

CAT WELFARE SOCIETY

[UEN. S99SS0144E]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	10
Statement of Changes in Funds	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

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STATEMENT BY THE MANAGEMENT COMMITTEE

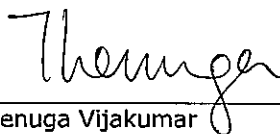
In the opinion of the Management Committee, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2018 and the results, changes in funds and cash flows of the Society for the year then ended.

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.

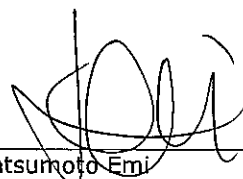
The Management Committee, comprising the following, authorised the issue of these financial statements on

President	Thenuga Vijakumar
Vice President	Vanessa Vanderstraaten
Treasurer	Matsumoto Emi
Secretary	Fareena Mehr Omar
Committee Member	Edward Foo Chee Mang
Committee Member	Tan Si Yan
Committee Member	Wang Yinuo
Committee Member	Ng Celine
Committee Member	Shelby Tisharmini Doshi
Committee Member	Lau Vun Ping

For and on behalf of the Management Committee,



Thenuga Vijakumar
President



Matsumoto Emi
Treasurer

Singapore, **19 JUL 2019**

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Independent auditor's report to the members of:

CAT WELFARE SOCIETY

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cat Welfare Society (the "Society"), which comprise the statement of financial position as at 31 December 2018, 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 2018 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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, but does not include the financial statements and our auditor's report thereon.

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

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

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(CONT'D)

Independent auditor's report to the members of:

CAT WELFARE SOCIETY
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance are responsible for 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

19 JUL 2019

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018			Total unrestricted and restricted funds
		Unrestricted fund	Restricted funds		
		General fund S\$	Mdm Khoo's Estate S\$	Cat Mediation Services	
INCOME					
Income from generating funds					
<u>Voluntary income</u>					
Donations	6	542,861	0	0	542,861
Grants		0	0	90,000	90,000
Sponsorship		16,100	0	0	16,100
Membership subscriptions		3,130	0	0	3,130
SCSP – AVA reimbursement		207,224	0	0	207,224
Special appeal	6	0	0	0	0
Special project	6	0	0	0	0
		769,315	0	90,000	859,315
<u>Activities for generating funds</u>					
Event income		27,268	0	0	27,268
Merchandise sales		42,547	0	0	42,547
		69,815	0	0	69,815
Other income					
Temporary employment credit		281	0	0	281
Special employment credit		0	0	0	0
Wages credit scheme		3,655	0	0	3,655
Paid maternity leave		0	0	0	0
Calendar sponsorship		18,190	0	0	18,190
Miscellaneous income		20	0	0	20
		22,146	0	0	22,146
Total income		951,276	0	90,000	951,276
LESS: EXPENDITURE					
Cost of generating funds					
Cat trapping & transport		13,238	0	56,496	69,734
Education & outreach		25,896	0	0	25,896
Event expenses		108	0	0	108
Freight		150	0	0	150
Low income sterilisation		30,574	0	0	30,574
Mediator claims		104	0	1,955	2,059
Mediator sterilisation		12,647	0	34,885	47,532
Purchases		45,521	0	0	45,521
Stray cat sterilisation programme		393,837	0	0	393,837
Special appeals		0	0	0	0
Special projects		25,912	9,500	0	35,412
Staff costs	7	67,765	0	66,339	134,104
Sterilisation reimbursement		80	0	0	80
Transactional fees		5,270	0	0	5,270
		621,102	9,500	159,675	790,277

