

S B Tan Audit PAC

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 2017

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REPORT OF THE EXECUTIVE COMMITTEE MEMBERS

We, the undersigned Executive 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 2017.

Executive Committee Members

The Executive Committee members at the date of this report are as follows:

Executive Committee Members

Mr Yip Kwan Guan	- President
Dr Zason Chian Lit Khoon	- Vice-President
Mr Gideon Lu Yi	- Vice-President
Mr Francis Ng Yong Kiat	- Vice-President
Mr Roy Chew	- Vice-President
Mr Henry Sim	- Honorary Secretary
Ms Qiu Yunru	- Honorary Assistant Secretary
Ms Yeung Xintian	- Honorary Treasurer
Mr Richard Lee Cheow Lien	- Honorary Assistant Treasurer

Auditors

The auditors, S B Tan Audit PAC, have expressed willingness to accept re-appointment as auditors.


Statement by Executive Committee Members

The Executive Committee Members of **Singapore Canoe Federation** is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Singapore Financial Reporting Standards ("FRS"). This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

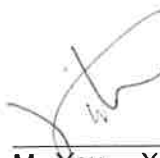
In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Federation as at 31 March 2017, and of the results, changes in funds and cash flows of the Federation for the year ended on that date in accordance with the provisions of the Acts and FRS.

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

On behalf of the Executive Committee



Mr Yip Kwan Guan
President



Ms Yeung Xintian
Honorary Treasurer

Singapore

08 JUN 2017

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

Opinion

In our opinion, the accompanying financial statements of **Singapore Canoe Federation** (the "Federation") are properly drawn up in accordance with the Societies Act, Charities Act and Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Federation as at 31 March 2017 and of the financial performance, changes in funds and cash flows of the Federation for the year ended on that date.

We have audited the financial statements which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Federation 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.

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 ("Act"), Charities Act ("Act") 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.

In preparing the financial statements, management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

The Management's responsibilities include overseeing the Federation's financial reporting process.

Auditors' Responsibility 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.

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

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism 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 Federation'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 Federation'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 Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management 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 by the Act to be kept by the Federation have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Ai Leen Sharon.



S B TAN AUDIT PAC
Public Accountants &
Chartered Accountants
Singapore

08 JUN 2017

Statement of Financial Position
As at 31 March 2017

		2017	2016
	Note	\$	\$
Property, Plant and Equipment	3	588,842	945,156
Current Assets			
Trade and other receivables	4	151,769	250,712
Other assets	5	7,028	31,380
Cash and cash equivalents		659,084	349,112
		817,881	631,204
Current Liabilities			
Trade and other payables	6	440,662	714,523
		440,662	714,523
Net Current Assets / (Liabilities)		377,219	(83,319)
Net Assets		<u>966,061</u>	<u>861,837</u>
<i>Representing:</i>			
Accumulated Funds	7	966,061	861,837
		<u>966,061</u>	<u>861,837</u>

The accompanying notes form part of the financial statements

**Statement of Comprehensive Income
For the year ended 31 March 2017**

		2017	2016
	Note	\$	\$
Income	8	2,577,540	2,494,801
<i>Less Expenditure</i>			
Coaching		271,659	248,780
Contract services		88,629	108,443
Depreciation of property, plant and equipment	3	451,256	307,649
Event expenditures		196,822	364,052
Facilities and equipment		125,347	42,495
Impairment loss on trade debtors	4	12,089	4,447
Licence fee		40,189	43,121
Overseas and local training and competitions		398,900	295,748
Rental		272,994	257,405
Key management staff costs			
- CPF contributions	9	14,998	11,926
- Salaries and other staff costs	9	257,538	294,082
Staff costs - CPF contribution		59,420	46,035
- Salaries and other staff costs		169,385	39,884
Other operating expenses		114,090	179,099
		(2,473,316)	(2,243,166)
Surplus before taxation		104,224	251,635
Taxation	10	-	-
Surplus after taxation		104,224	251,635

