

## ***S B Tan & Co***

### ***Public Accountants & Chartered Accountants***

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## **Singapore Canoe Federation**

Registration No. S71SS0035C

Registered office: 10 Stadium Lane  
Kallang Water Sports Centre  
Singapore 397774

## **Annual Report for the Year Ended 31 March 2014**

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**REPORT OF THE MANAGEMENT COUNCIL MEMBERS**

We, the undersigned Management Committee Members, submit this annual report to the members together with the audited financial statements of **Singapore Canoe Federation** for the financial year ended 31 March 2014.

**Management Committee Members**

The office bearers of Management Committee at the date of this report are as follows:

Management Committee Members

Mr Yip Kwan Guan	- President
Mr Chian Lit Khoon Zason	- Vice-President
Mr Noor Hisham B. Mohd Ranny	- Vice-President
Mr Sean Chan Sik Lung	- Vice-President
Mr Ng Yong Kiat Francis	- Vice-President
Mr Gideon Lu Yi	- Honorary Secretary
Mr Henry Sim	- Asst Honorary Secretary
Ms Qiu Yunru	- Honorary Treasurer
Ms Peng Lilin	- Asst Honorary Treasurer

**Auditors**

The auditors, S B Tan & Co, have expressed willingness to accept appointment.

**Statement by Management Committee Members**

The Management Committee of **Singapore Canoe Federation** is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards. This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

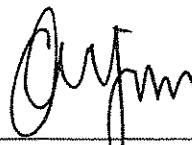
In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Federation as at 31 March 2014, and of the results, changes in funds and cash flows of the Federation for the year ended on that date in accordance with the provisions of the Acts.

The Management Committee Members have, on the date of this statement, authorised these financial statements for issue.



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Mr Yip Kwan Guan  
*President*



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Ms Qiu Yunru  
*Honorary Treasurer*

Singapore  
24 JUNE 2014

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SINGAPORE CANOE FEDERATION**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Singapore Canoe Federation** for the year ended 31 March 2014 which comprise the statement of financial position of the Federation as at 31 March 2014, the statements of comprehensive income, changes in equity and cash flows 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 Societies Act, Chapter 311, Charities Act, Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards ("FRS"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

**Auditors' 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, plan and perform the audit to obtain reasonable assurance on 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 auditor's judgement, including the assessment of the risks of material misstatements of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 control. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation.

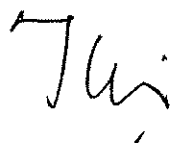
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act Chapter 37, Recommended Accounting Practice No. 6 (RAP 6) and the FRS and so as to give a true and fair view of the state of affairs of the Federation as at 31 March 2014 and the results, changes in funds and cash flows of the Federation for the year ended on that date.

**Report on Other legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Federation have been properly kept in accordance with the provisions of the Act.



Statement of Financial Position  
As at 31 March 2014

		2014	2013
	Note	\$	\$
<b>Property, Plant and Equipment</b>	3	35,649	10,772
<b>Current Assets</b>			
Trade and other receivables	4	105,466	78,481
Other assets	5	28,875	8,000
Cash and bank balances		185,228	128,021
		<u>319,569</u>	<u>214,502</u>
<b>Current Liabilities</b>			
Trade and other payables	6	239,243	227,305
		<u>239,243</u>	<u>227,305</u>
<b>Net Current Assets / (Liabilities)</b>		80,326	(12,803)
<b>Net Assets / (Liabilities)</b>		<u>115,975</u>	<u>(2,031)</u>
<i>Representing:</i>			
<b>Accumulated Funds</b>	7	115,975	(2,031)
		<u>115,975</u>	<u>(2,031)</u>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income**  
**For the year ended 31 March 2014**

		2014	2013
	Note	\$	\$
Income	8	1,108,170	783,379
<i>Less Expenditure</i>			
Accounting fee		12,500	14,200
Coaching		125,539	82,547
Contract services		54,274	42,516
Course expenditure		1,774	3,772
Depreciation of property, plant and equipment	3	11,857	14,774
Event expenditures		78,015	45,123
Facilities and equipment		65,978	12,678
Insurance		10,967	23,055
Licence fee		22,447	5,285
Overseas and local training and competitions		214,003	45,148
Rental		79,218	78,505
Staff costs - CPF contribution		25,688	23,930
- Others		167,487	137,854
Staff incentives		32,910	23,043
Upkeep of motor vehicles		6,470	5,747
Other operating expenses		81,037	59,711
		(990,164)	(617,888)
Surplus before taxation		<u>118,006</u>	<u>165,491</u>
Taxation	10	-	11,219
Surplus after taxation		<u><u>118,006</u></u>	<u><u>176,710</u></u>