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

	Note	2018			Total unrestricted and restricted funds
		Unrestricted fund	Restricted funds		
		General fund	Mdm Khoo's Estate	Cat Mediation Services	
		S\$	S\$	S\$	S\$
EXPENDITURE (CONT'D)					
Governance and administrative costs					
Accounting		21,000	0	0	21,000
Audit fee – current year		4,800	0	0	4,800
– prior years		0	0	0	0
Bank charges		233	0	0	233
Depreciation	10	837	0	0	837
General expenses		3,009	0	0	3,009
PO box rental		213	0	0	213
Rental		23,271	0	0	23,271
Staff costs	7	2,430	0	19,341	21,771
Telecommunications		4,139	0	0	4,139
Transactional fees		0	0	0	0
Transport		3,708	0	0	3,708
Utilities		965	0	0	965
		<u>64,605</u>	<u>0</u>	<u>19,341</u>	<u>83,946</u>
Total expenditure		<u>685,707</u>	<u>9,500</u>	<u>179,016</u>	<u>874,223</u>
Net income (expenditure) for the year		<u>175,569</u>	<u>(9,500)</u>	<u>(89,016)</u>	<u>77,053</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	2017		
		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund	Mdm Khoo's Estate	
		S\$	S\$	S\$
INCOME				
Income from generating funds				
<u>Voluntary income</u>				
Donations	6	358,275	0	358,275
Grants		0	0	0
Sponsorship		0	0	0
Membership subscriptions		6,340	0	6,340
SCSP – AVA reimbursement		127,982	0	127,982
Special appeal	6	10,523	0	10,523
Special project	6	16,382	0	16,382
		<u>519,502</u>	<u>0</u>	<u>519,502</u>
<u>Activities for generating funds</u>				
Event income		56,676	0	56,676
Merchandise sales		7,332	0	7,332
		<u>64,008</u>	<u>0</u>	<u>64,008</u>
Other income				
Temporary employment credit		946	0	946
Special employment credit		20	0	20
Wages credit scheme		1,892	0	1,892
Paid maternity leave		2,423	0	2,423
Calendar sponsorship		10,200	0	10,200
Miscellaneous income		0	0	0
		<u>15,481</u>	<u>0</u>	<u>15,481</u>
Total income		<u>598,991</u>	<u>0</u>	<u>598,991</u>
LESS: EXPENDITURE				
Cost of generating funds				
Cat trapping & transport		56,141	0	56,141
Collaterals		4,428	0	4,428
Education & outreach		14,030	0	14,030
Event expenses		3,697	0	3,697
Low income sterilisation		42,185	0	42,185
Mediator claims		1,670	0	1,670
Mediator sterilisation		70,038	0	70,038
Purchases		37,690	0	37,690
Stray cat sterilisation programme		324,504	0	324,504
Special appeals		58,912	0	58,912
Special projects		32,066	0	32,066
Staff costs	7	100,609	0	100,609
Sterilisation reimbursement		790	0	790
Others		120	0	120
		<u>746,880</u>	<u>0</u>	<u>746,880</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)**

	Note	2017		
		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund S\$	Mdm Khoo's Estate S\$	S\$
EXPENDITURE (CONT'D)				
Governance and administrative costs				
Accounting		21,950	0	21,950
Audit fee – current year		4,334	0	4,334
– prior years		(367)	0	(367)
Bank charges		167	0	167
Depreciation	10	225	0	225
Dues and subscriptions		247	0	247
General expenses		8,800	0	8,800
PO box rental		214	0	214
Rental		20,616	0	20,616
Staff costs	7	2,691	0	2,691
Telecommunications		4,281	0	4,281
Transactional fees		3,570	0	3,570
Transport		582	0	582
Utilities		147	0	147
		<u>67,457</u>	<u>0</u>	<u>67,457</u>
Total expenditure		<u>814,337</u>	<u>0</u>	<u>814,337</u>
Net income (expenditure) for the year		<u>(215,346)</u>	<u>0</u>	<u>(215,346)</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	564,674	393,484
Other receivables	9	70,137	153,755
		<u>634,811</u>	<u>547,239</u>
Non-current asset			
Property, plant and equipment	10	4,482	654
Total assets		<u>639,293</u>	<u>547,893</u>
LIABILITY			
Current liability			
Trade and other payables	11	35,943	21,596
Total liability		<u>35,943</u>	<u>21,596</u>
NET ASSETS		<u>603,350</u>	<u>526,297</u>
FUNDS			
Unrestricted fund			
Accumulated general fund	12	638,585	463,016
Restricted funds			
Mdm Khoo's Estate	12	53,781	63,281
Cat Mediation Services	12	(89,016)	0
		<u>(35,235)</u>	<u>63,281</u>
TOTAL FUNDS		<u>603,350</u>	<u>526,297</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	At beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	At end of financial year S\$
2018			
Unrestricted fund			
Accumulated general fund	463,016	175,569	638,585
Restricted funds			
Mdm Khoo's Estate	63,281	(9,500)	53,781
Cat Mediation Services	0	(89,016)	(89,016)
	63,281	(98,516)	(35,235)
Total funds	526,297	77,053	603,350
	At beginning of financial year S\$	Net expenditure for the financial year S\$	At end of financial year S\$
2017			
Unrestricted fund			
Accumulated general fund	678,362	(215,346)	463,016
Restricted fund			
Mdm Khoo's Estate	63,281	0	63,281
Total funds	741,643	(215,346)	526,297

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net income/(expenditure) for the financial year		77,053	(215,346)
Adjustment for:			
Depreciation	10	837	225
Operating cash flow before changes in working capital		77,890	(215,121)
Changes in working capital			
- Other receivables		83,618	(64,518)
- Trade and other payables		14,347	(62,401)
Net cash generated from/(used in) operating activities		<u>175,855</u>	<u>(342,040)</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	10	(4,665)	(702)
Net cash used in investing activity		<u>(4,665)</u>	<u>(702)</u>
Net increase/(decrease) in cash and cash equivalents		171,190	(342,742)
Cash and cash equivalents at beginning of financial year		393,484	736,226
Cash and cash equivalents at end of financial year	8	<u>564,674</u>	<u>393,484</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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") is registered and domiciled in Singapore. The Society's registered office and principal place of business is located at 98 Club Street, #02-01 Singapore 069467.