**Statement of Changes in Funds
For the year ended 31 March 2017**

	2017	2016
	\$	\$
Accumulated Funds		
Accumulated surplus brought forward	861,837	610,202
Surplus after taxation	104,224	251,635
Accumulated surplus carried forward	966,061	861,837

The accompanying notes form part of the financial statements

Statement of Cash Flows
For the year ended 31 March 2017

		2017	2016
	Note	\$	\$
Cash Flows From Operating Activities:			
Surplus before taxation		104,224	251,635
Grant to be Amortized-Sports equipment		(300,131)	(263,916)
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment	3	451,256	307,649
Operating cash flow before working capital changes		<u>255,349</u>	<u>295,368</u>
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		98,943	125,345
Other assets		24,352	106,795
Trade and other payables		26,270	(249,223)
Cash generated from operations		<u>404,914</u>	<u>278,285</u>
Net cash from operating activities		<u>404,914</u>	<u>278,285</u>
Cash Flows From Investing Activities:			
Purchase of property, plant and equipment	3	(94,942)	(620,892)
Net cash outflow from investing activities		<u>(94,942)</u>	<u>(620,892)</u>
Net increase / (decrease) in cash and cash equivalents		309,972	(422,455)
Cash and cash equivalents at beginning of year		349,112	771,567
Cash and cash equivalents at end of year		<u><u>659,084</u></u>	<u><u>349,112</u></u>

The accompanying notes form part of the financial statements

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 and is an Institution of a Public Character.

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 8 June 2017.

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 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.

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.

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 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 a known amount of 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 Donation and SportSG Grant For Assets

Donation and grant for assets is recognised as deferred income upon receipt and reduced over the useful life of the assets in line with its depreciation.

2.12 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.

2.13 **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
	\$	\$	\$	\$
Cost:				
At 1 April 2015	17,502	13,800	680,733	712,035
Additions	5,015	-	859,302	864,317
At 31 March 2016 and 1 April 2016	22,517	13,800	1,540,035	1,576,352
Additions	12,869	-	82,073	94,942
At 31 March 2017	35,386	13,800	1,622,108	1,671,294
Accumulated Depreciation:				
At 1 April 2014	13,209	13,800	296,538	323,547
Charge for the year	3,275	-	304,374	307,649
At 31 March 2015 and 1 April 2015	16,484	13,800	600,912	631,196
Charge for the year	7,070	-	444,186	451,256
At 31 March 2017	23,554	13,800	1,045,098	1,082,452
Net Book Value:				
Balance at 31 March 2017	11,832	-	577,010	588,842
Balance at 31 March 2016	6,033	-	939,123	945,156

4 Trade and Other Receivables

	2017 \$	2016 \$
<i>Trade receivables:</i>		
Third parties	114,083	127,672
<i>Allowance for impairment loss:</i>		
Balance at beginning of year	6,283	4,046
Provision during the year	12,089	4,447
Write back during the year	-	(2,210)
Write off during the year	(6,283)	-
Balance at end of year	(12,089)	(6,283)
	<u>101,994</u>	<u>121,389</u>
<i>Other receivables:</i>		
Deposit	49,098	75,870
Sundry debtors	677	53,453
	<u>49,775</u>	<u>129,323</u>
	<u>151,769</u>	<u>250,712</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.

The Federation has trade receivables amounting to \$40,741 (2016: \$29,476) 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 2017 \$	Impairment 2017 \$	Gross Amount 2016 \$	Impairment 2016 \$
Trade receivables past due:				
Past due 0 to 30 days	-	-	2,450	-
Past due 31 to 60 days	365	-	-	-
Past due 61 to 90 days	9,329	-	-	-
Past due over 90 days	31,047	(12,089)	27,026	(6,283)
	<u>40,741</u>	<u>(12,089)</u>	<u>29,476</u>	<u>(6,283)</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 2017, the Federation's collective impairment on its receivables is \$12,089 (2016: \$6,283).

