

Cat Welfare Society
(Unique Entity Number: S99SS0144E)
(Registered under the Societies Act 1966 and Charities Act 1994)

AUDITED FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022



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Cat Welfare Society
(Unique Entity Number: S99SS0144E)

AUDITED FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

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Cat Welfare Society

STATEMENT BY THE MANAGEMENT COMMITTEE

For the Financial Year Ended 31 December 2022

In the opinion of the Management Committee,

- (a) the financial statements of Cat Welfare Society (the "Society") and the notes thereto are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 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 the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due; and
- (c) the fund-raising appeals held during the financial year have been carried out in accordance with Section 6 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 and proper accounts and other records of the fund-raising appeal have been properly kept.

On behalf of the Management Committee



.....
Thenuga Vijakumar
President



.....
Emi Matsumoto
Treasurer

Singapore

Date: 9 June 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Cat Welfare Society
For the Financial Year Ended 31 December 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cat Welfare Society (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 of the Society for the financial 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 1966 (the "Societies Act"), the Charities Act 1994 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 the financial year then ended.

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.

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 misstatements, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Cat Welfare Society
For the Financial Year Ended 31 December 2022

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (cont'd)

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.

The Management Committee is 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Cat Welfare Society
For the Financial Year Ended 31 December 2022

Report on the Audit of the Financial Statements (Cont'd)

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- 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, 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.

The fund-raising appeals carried on during the financial have been carried out in accordance with Section 6 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012 and proper accounts and other records of the fund-raising appeal have been properly kept.

During the course of our 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 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.



Tan, Chan & Partners
*Public Accountants and
Chartered Accountants*

Singapore

Date: 9 June 2023

Cat Welfare Society
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
Non-current asset			
Property, plant and equipment	4	<u>4,722</u>	<u>23,605</u>
Current assets			
Other Receivables	5	<u>70,529</u>	<u>66,293</u>
Prepayments		<u>916</u>	<u>1,547</u>
Cash and cash equivalents	6	<u>1,385,497</u>	<u>1,322,435</u>
		<u>1,456,942</u>	<u>1,390,275</u>
Total assets		<u>1,461,664</u>	<u>1,413,880</u>
LIABILITIES AND FUNDS			
Non-current liability			
Lease liability	8	<u>-</u>	<u>4,929</u>
Current liabilities			
Trade and other payables	7	<u>194,695</u>	<u>60,045</u>
Lease liability	8	<u>4,930</u>	<u>19,115</u>
		<u>199,625</u>	<u>79,160</u>
Net assets		<u>1,262,039</u>	<u>1,329,791</u>
FUNDS			
Unrestricted fund			
Accumulated general fund	9	<u>1,208,258</u>	<u>1,276,010</u>
Restricted fund			
Mdm Khoo's estate	10	<u>53,781</u>	<u>53,781</u>
Total funds		<u>1,262,039</u>	<u>1,329,791</u>

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

Cat Welfare Society

STATEMENT OF FINANCIAL ACTIVITIES
For the Financial Year Ended 31 December 2022

	Note	Unrestricted funds 2022 \$	Unrestricted funds 2021 \$
Income			
Income from generated funds			
Voluntary income	11	904,337	1,005,775
Activities for generating funds	11	182,852	85,179
Other income	12	23,317	22,893
		<u>1,110,506</u>	<u>1,113,847</u>
Expenditures			
Cost of generating funds	13	1,058,456	726,888
Governance and administrative costs	14	119,116	103,485
Finance costs		686	1,429
		<u>1,178,258</u>	<u>831,802</u>
(Deficit)/surplus for the financial year, representing total comprehensive (loss)/income for the financial year		<u>(67,752)</u>	<u>282,045</u>

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

Cat Welfare Society

STATEMENT OF CHANGES IN FUNDS
For the Financial Year Ended 31 December 2022

	Unrestricted General funds	Restricted Mdm Khoo's estate	Total funds
	\$	\$	\$
As at 01 January 2021	993,965	53,781	1,047,746
Surplus for the financial year, representing total comprehensive income for the financial year	282,045	-	282,045
As at 31 December 2021	1,276,010	53,781	1,329,791
Deficit for the financial year, representing total comprehensive loss for the financial year	(67,752)	-	(67,752)
As at 31 December 2022	1,208,258	53,781	1,262,039