The Society was registered on 23 October 1999 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act, Chapter 37 since 28 June 2004. The Society has been accorded the Institutions of a Public Character ("IPC") status until 31 August 2019.

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.

2. Significant accounting policies

2.1 Basis of preparation

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

The financial statements are presented in Singapore Dollar ("S\$"), which is the Society's functional currency.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

2.1.1 Interpretations and amendments to published standards effective in 2018

In the current financial year, the Society has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 January 2018. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Society's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective

The Society has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.2 Income recognition

Income is measured based on the consideration to which the 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 and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.2 Membership subscription

Membership subscriptions are recognised on receipts basis, as they are not refundable.

2.2.3 Sale of goods

Revenue from sale of goods is recognised upon the issuance of invoice. Satisfaction of performance obligation is at a point of time. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.2.4 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by 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.

2.4 Cost and expenditure recognition

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

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2.4.2 Governance and administrative costs

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

2.5 Employee compensation

2.5.1 Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.5.2 Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2. Significant accounting policies (Cont'd)

2.6 Operating leases as lessee

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

Contingent rents are recognised as an expense in the statement of financial activities when incurred.

2.7 Property, plant and equipment

Measurement

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any 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.

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

Depreciation

Depreciation on 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
Computer and software	1 year
Equipment	3 years
Furniture and fittings	3 years

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

Fully depreciated assets still in use are retained in the financial statements.

Subsequent expenditure

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

Disposal

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

2. Significant accounting policies (Cont'd)

2.8 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

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

2.9 Financial assets

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

Loans and receivables

Cash and cash equivalents
Other receivables

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

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

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

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

- Amortised cost.
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVPL).

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

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

At initial recognition

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

At subsequent measurement

Debt instrument

Debt instruments of the Society mainly comprise of cash and cash equivalents, fixed deposits and other receivables.

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

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

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

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

2. Significant accounting policies (Cont'd)

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in value.

2.11 Financial liabilities

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

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

2.12 Trade and other payables

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

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

2.13 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society 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 can be reliably estimated.

2.14 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.15 Contingencies

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

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 income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

The management 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.

4. Income tax

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

5. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

	2018 S\$	2017 S\$
Revenue from:		
Donations	542,861	358,275
Sponsorship	16,100	0
Membership subscriptions	3,130	6,340
Special appeal	0	10,523
Special project	0	16,382
Event income	27,268	56,676
Merchandise sales	42,547	7,332
Other income	22,146	15,481
	<u>654,052</u>	<u>471,009</u>

All the revenue are recognised at a point in time.

There are no contract liabilities balances.

6. Donations

	2018 S\$	2017 S\$
Tax deductible donations	407,577	282,169
Non-tax deductible donations	<u>135,284</u>	<u>103,011</u>
	<u>542,861</u>	<u>385,180</u>

The donations were allocated as follows:

• Donations	542,861	358,275
• Special appeal	0	10,523
• Special project	<u>0</u>	<u>16,382</u>
	<u>542,861</u>	<u>385,180</u>

During the financial year, the Society issued tax-deductible receipts, for donations totalling S\$407,577 (2017: S\$290,457) pursuant to its Institutions of a Public Character ("IPC") status.

Special appeal was held and ended in financial year ended 31 December 2017.

7. Staff costs

	2018 S\$	2017 S\$
Staff salaries	121,731	77,460
Staff bonuses	11,018	10,550
Employer's contribution to CPF	22,570	14,962
SDL	320	200
Medical claims	<u>236</u>	<u>128</u>
	<u>155,875</u>	<u>103,300</u>

The staff costs were allocated as follows:

Cost of generating funds	134,104	100,609
Governance and administrative costs	<u>21,771</u>	<u>2,691</u>
	<u>155,875</u>	<u>103,300</u>

8. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	841	226
Cash at banks	<u>563,833</u>	<u>393,258</u>
	<u>564,674</u>	<u>393,484</u>

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

9. Other receivables

	2018 S\$	2017 S\$
Other receivables	55,732	133,288
Deposits	5,300	5,900
Prepayments	9,105	14,567
	<u>70,137</u>	<u>153,755</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.

