

### **2.10 Employee compensation**

#### Defined contribution plans

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

### **2.11 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions.

### **2.12 Cash and cash equivalents**

Cash and cash equivalents include deposit with financial institutions that are subject to an insignificant risk of change in value.

### **2.13 Related parties**

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

## **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.

### **3.1 Critical judgements in applying the Society's accounting policies**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *Allowance for impairment of receivables*

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluate the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

#### *Estimated useful lives of property, plant and equipment*

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

**3. Critical accounting estimates, assumptions and judgements (Cont'd)**

3.1 Critical judgements in applying the Society's accounting policies (Cont'd)

*Impairment of property, plant and equipment*

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

**4. Income tax**

The Society is a charity registered under the Charities Act since 28 June 2004. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

**5. Donations**

	2013 S\$	2012 S\$
Tax deductible donations	185,687	0
Non-tax deductible donations	278,664	298,043
	464,351	298,043

**6. Staff costs**

	2013 S\$	2012 S\$
Casual labour	0	90
Salaries	32,772	3,326
Bonus	4,882	0
CPF contributions	5,625	532
SDL	145	8
CDAC	33	0
Medical claims	78	0
Training	250	0
	43,785	3,956

**7. Cash and cash equivalents**

	2013 S\$	2012 S\$
Cash at bank	319,685	132,459
	319,685	132,459

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

**8. Other receivables**

	2013 S\$	2012 S\$
Other receivables	30,379	5,225
Deposit	300	300
	30,679	5,525

At the date of the statement of financial position, the carrying amounts of other receivables approximated their fair value.

**9. Property, plant and equipment**

	Balance at beginning of year S\$	Additions S\$	(Disposal) S\$	Balance at end of year S\$
<b>2013</b>				
<b>Cost</b>				
Computer and software	134	0	0	134
Equipment	389	198	0	587
	523	198	0	721

	Balance at beginning of year S\$	Additions S\$	(Disposal) S\$	Balance at end of year S\$
<b>2013</b>				
<b>Accumulated depreciation</b>				
Computer and software	134	0	0	134
Equipment	130	190	0	320
	264	190	0	454

	Balance at beginning of year S\$	Balance at end of year S\$
<b>2013</b>		
<b>Net book value</b>		
Computer and software	0	0
Equipment	259	267
	259	267



**9. Property, plant and equipment (Cont'd)**

	Balance at beginning of year S\$	Additions  S\$	(Disposal)  S\$	Balance at end of year S\$
<b>2012</b>				
<b>Cost</b>				
Computer and software	0	134	0	134
Equipment	0	389	0	389
	0	523	0	523

	Balance at beginning of year S\$	Additions  S\$	(Disposal)  S\$	Balance at end of year S\$
<b>2012</b>				
<b>Accumulated depreciation</b>				
Computer and software	0	134	0	134
Equipment	0	130	0	130
	0	264	0	264

	Balance at beginning of year S\$		Balance at end of year S\$
<b>2012</b>			
<b>Net book value</b>			
Computer and software	0		0
Equipment	0		259
	0		259

**10. Other payables**

	2013 S\$	2012 S\$
Accruals	33,106	17,479
Deposits	250	250
	33,356	17,729

At the date of statement of financial position, the carrying amounts of other payables approximated their fair values.

**11. General Fund**

The General Fund is for the purpose of meeting operating expenses incurred by the Society.

**12. Related party transaction**

There was no transaction between the Society and related party for the financial year ended 31 December 2013 and 31 December 2012.

During the financial year, none of the management committee members received any remuneration from the Society.

**13. Reserve position and policy**

The Society's reserve position for financial year ended 31 December 2013 is as follows:

		2013	2012	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	General Fund	317	121	161.98
B	Restricted Fund	N/A	N/A	N/A
C	Endowment Fund	N/A	N/A	N/A
D	Total Fund	317	121	161.98
E	Total Annual Operating Expenditure	404	333	21.32
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.78	0.36	116.67

Reference:

C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/ designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

The Management Committee is in the process of finalising the reserve policy of the Fund in the forthcoming meeting.

**14. Financial risk management**

The Society is mainly exposed to currency risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

Currency risk

The Society is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

Interest rate risk

The Society is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest bearing assets comprise bank balance, which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Society. No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The major classes of financial assets of the Society are bank deposits. For other financial assets, the Society adopts the policy of dealing only with high credit quality counterparties.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds. The Society exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Society maintains a level of cash and cash equivalents deemed adequate to finance the Society's operations.

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

	Within one year	Later than one year but not later than five years	Total
	S\$	S\$	S\$
<b>2013</b>			
<b>Financial asset</b>			
Cash and cash equivalents	319,685	0	319,685
Other receivables	<u>30,679</u>	<u>0</u>	<u>30,679</u>
	<u>350,364</u>	<u>0</u>	<u>350,364</u>
<b>Financial liability</b>			
Other payable	<u>(33,356)</u>	<u>0</u>	<u>(33,356)</u>
Net financial asset	<u>317,008</u>	<u>0</u>	<u>317,008</u>

	Within one year	Later than one year but not later than five years	Total
	S\$	S\$	S\$
<b>2012</b>			
<b>Financial asset</b>			
Cash and cash equivalents	132,459	0	132,459
Other receivables	<u>5,525</u>	<u>0</u>	<u>5,525</u>
	<u>137,984</u>	<u>0</u>	<u>137,984</u>
<b>Financial liability</b>			
Other payable	<u>(17,729)</u>	<u>0</u>	<u>(17,729)</u>
Net financial asset	<u>120,255</u>	<u>0</u>	<u>120,255</u>

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

**Fair values**

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

**15. Fund management policy**

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

**16. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

The financial statements for the financial year ended 31 December 2012 were audited by a firm of auditor other than Messrs Fiducia LLP. The audit opinion issued for the financial statement for the financial year ended 31 December 2012 was qualified.

**17. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 4 May 2015.