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

Cat Welfare Society
STATEMENT OF CASH FLOWS
For the Financial Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Operating activities			
(Deficit)/surplus for the financial year		(67,752)	282,045
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	4	18,883	22,126
Gain on early termination of lease		-	(2,094)
Interest on lease liability	16	686	1,429
Operating cash flows before working capital changes		(48,183)	303,506
<u>Changes in working capital:</u>			
Prepayments		631	44
Other receivables		(4,236)	(32,465)
Trade and other payables		134,650	1,096
Net cash flow generated from operating activities		82,862	272,181
Financing activities			
Payment of principal portion of lease liability		(19,114)	(19,121)
Interest paid		(686)	(1,429)
Net cash flow used in investing activities		(19,800)	(20,550)
Net changes in cash and cash equivalents		63,062	251,631
Cash and cash equivalents at beginning of financial year		1,322,435	1,070,804
Cash and cash equivalents at end of financial year		1,385,497	1,322,435

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

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2022

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 under the Societies Act 1966 and the Charities Act 1994 and domiciled in the Republic of Singapore. The Society is an approved Institution of Public Character (“IPC”). Its IPC status will expire on 8 December 2024.

The registered office and principal place of business is located at #02-22 195 Pearl’s Hill Terrace Singapore 168976.

The principal activities of the Society are doing all such works as are necessary to engage the community to achieve sustainable and humane management of cats in Singapore through advocacy, sterilisation, mediation and educational outreach programmes. The Society aims to create a humane society where every cat in Singapore has a place to call home.

The financial statements of the Society for the financial year ended 31 December 2022 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.

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 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 Dollars (“\$”), which is the Society’s functional currency.

2.2 Adoption of new and amended standards and interpretations

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 revised 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 new/revised standards and interpretations did not result in any substantial changes to the accounting policies of the Society or have any material effect on the financial performance or position of the Society.

2.3 Standards issued but not yet effective

Certain new standards, amendments to standards and interpretations are issued but effective for annual financial periods beginning on or after 1 January 2023, and which the Society has not been early adopted in preparing these financial statements. None of these are expected to have a significant impact on the Society’s financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of financial activities.

2.5 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 the Committee. 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.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

	<u>Estimated useful life</u>
Computer and software	1 to 3 years
Equipment	3 years
Furniture and fittings	3 years
Leasehold premises	Over lease term

The residual value, estimated useful lives and depreciation method are reviewed at each reporting period and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the assets is included in statement of financial activities in the period that the assets are derecognised.

2.6 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 such indication exists, or when annual impairment assessment for an asset is required, the Society makes an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Impairment of non-financial assets (cont'd)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and 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.

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Society 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 ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of financial activities.

Subsequent measurement

Other receivables are subsequently carried at amortised cost using the effective interest method, less accumulated impairment. Gains and losses are recognised in the statement of financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

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 statement of financial activities.

2.8 Impairment of financial asset

The Society recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. 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.

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").

The Society 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 enhancement held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and paypal accounts that are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Provisions

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

Defined contribution plan

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

Short-term benefits

All short-term benefits are recognised in statement of financial activities in the period in which the employees rendered their services to the Society.

2.12 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 liability representing the obligations to make lease payments and right-of-use asset representing the right to use the underlying leased asset.

Right-of-use assets

The Society recognises right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Leases (cont'd)

Right-of-use assets (cont'd)

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 asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Society's right-of-use assets are presented within property, plant and equipment in Note 4.

Lease liability

At the commencement date of the lease, the Society recognises lease liability 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 liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability 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 liability is disclosed in Note 8 to the financial statements.

As lessee

Leases of low-value assets

The Society applies the lease of low-value assets recognition exemption to leases that are considered to be low-value. Lease payments on low value leases are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Revenue recognition

Revenue 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.

Revenue 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 revenue recognised is the amount allocated to the satisfied performance obligation.

Donations

Donations are usually recognised upon receipt.

For donations received that are subject to donor-imposed conditions that specify the time period in which the expenditure can take place. Such donations are accounted for as deferred income and recognised as a liability until the financial period when the donation will be used.

