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Singapore Canoe Federation

Registration No. S71SS0035C

Registered Office: 3 Stadium Drive #01-33
Singapore 397630

Annual Report for the Year Ended
31 March 2023

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Management Committee's Report

We, the undersigned Management Committee, submit this annual report to the members together with the audited financial statements of **Singapore Canoe Federation** for the financial year ended 31 March 2023.

Management Committee

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

| Name | Designation | Date of appointment |
|---------------------------|------------------------------|---------------------|
| Mr Yip Kwan Guan | President | 25 September 2021 |
| Dr Zason Chian Lit Khoon | Vice-President | 25 September 2021 |
| Mr Sean Chan Sik Lung | Vice-President | 25 September 2021 |
| Mr Low Sung Sheng | Vice-President | 25 September 2021 |
| Mr Seetow Cheng Fave | Vice-President | 25 September 2021 |
| Mr Henry Sim | Honorary Secretary | 25 September 2021 |
| Mr Richard Lee Cheow Lien | Honorary Treasurer | 25 September 2021 |
| Mr Tony Tan Tuan Tiong | Assistant Honorary Treasurer | 25 September 2021 |

The designation and company work of the Singapore Canoe Federation Committee at the date of report are:

| Name | Company | Designation |
|---------------------------|---|---|
| Mr Yip Kwan Guan | Jurong West Secondary School | Education Officer |
| Dr Zason Chian Lit Khoon | National Institute of Education, Nanyang Technological University | Deputy Head, Senior Lecturer, Physical Education & Sports Science Academic Group |
| Mr Sean Chan Sik Lung | Keppel Infrastructure Holdings Pte Ltd | Head of Sustainability and Quality |
| Mr Low Sung Sheng | Passion Wave | Head (Passion Wave), Lifeskills & Lifestyle Division |
| Mr Seetow Cheng Fave | National University of Singapore | Deputy Director, Student Outreach |
| Mr Richard Lee Cheow Lien | System Integration & Technology Pte Ltd | Executive Director |
| Mr Tony Tan Tuan Tiong | Innotrek Pte Ltd | Chief Executive Officer |

Auditor

The auditor, S B Tan Audit PAC, has expressed its willingness to accept re-appointment as auditor.

Management Committee's Report

Statement by Management Committee

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, 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.

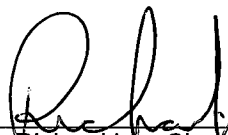
In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Federation as at 31 March 2023, and of the results, changes in funds and cash flows of the Federation for the year ended on that date in accordance with the provisions of the Acts.

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

On behalf of the Management Committee



Mr Yip Kwan Guan
President



Mr Richard Lee Cheow Lien
Honorary Treasurer

Singapore
25 MAY 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE CANOE FEDERATION**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Singapore Canoe Federation** (the "Federation"), which comprises the statement of financial position as at 31 March 2023, 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.

In our opinion, the accompanying financial statements 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 2023 and of the financial performance, changes in funds and cash flows of the Federation for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

Other Information

Management is responsible for the other information. The other information comprises the Management Committee's Report on page 1 and 2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE CANOE FEDERATION**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE CANOE FEDERATION**

Report on Compliance with 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.

In our opinion, the amounts of **\$200,655** present fairly the tax deductible donation income of **Singapore Canoe Federation** for the year from 1 April 2022 to 31 March 2023.

During the course of our examination, nothing came to our attention that caused us to believe that:

- a) tax deductible receipts were issued for donations other than outright cash donations;
- b) donations for which tax-deductible receipts have been issued were used for activities not in accordance with the objectives of Singapore Canoe Federation ;
- c) the internal accounting controls over the issue and custody of tax deductible receipts were inadequate; and
- d) there were significant contraventions of the Charities (Institutions of a Public Character) Regulations . The 30% cap on fund-raising expenses has not been exceeded.

The engagement partner on the audit resulting in this independent auditor's report is Yong Seet Lee.



