

CAT WELFARE SOCIETY

[Unique Entity No. S99SS0144E]

[IPC No. IPC000787]

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

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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Fiducia LLP

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Public Accountants and
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STATEMENT BY MANAGEMENT COMMITTEE

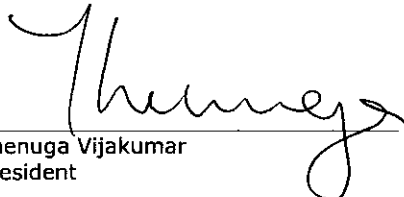
In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014 and of its results of financial activities, the changes in fund and cash flows of the 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.

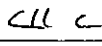
The Management Committee, comprising the following, authorised the issue of these financial statements on 25 June 2015.

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

For and on behalf of the Management Committee,



Thenuga Vijakumar
President



Goh Lay Choo
Honorary Treasurer

Singapore, 25 June 2015.

Fiducia LLP

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Chartered Accountants of Singapore

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Independent auditor's report to the members of:

CAT WELFARE SOCIETY

[UEN: S99SS0144E]
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Singapore]

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **CAT WELFARE SOCIETY** (the "Society") for the financial year ended 31 December 2014 as set out on pages 5 to 21, which comprise the statement of financial position as at 31 December 2014, the statement of financial activities, the statement of changes in fund and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

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Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

CAT WELFARE SOCIETY

[UEN: S99SS0144E]
[IPC No. IPC000787]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014, and the results, changes in fund and cash flows of the Society for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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



Fiducia LLP

Public Accountants and
Chartered Accountants
Singapore, 25 June 2015.

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
INCOME			
Voluntary income			
Donations	5	628,904	442,153
Government grants		37,636	74,000
Membership subscriptions		12,370	11,670
Calendar sponsorship		9,120	11,892
SCSP – AVA Reimbursement		25,304	0
Special appeal	5	67,016	22,198
		<u>780,350</u>	<u>561,913</u>
Activities for generating funds			
Events		0	650
Calendar		0	10,052
Merchandise sales		24,657	27,908
		<u>24,657</u>	<u>38,610</u>
Other income			
Foreign exchange gain		0	2
Misc income		250	0
		<u>250</u>	<u>2</u>
TOTAL INCOME		<u>805,257</u>	<u>600,525</u>
LESS: EXPENDITURE			
Cost of generating funds			
Events expenses		0	187
Purchases		40,347	17,701
		<u>40,347</u>	<u>17,888</u>
Cost of charitable activities			
Cat trapping & transport		43,788	0
Care and medical treatments		0	15,007
Cats ownership programme expenses	6	25,728	28,240
Chip and spay day		4,083	2,698
Collaterals		3,482	332
Education		374	0
Geofundit fees		4,795	0
Low income sterilisation		30	0
Mediator claims		19,672	28,690
Mediator sterilisation		96,171	77,687
Others		64,671	0
Rescue		0	3,810
SCSP		39,703	0
Special appeals		95,141	44,819
Special projects		75,309	4,973
Sterilization reimbursement		8,556	36,478
Sterilization support		0	63,347
		<u>481,503</u>	<u>306,081</u>
Governance and administrative costs			
Accounting		8,800	2,400
Audit fee			
- Current year		4,280	3,424
- Prior year		0	3,000
AXS processing fee		1,029	470
Balance c/f		<u>14,109</u>	<u>9,294</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Cont'd)**