5 Other Assets

	2017 \$	2016 \$
Prepayments	<u>7,028</u>	<u>31,380</u>

6 Trade and Other Payables

	2017	2016
	\$	\$
<i>Trade Payables:</i>		
Third parties	5,119	15,298
Unutilised funds from SportSG	19,396	-
Deferred income - SportSG	306,968	607,099
	<u>331,483</u>	<u>622,397</u>
<i>Other Payables:</i>		
Accrual	67,807	68,226
Other creditors	41,372	23,900
	<u>109,179</u>	<u>92,126</u>
	<u><u>440,662</u></u>	<u><u>714,523</u></u>

7 Reserve

	2017	2016
	\$	\$
Unrestricted Fund - Accumulated Fund	<u>966,061</u>	<u>861,837</u>
Annual Operating Expenditure	<u>2,473,316</u>	<u>2,243,166</u>
Ratio of Reserves to Annual Operating Expenditure	0.39	0.38

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:

	2017	2016
	\$	\$
Affiliation and entrance fees	24,300	26,495
Contribution from SportSG	1,285,711	1,294,508
Contribution from Singapore Sports Institute	610,600	508,776
Course fees	255,581	235,247
Donation and contribution	35,860	44,038
Rental income	70,409	66,036
Sale of certificates, logbooks and etc.	35,430	94,506
Storage fee	163,117	182,714
Sundry income	96,532	42,481
	<u><u>2,577,540</u></u>	<u><u>2,494,801</u></u>

Tax deductible donation income for the year amounted to \$20,850 (2016:\$39,830).

9 Staff Costs

	2017	2016
	\$	\$
Top three executives' annual remuneration (including CPF)		
- S\$100,000 to S\$149,999	101,978	230,408
- Less than S\$100,000	170,558	75,600
Number of key management in remuneration bands:		
	2017	2016
\$100,001 - \$150,000	1	2
\$50,000 - \$100,000	2	1

10 Taxation

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.

12 Oversea Expenditure and Capital Outlay

The Federation incurred the following expenses during the year:

	2017	2016
	\$	\$
Nature of expenses		
Total overseas travel/accommodation/allowances/training	<u>240,774</u>	<u>126,191</u>

13 Operating Lease Commitments

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

	2017	2016
	\$	\$
Payable:		
- within one year	99,885	136,269
- within 2 to 5 years	-	51,276
	<u>99,885</u>	<u>187,545</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.

14 Related Party Transactions

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

15 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 SportSG ensure continuity of funding

	Trade and other payables 2017 \$	Trade and other payables 2016 \$
Within 1 year	<u>114,298</u>	<u>107,424</u>

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.

16 Fair Values of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related parties) approximate their fair values as they are subject to normal trade credit terms.

Classification of Financial Instruments

Set out below is a comparison by category of carrying amounts of all the Federation's financial instruments that are carried in the financial statements:

	2017 \$	2016 \$
Financial assets		
Trade and other receivables	151,769	250,712
Cash and cash equivalents	<u>659,084</u>	<u>349,112</u>
	<u>810,853</u>	<u>599,824</u>

16 Fair Values of Financial Instruments (cont'd)

	2017	2016
	\$	\$
Financial liabilities (undiscounted)		
Trade and other payables	114,298	107,424
	<u>114,298</u>	<u>107,424</u>

17 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 2017 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.

18 Capital Management

The primary objective of the management of the Federation's capital structure is to maintain an efficient mix of debt and funds in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Management regularly review the Federation's capital structure and make adjustments to reflect economic conditions, strategies and future commitments.

The Federation did not breach any gearing covenants during the financial years ended 31 March 2017 or 31 Mar 2016. In the same period, no significant changes were made in the objectives, policies or processes relating to the management of the Federation's capital structure.