**Statement of Changes in Funds**  
**For the year ended 31 March 2014**

	2014	2013
	\$	\$
<b>Accumulated Funds</b>		
Accumulated deficit brought forward	(2,031)	(178,741)
Surplus after taxation	118,006	176,710
Accumulated surplus carried forward	<u><u>115,975</u></u>	<u><u>(2,031)</u></u>

The accompanying notes form part of the financial statements

**Statement of Cash Flows**  
**For the year ended 31 March 2014**

		2014	2013
	Note	\$	\$
<b>Cash Flows From Operating Activities:</b>			
Surplus before taxation		118,006	165,491
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment	3	11,857	14,774
Operating cash flow before working capital changes		<u>129,863</u>	<u>180,265</u>
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		(26,985)	(6,209)
Other assets		(20,875)	7,508
Trade and other payables		11,938	(122,812)
Cash generated from operations		<u>93,941</u>	<u>58,752</u>
<b>Net cash from operating activities</b>		<u>93,941</u>	<u>58,752</u>
<b>Cash Flows From Investing Activities:</b>			
Purchase of property, plant and equipment	3	(36,734)	(8,490)
<b>Net cash outflow from investing activities</b>		<u>(36,734)</u>	<u>(8,490)</u>
<b>Cash Flows From Financing Activities:</b>			
Repayment of finance lease liability		-	(257)
<b>Net cash outflow from financing activities</b>		<u>-</u>	<u>(257)</u>
Net increase in cash and cash equivalents		57,207	50,005
Cash and cash equivalents at beginning of year		128,021	78,016
<b>Cash and cash equivalents at end of year</b>		<u>185,228</u>	<u>128,021</u>

The accompanying notes form part of the financial statements

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*These notes form an integral part of and should be read in conjunction with the accompanying Financial Statements.*

## 1 General

Singapore Canoe Federation (the "Federation") is registered in the Republic of Singapore and has its registered office at 10 Stadium Lane Kallang Water Sports Centre Singapore 397774. The Federation was registered as a charity on 12 January 2011.

The principal activities of the Federation are those relating to the promotion of canoeing and kayaking in Singapore. There have been no significant changes in the nature of these activities during the year.

The financial statements were authorised for issue by the Management on 24 June 2014.

## 2 Significant Accounting Policies

### 2.1 Basis of Accounting

The financial statements, expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with the Societies Act, Charities Act, Recommended Accounting Practice No. 6 (RAP 6) and Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected. Judgements made by management in the application of FRS that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the following year are discussed in subsequent note to accounts.

### 2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for changes resulting from adoption of new FRS. The adoption of these standards did not have any significant effect on the financial performance or position of the Federation.

### 2.3 New Standards and Interpretations Not Yet Effective

The Federation has not applied the new/revised accounting standards (including its consequential amendments) and interpretations that have been issued as of the date of the statements of financial position but are not yet effective. The initial application of these standards and interpretations is not expected to have any material impact on the Federation's financial statements.

### 2.4 Reserve Policy

The Federation maintains unrestricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds and common overheads are recorded in the unrestricted fund's statement of comprehensive income.

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Federation, the financial statements of the Federation are maintained such that the resources for various purposes are classified for accounting and reporting purposes that are in accordance with activities or objectives specified.

**2.5 Revenue Recognition**

Affiliation fee, coaching and training fee, and storage income is recognized on accrual basis when due and payable. Tournament, seminar and workshop fee is recognized when the event takes place.

SSC grants, sponsorship and contribution is recognized upon receipt.

Subsidies from government that compensate the Federation for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred.

Interest income is recognised as the interest accrues unless collectibility is in doubt.

**2.6 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 or valuation less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Federation and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives as follows:

	<u>Number of years</u>
Office equipment & furniture	3
Computer Equipment	3
Sport Equipment	3
Motor Vehicle	5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

**2.7 Foreign Currencies**

Items included in the financial statements of the Federation are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The functional currency of the Federation is the Singapore dollar. The financial statements of the Federation are presented in Singapore dollars. Foreign currency transactions are translated into Singapore dollars at rates of exchange approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are translated at the rates ruling at the year-end. The resulting profits and losses on exchange are dealt with through the profit and loss account. Balances in notes are in functional currency unless otherwise stated.



**2.8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

**2.9 Employee Benefit**

The Federation makes contributions to the Central Provident Fund scheme in Singapore. Such contributions are recognised as an expense in the period in which the related service is performed.