	Note	2014 S\$	2013 S\$
Governance and administrative costs (Cont'd)			
Balance b/f		14,109	9,294
Bank charges		656	893
Catnip Hotline		134	0
Course fee and training		0	3,000
Depreciation of property, plant and equipment	9	196	190
General expenses		1,635	26
Give.SG fees		42	0
Maintenance		0	428
Meal and refreshment		0	449
Office supplies		0	74
Paypal fee		7,436	3,762
PO Box rental		214	0
Postage and courier		30	579
Printing and stationery		439	665
Professional fee		0	4,950
QuickBooks		358	0
Rental		6,474	504
SG Gives fee		4,804	1,600
Staff costs	6	82,007	43,785
Telecommunications		2,177	1,865
Transport		621	7,731
		<u>121,332</u>	<u>79,795</u>
TOTAL EXPENDITURE		643,182	403,764
Net income for the year		162,075	196,761
Total funds brought forward		<u>317,275</u>	<u>120,514</u>
Total funds carried forward		<u>479,350</u>	<u>317,275</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	547,548	319,685
Other receivables	8	<u>39,265</u>	<u>30,679</u>
		<u>586,813</u>	<u>350,364</u>
Non-current asset			
Property, plant and equipment	9	<u>71</u>	<u>267</u>
		<u>71</u>	<u>267</u>
Total assets		<u>586,884</u>	<u>350,631</u>
LIABILITY			
Current liability			
Other payables	10	<u>107,534</u>	<u>33,356</u>
Total liability		<u>107,534</u>	<u>33,356</u>
NET ASSETS		<u>479,350</u>	<u>317,275</u>
FUND			
UNRESTRICTED FUND			
General Fund	11	<u>479,350</u>	<u>317,275</u>

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

STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Balance at beginning of year S\$	Net income for the year S\$	Balance at end of year S\$
2014 FUND UNRESTRICTED FUND				
General Fund	11	<u>317,275</u>	<u>162,075</u>	<u>479,350</u>
2013 FUND UNRESTRICTED FUND				
General Fund	11	<u>120,514</u>	<u>196,761</u>	<u>317,275</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net income for the year		162,075	196,761
Adjustments for:			
- Depreciation of property, plant and equipment	9	<u>196</u>	<u>190</u>
Operating cash flow before working capital changes		162,271	196,951
Changes in operating assets and liabilities			
- Other receivables		(8,586)	(25,154)
- Other payables		<u>74,178</u>	<u>15,627</u>
Net cash provided by operating activities		<u>227,863</u>	<u>187,424</u>
Cash flows from investing activity			
Purchase of property, plant and equipment		<u>0</u>	<u>(198)</u>
Net cash used in investing activity		<u>0</u>	<u>(198)</u>
Net increase in cash and cash equivalents		227,863	187,226
Cash and cash equivalents at beginning of financial year		<u>319,685</u>	<u>132,459</u>
Cash and cash equivalents at end of financial year	7	<u>547,548</u>	<u>319,685</u>
Cash and cash equivalents comprise:			
Cash and bank balances	7	<u>547,548</u>	<u>319,685</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

1. General information

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

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2014

On 1 January 2014, the Society adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Standard issued but not yet effective

New standards, amendments to standards and interpretations that are not yet effective for the financial year ended 31 December 2014 have not been applied in preparing these financial statements.

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

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Centre's activities. Income is recognized as follows:

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognized on receipt basis.

2.2.2 Donations in kind

Donations in kind are recognized when the fair value of the assets received can be reasonably ascertained.

2.2.3 Government grants

Government grants are recognized when they have been approved and are accounted for in the income and expenditure statements on accrual basis.

2.2.4 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

2.2.5 Other Income

Other income is recognized when incurred.

2.3 Property, plant and equipment

2.3.1 Measurement

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

The cost of property, plant and equipment initially recognized includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment (Cont'd)

2.3.2 Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers and software	1 year
Equipment	3 years

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

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expenses in statement of financial activities during the financial year in which it is incurred.