For donations received with conditions attached that must be fulfilled before the Society has unconditional entitlement to the income. Such donations are accounted for as deferred income and recognised as a liability until the Society has sufficient evidence that the conditions attached will be met.

Membership subscriptions

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

Merchandise sales

Income from merchandise sales is recognised when the Society has delivered the products to customers; the customer has accepted the products and the collectability of the related receivables are reasonably assured.

Other income

Other income is recognised upon receipt.

2.14 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received, and all attached 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 relates 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 THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Government grants (cont'd)

When 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.

2.15 Taxation

The Society is registered as a Charity under the Charities Act is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

2.16 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) the amount of the obligation cannot be measured within sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society.

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 the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could 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 judgments to be made in applying the accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities affected in the future periods.

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Computer and software \$	Equipment \$	Furniture and fittings \$	Leasehold premises \$	Total \$
<u>Cost</u>						
As at 1 January 2021		4,799	1,311	402	62,003	68,515
Additions		-	-	-	37,767	37,767
Termination of lease		-	-	-	(62,003)	(62,003)
As at 31 December 2021 and 31 December 2022		4,799	1,311	402	37,767	44,279
<u>Accumulated depreciation</u>						
As at 1 January 2021		4,207	1,311	402	43,572	49,492
Depreciation charge	14	592	-	-	21,534	22,126
Termination of lease		-	-	-	(50,944)	(50,944)
As at 31 December 2021		4,799	1,311	402	14,162	20,674
Depreciation charge	14	-	-	-	18,883	18,883
As at 31 December 2022		4,799	1,311	402	33,045	39,557
<u>Carrying amount</u>						
As at 31 December 2021		-	-	-	23,605	23,605
As at 31 December 2022		-	-	-	4,722	4,722

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16.

5. OTHER RECEIVABLES

	2022 \$	2021 \$
Deposits	15,500	13,500
Donations receivable	55,029	52,793
	70,529	66,293

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

6. CASH AND BANK BALANCES

	2022	2021
	\$	\$
Paypal accounts	205,629	142,692
Cash at bank	<u>1,179,868</u>	<u>1,179,743</u>
	<u>1,385,497</u>	<u>1,322,435</u>

7. TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Trade payables	179,354	44,475
Accrued operating expenses	5,836	5,836
Accrued staff costs	<u>9,505</u>	<u>9,734</u>
	<u>194,695</u>	<u>60,045</u>

Trade payables are non-interest bearing, unsecured and repayable on demand.

8. LEASE LIABILITY

	2022	2021
	\$	\$
<u>Non-current</u>		
Lease liability	<u>-</u>	<u>4,929</u>
<u>Current</u>		
Lease liability	<u>4,930</u>	<u>19,115</u>
Total lease liability	<u>4,930</u>	<u>24,044</u>

Reconciliation of liability arising from financing activity:

	1 January 2022	Cash flows	<u>Non-cash changes</u>		31 December 2022
	\$	\$	Accretion of interests	Others	\$
			\$	\$	
- Current	19,115	(19,800)	686	4,929	4,930
- Non-current	4,929	-	-	(4,929)	-
	<u>24,044</u>	<u>-</u>	<u>686</u>	<u>-</u>	<u>4,930</u>

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**NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022**

8. LEASE LIABILITY (Cont'd)

	1 January 2021 \$	Cash flows \$	Non-cash changes				31 December 2021 \$
			Addition \$	Termination \$	Accretion of interests \$	Others \$	
- Current	18,551	(5,700)	-	(13,153)	302	19,115	19,115
- Non-current	-	(14,850)	37,767	-	1,127	(19,115)	4,929
	<u>18,551</u>	<u>(20,550)</u>	<u>37,767</u>	<u>13,153</u>	<u>1,429</u>	<u>-</u>	<u>24,044</u>

The 'Others' column relates to the reclassification of non-current portion of lease liability due to passage of time.

9. ACCUMULATED GENERAL FUND

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

10. MDM KHOO'S ESTATE

Mdm Khoo's estate is a bequeath from Mdm Khoo to the Society solely for the upkeep and caring of the cats that belong to Mdm Khoo at KittyCare Haven. There has been no movement since financial year 2018.