**2.10 Related Party**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Federation if that person:

- (i) Has control or joint control over the Federation;
- (ii) Is a member of the key management personnel of the Federation or of a parent of the Federation.
- (iii) Has significant influence over the Federation; or

(b) An entity is related to the Federation if any of the following conditions applies:

- (i) The entity and the Federation are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Federation or an entity related to the Federation. If the Federation is itself such a plan, the sponsoring employers are also related to the Federation;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**2.11 Impairment**

The carrying amounts of the Federation's assets are reviewed at year-end to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. All impairment losses are recognised in the profit and loss account. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

**2.12 Financial Instruments**

Non-derivative financial instruments comprise investment in equity securities, trade and other receivables, cash and cash equivalents, and trade and other payables. They are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

**2.12 Financial Instruments (cont'd)**

A financial instrument is recognised if the Federation becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Federation's contractual rights to the cash flows from the financial assets expire or if the Federation transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, ie the date the Federation commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Federation's obligations specified in the contract expire or are discharged or cancelled.

**2.13 Financial Assets****i) Classification**

The Federation classifies its financial assets according to 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. The Federation's only financial assets is receivables.

***Loans and receivables***

Loan 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 balance sheet date which are classified as non-current assets. Other receivables excluding prepayments are presented as "other receivables" and "cash and bank balances" on the statement of financial position.

**ii) Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Federation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in statement of comprehensive income. Any amount in the fair value reserve relating to that asset is also transferred to statement of comprehensive income.

**iii) Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through statement of comprehensive income, which are recognised at fair value. Transaction costs for financial assets at fair value through pstatement of comprehensive income are recognised as expenses.

**iv) Subsequent measurement**

Loans and receivables are carried at amortised cost using the effective interest method.

Interest income on financial assets are recognised separately in statement of comprehensive income.

**2.14 Financial Liabilities**

Financial liabilities include trade payables and other payables. Financial liabilities are recognised on the balance sheet when, only when, the Federation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**2.15 Provisions**

Provisions are recognised when the Federation has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

**2.16 Leases**Finance leases

Leases of assets in which the Federation assumes substantially the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired through finance leases are capitalised at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Operating leases*Lessee*

Leases where 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 statement of comprehensive income 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 recognised as an expense in the period in which termination takes place.

*Lessor*

Leases where the Federation retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

## 3 Property, Plant and Equipment

	Office and Computer Equipment	Motor Vehicle	Sports Equipment	Total
	\$	\$	\$	\$
<b>Cost:</b>				
At 1 April 2012	30,705	13,800	242,786	287,291
Additions	490	-	8,000	8,490
Disposal	(10,536)	-	(2,128)	(12,664)
At 31 March 2013 and 1 April 2013	20,659	13,800	248,658	283,117
Additions	3,771	-	32,963	36,734
Disposals	(10,425)	-	(8,722)	(19,147)
At 31 March 2014	14,005	13,800	272,899	300,704
<b>Accumulated Depreciation:</b>				
At 1 April 2012	29,241	8,280	232,714	270,235
Charge for the year	831	2,760	11,183	14,774
Disposal	(10,536)	-	(2,128)	(12,664)
At 31 March 2013 and 1 April 2013	19,536	11,040	241,769	272,345
Charge for the year	1,634	2,760	7,463	11,857
Disposals	(10,425)	-	(8,722)	(19,147)
At 31 March 2014	10,745	13,800	240,510	265,055
<b>Net Book Value:</b>				
Balance at 31 March 2014	3,260	-	32,389	35,649
Balance at 31 March 2013	1,123	2,760	6,889	10,772

## 4 Trade and Other Receivables

	2014 \$	2013 \$
<u>Trade receivables:</u>		
Third parties	90,244	90,783
Less Provision for doubtful debt	-	(20,764)
	90,244	70,019
<u>Other receivables:</u>		
Deposit	15,119	1,475
Sundry debtors	103	6,987
	15,222	8,462
	105,466	78,481

**4 Trade and Other Receivables (cont'd)**

The Federation has trade receivables amounting to \$24,128 (2013: \$52,611) that are past due at the balance sheet date. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

	Gross Amount	Provision for doubtful debt	Gross Amount	Provision for doubtful debt
	2014	2014	2013	2013
Trade receivables past due:	\$	\$	\$	\$
Lesser than 30 days	65,576	-	34,662	-
31 to 60 days	540	-	-	-
61 to 90 days	-	-	3,510	-
More than 90 days	24,128	-	52,611	(20,764)
	<u>90,244</u>	<u>-</u>	<u>90,783</u>	<u>(20,764)</u>

The movement in the provision for doubtful debt in respect of receivables during the year was as follows:

	Carrying Amount	
	2014	2013
	\$	\$
At beginning of year	20,764	-
Provision recognised for the year	20,273	20,764
Written off	(41,037)	-
Balance at end of year	<u>-</u>	<u>20,764</u>

Trade receivables that are determined to be impaired at the statement of financial position date relate to debtors that are in financial difficulties and have defaulted on payments. Based on historic default rates, the Federation believes that, apart from the above, no provision is necessary. The provision account in respect of receivables is used to record provision for doubtful debt unless the Federation is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 March 2014, the Federation's collective impairment on its receivables is NIL (2013: \$20,764).