10. Property, plant and equipment

	Computer and software S\$	Equipment S\$	Furniture and fittings S\$	Total S\$
Cost				
At 1 January 2017	134	1,011	0	1,145
Additions	0	300	402	702
At 31 December 2017	134	1,311	402	1,847
Additions	4,665	0	0	4,665
At 31 December 2018	<u>4,799</u>	<u>1,311</u>	<u>402</u>	<u>6,512</u>
Accumulated depreciation				
At 1 January 2017	134	834	0	968
Depreciation	0	191	34	225
At 31 December 2017	134	1,025	34	1,193
Depreciation	518	186	133	837
At 31 December 2018	<u>652</u>	<u>1,211</u>	<u>167</u>	<u>2,030</u>
Carrying amount				
31 December 2017	<u>0</u>	<u>286</u>	<u>368</u>	<u>654</u>
31 December 2018	<u>4,147</u>	<u>100</u>	<u>235</u>	<u>4,482</u>

11. Trade and other payables

	2018 S\$	2017 S\$
Trade payables	18,427	0
Other payables	2,590	0
Accrued operating expenses	8,600	14,664
Accrued staff costs	6,326	6,932
	<u>35,943</u>	<u>21,596</u>

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

12. Funds

12.1 Unrestricted fund

Accumulated general fund

Accumulated general fund is for the purpose of meeting operating expenses incurred by the Society.

12.2 Restricted funds

Mdm Khoo's Estate

Mdm Khoo's estate is bequeath from Mdm Khoo to the Society solely for the upkeep and care of the cats that belong to Mdm Khoo at KittyCare Haven.

Cat Mediation Services

Cat Mediation Service Project is supported by Agri-Food and Veterinary Authority (AVA) under AVA First Responder Protocol (RF 1201) Fund for sterilisation and trapping of cats for the period from 1 April 2018 to 31 March 2019.

13. Operating lease commitments

The Society leases office premise from non-related party under non-cancellable operating lease agreements.

The future minimum rental payable under non-cancellable operating lease contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	2018 S\$	2017 S\$
Not later than one year	<u>0</u>	<u>17,100</u>

14. Related party transactions

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

	2018 S\$	2017 S\$
Education and outreach services provided by a Management Committee member	<u>0</u>	<u>3,250</u>

During the current and previous year, none of the Management Committee members and key management personnel received any remuneration from the Society.

15. Employees' remuneration

None of the Society's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 December 2018 and 31 December 2017.

16. Financial instruments by category

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

	2018 S\$
Financial assets, at amortised cost	625,706
Financial liabilities, at amortised cost	<u>35,943</u>
	2017 S\$
Loans and receivables	532,672
Financial liabilities, at amortised cost	<u>21,596</u>

17. Financial risk management

The Society is mainly exposed to credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Management Committee reviews and agrees on policies and procedures for management of these risks.

17.1 Credit risk

Credit risk is the potential financial loss resulting from customer defaulting on its contractual obligations to the Society.

The Society has minimal exposure to credit risks due to the nature of its activities.

17.2 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 primarily from mis-matches of the maturities of financial assets or liabilities.

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

17. Financial risk management (Cont'd)

17.2 Liquidity risk (Cont'd)

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 S\$	Later than one year but not later than five years S\$	Total S\$
2018			
Financial assets, at amortised cost			
Cash and cash equivalents	564,674	0	564,674
Other receivables (excluding prepayments)	61,032	0	61,032
	<u>625,706</u>	<u>0</u>	<u>625,706</u>
Financial liabilities			
Trade and other payables	(35,943)	0	(35,943)
	<u>(35,943)</u>	<u>0</u>	<u>(35,943)</u>
Net financial assets	<u>589,763</u>	<u>0</u>	<u>589,763</u>
2017			
Financial assets			
Cash and cash equivalents	393,484	0	393,484
Other receivables (excluding prepayments)	139,188	0	139,188
	<u>532,672</u>	<u>0</u>	<u>532,672</u>
Financial liabilities			
Other payables	(21,596)	0	(21,596)
	<u>(21,596)</u>	<u>0</u>	<u>(21,596)</u>
Net financial assets	<u>511,076</u>	<u>0</u>	<u>511,076</u>

18 Fair values

As at 31 December 2018, the carrying amounts of financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

19. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2018 and 2017 is as follows:

		2018 S\$'000	2017 S\$'000	Increase %
A	Unrestricted funds			
	General fund	549	463	18.69
B	Restricted and designated funds			
	Mdm Khoo's Estate	54	63	(15.01)
C	Endowment fund	N/A	N/A	
D	Total funds	603	526	14.64
E	Total annual operating expenditure	874	814	7.35
F	Ratio of funds to annual operating expenditure (A/E)	0.63	0.57	

19. Reserve position and policy (Cont'd)

Reference:

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

The Society's reserve policy is as follows:

The reserve of the Society provide financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

20. Management of conflict of interest

There is no paid staff in the Society's Management Committee.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest 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 Society's Management Committee members 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. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Management Committee on **19 JUL 2019**