11. INCOME FROM GENERATING FUNDS

a) Disaggregation of revenue from contracts with customers

	Note	2022 \$	2021 \$
Voluntary Income			
Donations - Tax Deductible	17	545,450	548,663
Donations - Non-Tax Deductible	17	151,647	163,998
Membership Subscriptions		1,828	2,420
Tote Board		105,107	-
SCSP - NPB Subsidy		100,305	290,694
		<u>904,337</u>	<u>1,005,775</u>
Activities for Generating Funds			
Event Income		209	-
Merchandise Sales		159,838	83,758
Sterilisation Programme Income		22,805	1,421
		<u>182,852</u>	<u>85,179</u>

All the revenue are recognised at a point in time.

b) There are no contract liability balances.

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

12. OTHER INCOME

	2022	2021
	\$	\$
Calendar sponsorship	8,500	8,250
Gain on termination of lease	-	2,094
Job support scheme	-	7,932
Miscellaneous income	11,909	-
Wage credit scheme	2,908	4,617
	<u>23,317</u>	<u>22,893</u>

13. COST OF GENERATING FUNDS

	2022	2021
	\$	\$
Cat trapping and transport	106,469	71,062
Education, advocacy & outreach	3,378	10,971
Event expenses	7,483	1,324
Mediator claims	7,985	1,592
Mediator sterilisation	174,052	162,620
Purchase of merchandise	135,390	58,225
Staff costs *	116,266	102,471
Stray cat sterilisation programme	493,181	310,844
Transactional fees	14,252	7,779
	<u>1,058,456</u>	<u>726,888</u>

* None of the Society's employees were remunerated more than or equal to \$100,000 during the financial years ended 31 December 2022 and 2021 respectively.

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

14. GOVERNANCE AND ADMINISTRATIVE EXPENSES

	Note	2022 \$	2021 \$
Accounting fees		8,400	8,400
Audit fees		5,136	5,136
Bank charges		725	398
Depreciation	4	18,883	22,126
Entertainment and refreshment		56	-
General expenses		8,896	2,127
GST expense		1,386	-
Operating lease expense - PO box		-	53
Office rent		-	185
Office supplies		-	1,961
Staff costs *		49,575	47,907
Subscriptions		63	-
Telecommunications		2,926	3,797
Transport		22,293	10,601
Utilities		477	794
Website hosting		300	-
		<u>119,116</u>	<u>103,485</u>

* None of the Society's employees were remunerated more than or equal to \$100,000 during the financial years ended 31 December 2022 and 2021 respectively.

15. LEASE

Society as a lessee

The Society has a lease contract for office premises. The Society is restricted from assigning and subleasing the leased asset. The lease contract includes extension option which is further discussed below.

The Society also has certain leases of with lease terms of 12 months or less and leases of office equipment with low value. The Society applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Carrying amounts of right-of-use asset classified within plant and equipment (Note 4)

	Note	2022 \$	2021 \$
<i>Leased premises</i>			
At 1 January		23,605	18,431
Additions		-	37,767
Depreciation	4	(18,883)	(21,534)
Net effect of early termination of lease		-	(11,059)
At 31 December	4	<u>4,722</u>	<u>23,605</u>

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022

15. LEASE (Cont'd)

Lease liability

The carrying amount of lease liability and the movements during the financial year are disclosed in Note 8 and the maturity analysis of lease liability is disclosed in Note 22.

Amount recognised in financial activities

	Note	2022 \$	2021 \$
Depreciation of right-of-use asset	4	18,883	21,534
Interest on lease liability		686	1,429
Lease expense not capitalised in lease liability:			
Expense relating to leases of low-value assets (included in operating lease expense)		-	53
Total amount recognised in financial activities		<u>19,569</u>	<u>23,016</u>

Total cash outflow

The Society had total cash outflows for lease of \$ 21,186 (2021: \$20,603)

16. FUND RAISING

30/70 Fund raising Efficiency Ratio

	2022 \$	2021 \$
Income from online fund-raising campaigns		
Campaigns conducted online by the Society	121,235	111,597
Campaigns conducted online by third-parties on behalf of the Society	<u>9,407</u>	<u>7,680</u>
	<u>130,642</u>	<u>119,277</u>
Cost of online fund-raising campaigns	<u>2,195</u>	-
Fund-raising efficiency ratio	<u>0.01</u>	-

The fund-raising efficiency ratio has been computed as $(E+S)/(R+S)$, where E refers to the total expenses relating to fund-raising; R refers to the total gross receipts from fund-raising, other than receipts from sponsorships; and S refers to the total cost or value of sponsored goods and services relating to fund-raising.