**5 Other Assets**

	2014	2013
	\$	\$
Prepayments	<u>28,875</u>	<u>8,000</u>

**6 Trade and Other Payables**

	2014	2013
<u>Trade Payables:</u>	\$	\$
Third parties	83,470	157,123
Deferred income	46,456	-
	129,926	157,123
<u>Other Payables:</u>		
Accrual and other creditors	74,799	29,786
Amount due to President	-	16,371
Amount due to Singapore Sports Council	27,102	16,460
Advance income received	7,416	65
Loan from Singapore Sports Council	-	7,500
	109,317	70,182
	<u>239,243</u>	<u>227,305</u>

<b>7 Reserve</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Unrestricted Fund - Accumulated Fund	<u>115,975</u>	<u>(2,031)</u>
Annual Operating Expenditure	<u>990,164</u>	<u>617,888</u>
Ratio of Reserves to Annual Operating Expenditure	0.12	-0.003

The reserves of the Federation provide financial stability and the means for the development of the Federation's activities. The Management Committee Members review the level of reserves regularly for the Federation's continuing obligations.

#### 8 Income

Income mainly represent contributions received and receivable for sports activities conducted during the year as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Affiliation fees	10,359	18,290
Contributions from Singapore Sports Council	441,082	359,123
Contributions from Singapore Sports Institute	243,779	-
Course fees	141,780	163,160
Donation and contribution	39,510	1,036
Rental income	49,883	32,134
Sale of certificates, logbooks and etc.	34,912	30,160
Storage fee	128,573	158,597
Sundry income	18,292	20,879
	<u>1,108,170</u>	<u>783,379</u>

Tax deductible donation income for the year amounted to \$34,000 (2013:\$7,255).

#### 9 Staff Costs

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Top three executives' annual remuneration (including CPF)		
- S\$100,000 to S\$149,999	-	-
- Less than S\$100,000	153,007	188,960

Number of key management in remuneration bands:

	<b>2014</b>	<b>2013</b>
\$100,001 - \$150,000	-	1
\$50,000 - \$100,000	3	2

#### 10 Taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The Federation is a registered charity under the Charities Act, Chapter 37 and is exempted from income tax under Section 13 of the Income Tax Act.

## 10 Taxation (cont'd)

	2014	2013
	\$	\$
Prior year's overprovision	-	11,219
	<u>-</u>	<u>11,219</u>

A reconciliation between the tax expense and that derived by applying statutory tax rate on book profit is as follows:

	\$	\$
Surplus before taxation	<u>118,006</u>	<u>165,491</u>
Tax at statutory rate on book profit	20,061	28,133
Items not subject to tax	(20,061)	(28,133)
Overprovision in prior year	<u>-</u>	<u>11,219</u>
	<u>-</u>	<u>11,219</u>

## 11 Operating Lease Commitments

The Federation has commitments for future lease payments under non-cancellable operating leases as follows:

	2014	2013
	\$	\$
Payable:		
- within one year	51,580	54,716
- within 2 to 5 years	-	-
	<u>51,580</u>	<u>54,716</u>

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased items are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## 12 Related Party Transactions

The Federation had no other significant related party transactions for the year.

## 13 Financial Risk Management Objectives and Policies

The main risks arising from Federation's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarised as follows:

**Liquidity risk**

The Federation's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the Federation's operations. Funds from Singapore Sports Council ensure continuity of funding.

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**13 Financial Risk Management Objectives and Policies (cont'd)*****Credit risk***

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of cash and cash equivalents and debtors represent the Federation's maximum exposure to credit risk in relation to financial assets.

The Federation monitors the exposure to credit risk on an ongoing basis and credit evaluations are performed on customers requiring credit over a certain amount. Cash terms or advance payments are required for customers of lower credit standing. The credit risk on balances of cash and cash equivalents is low as these balances are placed with a reputable bank.

**14 Fair Values of Financial Instruments**

The carrying value of cash at bank, and amounts receivable and payable approximates fair value due to the relatively short-term maturity of these financial instruments.

**15 Accounting Estimates and Judgement in Applying Accounting Policies**

The Federation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates 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.

***Key source of estimation uncertainty***

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

***Impairment loss on trade receivables***

The Federation evaluates whether there is any objective evidence that trade receivables are impaired and determine the amount of impairment loss as a result of the inability of the debtors to make required payments. The Federation bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

***Depreciation of property, plant and equipment***

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of this property, plant and equipment to be within 3 to 5 years. The carrying amount of the Federation's property, plant and equipment as at 31 March 2014 is stated in Note 3. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised and impact the profit in future years.

**16 Capital Commitment**

The Federation committed to buy sports equipment for \$64,756 by year end for which contributions from Singapore Sports Council had been received as at the end of the financial year.