S B TAN AUDIT PAC
Public Accountants and
Chartered Accountants
Singapore
25 MAY 2023

Statement of Financial Position
As at 31 March 2023

| | Note | 2023 \$ | 2022 \$ |
|-------------------------------|------|-------------------------|-------------------------|
| Non-current Assets | | | |
| Property, plant and equipment | 3 | 43,884 | 57,718 |
| Right-of-use assets | 8 | 42,435 | - |
| | | <u>86,319</u> | <u>57,718</u> |
| Current Assets | | | |
| Trade and other receivables | 4 | 185,294 | 141,500 |
| Prepayments | | 108,420 | 32,711 |
| Cash and cash equivalents | 5 | 1,535,553 | 1,358,126 |
| | | <u>1,829,267</u> | <u>1,532,337</u> |
| Current Liabilities | | | |
| Trade and other payables | 6 | 199,334 | 149,012 |
| Lease liabilities | 7 | 34,634 | - |
| | | <u>233,968</u> | <u>149,012</u> |
| Net Current Assets | | 1,595,299 | 1,383,325 |
| Non-Current Liability | | | |
| Lease liabilities | 7 | (8,960) | - |
| Net Assets | | <u><u>1,672,657</u></u> | <u><u>1,441,043</u></u> |
| <i>Representing:</i> | | | |
| Unrestricted Funds | 9 | 1,566,799 | 1,348,485 |
| Restricted Funds | | 105,859 | 92,558 |
| | | <u><u>1,672,657</u></u> | <u><u>1,441,043</u></u> |

The accompanying notes form part of the financial statements

Statement of Comprehensive Income
For the year ended 31 March 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|-------------|-------------|
| Revenue | 12 | 2,676,090 | 2,165,208 |
| <i>Less Expenditure</i> | | | |
| Coaching | | 396,920 | 396,599 |
| Contract services | | 130,532 | 119,145 |
| Depreciation of property, plant and equipment | 3 | 38,027 | 55,675 |
| Depreciation of right-of-use assets | 8 | 33,947 | - |
| Key management personnel costs | | | |
| - CPF contribution | 13 | 8,085 | 31,767 |
| - Salaries and other staff costs | 13 | 54,355 | 233,955 |
| Event expenditures | | 95,791 | 66,977 |
| Facilities and equipments | | 12,617 | 8,844 |
| Lease liabilities interest | | 3,212 | - |
| Licence fees | | 42,818 | 36,434 |
| Overseas and local training and competitions | | 791,223 | 457,598 |
| Rental | | 270,053 | 288,451 |
| Staff costs - CPF contribution | | 58,779 | 39,492 |
| - Salaries and other staff costs | | 380,154 | 282,241 |
| Other operating expenditure | | 127,963 | 75,324 |
| | | (2,444,476) | (2,092,502) |
| Surplus before taxation | | 231,615 | 72,706 |
| Taxation | 16 | - | - |
| Surplus after taxation | | 231,615 | 72,706 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 231,615 | 72,706 |
| Restricted - Surplus / (deficit) after taxation | | 13,301 | (50,810) |
| Unrestricted - Surplus after taxation | | 218,314 | 123,516 |
| | | 231,615 | 72,706 |

The accompanying notes form part of the financial statements

**Statement of Changes in Funds
For the year ended 31 March 2023**

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| Restricted Funds: | | | |
| One Team Singapore Fund Donation | | | |
| Balance at beginning of year | | 92,558 | 71,875 |
| Donation received | | 200,405 | 92,504 |
| Transferred from unrestricted funds | | - | 9,792 |
| Less: Utilisation | | (187,104) | (81,613) |
| Balance at end of year | 10 | 105,859 | 92,558 |
| SportSG One Team Singapore Fund | | | |
| Balance at beginning of year | | - | 61,701 |
| Matching Grant received | | 260,453 | 9,792 |
| Less: Utilisation | | (260,453) | (71,493) |
| Balance at end of year | 11 | - | - |
| Total Restricted funds | | 105,859 | 92,558 |
| Unrestricted Funds: | | | |
| Balance at beginning of the year | | 1,348,485 | 1,234,761 |
| Transferred (to) restricted funds | | - | (9,792) |
| Surplus before taxation | | 218,314 | 123,516 |
| Balance at end of the year | | 1,566,799 | 1,348,485 |
| Total Unrestricted funds | | 1,566,799 | 1,348,485 |
| Total Funds | | 1,672,657 | 1,441,043 |