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NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2022

17. DONATIONS

	Note	2022 \$	2021 \$
<i>Donations</i>			
- Tax deductible	11	545,450	548,663
- Non-tax deductible	11	151,647	163,998
		<u>697,097</u>	<u>712,661</u>

During the financial year, the Society issued tax-deductible receipts, for donations totalling \$545,450 (2021: \$548,663) pursuant to its IPC status.

18. FINANCIAL INSTRUMENTS

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

	Note	2022 \$	2021 \$
<u>Financial assets</u>			
Other receivables	5	70,529	66,293
Cash and bank balances	6	1,385,497	1,322,435
Financial assets carried at amortised cost		<u>1,456,026</u>	<u>1,388,728</u>
<u>Financial liabilities</u>			
Trade and other payables	7	194,695	60,045
Lease liability	8	4,930	24,044
Financial liabilities carried at amortised cost		<u>199,625</u>	<u>84,089</u>

19. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and liabilities not measured at fair value

Cash and bank balances, other receivables and trade and other payables

The carrying amounts of these balances approximate their fair values as they are subject to normal trade credit terms.

Lease liability

The carrying amounts of lease liability approximate their fair values as they are subject to the interest rates close to market rate of interests for similar arrangements with financial institutions.

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2022

20. RESERVE POSITION AND POLICY

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

	2022 \$	2021 \$	Increase/ (Decrease) %
Funds			
Unrestricted funds: General funds	1,208,258	1,276,010	(5.31%)
Restricted funds: Mdm Khoo's estate	53,781	53,781	-
	<u>1,262,039</u>	<u>1,329,791</u>	<u>(5.09%)</u>
Annual operating expenditure			
Cost of generating funds	1,058,456	726,888	45.61%
Governance and administrative costs	119,116	103,485	15.10%
	<u>1,177,572</u>	<u>830,373</u>	<u>41.81%</u>
Ratio of unrestricted funds to annual operating expenditure	<u>1.03:1</u>	<u>1.54:1</u>	<u>-</u>

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

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

21. 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 Management Committee members shall abstain from any discussion and decision making on the issue and shall not vote on the transaction or contract. 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.

Cat Welfare Society

NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2022

22. FINANCIAL RISK MANAGEMENT

The key financial risks faced by the Society are credit risks and liquidity risk. There has been no significant change to the Society's exposure arising from these financial risks or the manner in which it manages and measures these risks.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society.

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

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.

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

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 operations:

	Carrying amount \$	Contractual cash flows \$	One year or less \$	One to five years \$
At 31 December 2022				
<i>Financial assets:</i>				
Other receivables	70,529	70,529	70,529	-
Cash and bank balances	1,385,497	1,385,497	1,385,497	-
Total undiscounted financial assets	1,456,026	1,456,026	1,456,026	-
<i>Financial liabilities:</i>				
Other payables	194,695	194,695	194,695	-
Lease liability	4,930	4,950	4,950	-
Total undiscounted financial liabilities	199,625	199,645	199,645	-
Total net undiscounted financial assets	1,256,401	1,256,381	1,256,381	-

Cat Welfare Society

**NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 December 2022**

22. FINANCIAL RISK MANAGEMENT (Cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment operations: (cont'd)

	Carrying amount \$	Contractual cash flows \$	One year or less \$	One to five years \$
At 31 December 2021				
<i>Financial assets:</i>				
Other receivables	66,293	66,293	66,293	-
Cash and bank balances	1,322,435	1,322,435	1,322,435	-
Total undiscounted financial assets	1,388,728	1,388,728	1,388,728	-
<i>Financial liabilities:</i>				
Other payables	60,045	60,045	60,045	-
Lease liability	24,044	24,750	19,800	4,950
Total undiscounted financial liabilities	84,089	84,795	79,845	4,950
Total net undiscounted financial assets/(liabilities)	1,304,639	1,303,933	1,308,883	(4,950)