2.3.4 Disposal

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

2.4 Financial assets

2.4.1 Classification

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

Loans and receivables

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

2. Significant accounting policies (Cont'd)

2.4 Financial assets (Cont'd)

2.4.2 Recognition and derecognition

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

2.4.3 Measurement

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

2.5 Fair value estimation of financial assets and liabilities

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

2.6 Leases

Operating leases

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

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

2.7 Other payables

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

2.8 Other receivables

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

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2. Significant accounting policies (Cont'd)

2.10 Employee compensation

Defined contribution plans

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

2.11 Currency translation

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

2.12 Cash and cash equivalents

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

2.13 Related parties

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the Society's accounting policies

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

Allowance for impairment of receivables

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

Estimated useful lives of property, plant and equipment

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

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

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

Impairment of property, plant and equipment

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

4. Income tax

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

5. Donations

	2014 S\$	2013 S\$
Tax deductible donations	456,106	185,687
Non-tax deductible donations	239,814	278,664
	<u>695,920</u>	<u>464,351</u>

The donations were allocated as follows:

• Donations	628,904	442,153
• Special appeal	67,016	22,198
	<u>695,920</u>	<u>464,351</u>

6. Staff costs

	2014 S\$	2013 S\$
Staff salaries	83,789	56,772
Staff bonuses	8,143	4,882
CPF contributions	14,709	9,865
SDL	234	145
CDAC	60	33
Medical claims	255	78
Training	545	250
	<u>107,735</u>	<u>72,025</u>

The staff costs were allocated as follows:

Cats ownership programme expenses	25,728	28,240
Staff costs	82,007	43,785
	<u>107,735</u>	<u>72,025</u>

7. Cash and cash equivalents

	2014 S\$	2013 S\$
Cash at bank	547,548	319,685
	<u>547,548</u>	<u>319,685</u>

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

8. Other receivables

	2014 S\$	2013 S\$
Other receivables	36,265	30,379
Deposits	3,000	300
	<u>39,265</u>	<u>30,679</u>

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

9. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Disposal) S\$	Balance at end of year S\$
2014				
Cost				
Computer and software	134	0	0	134
Equipment	587	0	0	587
	<u>721</u>	<u>0</u>	<u>0</u>	<u>721</u>

	Balance at beginning of year S\$	Additions S\$	(Disposal) S\$	Balance at end of year S\$
2014				
Accumulated depreciation				
Computer and software	134	0	0	134
Equipment	320	196	0	516
	<u>454</u>	<u>196</u>	<u>0</u>	<u>650</u>

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

	Balance at beginning of year S\$	Balance at end of year S\$
2014		
Net book value		
Computer and software	0	0
Equipment	<u>267</u>	<u>71</u>
	<u>267</u>	<u>71</u>

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

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

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

10. Other payables

	2014 S\$	2013 S\$
Other payables	6,446	0
Deposits	0	250
Accruals	101,088	33,106
	<u>107,534</u>	<u>33,356</u>

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

11. General Fund

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

12. Related party transaction

There was no transaction between the Society and related party for the financial year ended 31 December 2014 and 31 December 2013.

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

13. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2014 is as follows:

		2014	2013	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	General Fund	479	317	51.10
B	Restricted Fund	N/A	N/A	N/A
C	Endowment Fund	N/A	N/A	N/A
D	Total Fund	479	317	51.10
E	Total Annual Operating Expenditure	643	404	59.16
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.74	0.78	

Reference:

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

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

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

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

14. Financial risk management

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

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

Currency risk

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

Interest rate risk

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

Credit risk

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

Liquidity risk

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

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

14. Financial risk management (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	Later than one year but not later than five years	Total
	S\$	S\$	S\$
2014			
Financial assets			
Cash and cash equivalents	547,548	0	547,548
Other receivables (excluding prepayments)	<u>39,265</u>	<u>0</u>	<u>39,265</u>
	<u>586,813</u>	<u>0</u>	<u>586,813</u>
Financial liability			
Other payable	<u>(107,534)</u>	<u>0</u>	<u>(107,534)</u>
Net financial assets	<u>479,279</u>	<u>0</u>	<u>479,279</u>

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

Fair values

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

15. Fund management policy

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

16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 25 June 2015.