The accompanying notes form part of the financial statements

Statement of Cash Flows
For the year ended 31 March 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|------------------|------------------|
| Cash Flows From Operating Activities: | | | |
| Surplus before taxation | | 231,615 | 72,706 |
| <i>Adjustments for:</i> | | | |
| Depreciation of property, plant and equipment | 3 | 38,027 | 55,675 |
| Depreciation of right-of-use assets | 8 | 33,947 | - |
| Lease liabilities interest | | 3,212 | - |
| Operating cash flow before working capital changes | | <u>306,801</u> | <u>128,381</u> |
| <i>Change in operating assets and liabilities:</i> | | | |
| Trade and other receivables | | (43,794) | 9,350 |
| Prepayments | | (75,709) | 8,362 |
| Trade and other payables | | 50,322 | (31,546) |
| Net cash from operating activities | | <u>237,620</u> | <u>114,547</u> |
| Tax paid | | - | - |
| Net cash generated from operating activities | | <u>237,620</u> | <u>114,547</u> |
| Cash Flows From Investing Activity: | | | |
| Purchase of property, plant and equipment | 3 | (24,193) | (42,006) |
| Net cash used in investing activity | | <u>(24,193)</u> | <u>(42,006)</u> |
| Cash Flows From Financing Activities: | | | |
| Lease liabilities interest | 7 | (3,212) | - |
| Repayments of lease liabilities | | (32,788) | - |
| Net cash used in financing activities | | <u>(36,000)</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 177,427 | 72,541 |
| Cash and cash equivalents at beginning of year | | 1,358,126 | 1,285,585 |
| Cash and cash equivalents at end of year | | <u>1,535,553</u> | <u>1,358,126</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 and principal place of operation at 3 Stadium Drive #01-33 Singapore 397630. The Federation is registered as a charity on 12 Jan 2011 and is an Institution of Public Character from 1 April 2021 to 31 March 2024, subject to renewal.

The principal activities of the Federation are those encouraging and promoting of canoeing and kayaking in Singapore.

The financial statements were authorised for issue by the Management Committee on 25 May 2023.

2 Significant Accounting Policies

2.1 Basis of Preparation

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 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Federation has adopted all the new and amended standards which are relevant to the Federation and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Federation.

2.3 New Standard 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.

The Federation has not considered the impact of accounting standards issued after the date of the statements of financial position.

2.4 Revenue Recognition

Course fee is recognised on accrual basis when due and payable.

Affiliation and entrance fee is recognised when the event takes place.

Sponsorship, donation and contribution and storage fee is recognised upon receipt.

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

Grants from Sport Singapore are recognised on accrual basis where there is reasonable assurance that the grants will be received and all related conditions will be complied with.

2.5 Foreign Currencies

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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 an item can be measured reliably.

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 and computer equipment | 3 |
| Sports equipment | 3 |
| Computer software | 3 |

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 values, 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 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balance that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.8 Employee Benefits**(a) Defined contribution plans**

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

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Federation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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

- (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Federation or to the parent of the Federation.

2.10 Impairment of Financial Assets

The Federation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss (FVPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Federation applies a simplified approach in calculating ECLs. Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Federation considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Federation may also consider a financial asset to be in default when internal or external information indicates that the Federation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Federation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 **Impairment of Non-financial Assets**

The Federation assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Federation makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised comprehensive income statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in comprehensive income statement.

(a) Financial Assets

(i) Initial recognition and measurement

Financial assets are recognised on the Federation's statement of financial position when the Federation becomes a party to the contractual provisions of the instrument.

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

Trade receivables are measured at the amount of consideration to which the Federation expects to be entitled in exchange for transferring promised services, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

(ii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Federation's business model for managing the asset and contractual cash flow characteristic of the asset. The three measurement categories for classification of debt instruments are amortised at cost, fair value through other comprehensive income (FVOCI) and FVPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in comprehensive income statement when the assets are derecognised or impaired, and through the amortisation process.

(iii) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in comprehensive income statement.

(b) Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised on the Federation's statement of financial position when the Federation becomes a party to the contractual provisions of the instrument. The Federation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

2.11 Impairment of Non-financial Assets (Cont'd)**(b) Financial Liabilities (cont'd)****ii) Subsequent measurement**

After initial recognition, financial liabilities that are not carried at FVPL, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in comprehensive income statement when the liabilities are derecognised as well as through the amortisation process. Liabilities of short duration are not discounted.

iii) Derecognition

The Federation derecognises financial liabilities when, and only when, the Federation's obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised to comprehensive income statement.

2.12 Leases

The Federation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Federation applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Federation recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

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

| | |
|----------------|-----------|
| Office premise | - 3 years |
|----------------|-----------|

If ownership of the leased asset transfers to the Federation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

Lease liabilities

At the commencement date of the lease, the Federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Federation and payments of penalties for terminating the lease, if the lease term reflects the Federation exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Federation uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Federation's lease liabilities are disclosed in Note 7.

The adoption of FRS116 Leases has no significant impact on the lease of office premise as the leases are fully covered by non cash grant from SportSG.

2.13 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.

2.14 Reserve Policy

The Federation maintains restricted and 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.

2.15 Conflict of interest policy

Management Committee (the "MC") members are expected to avoid actual and perceived conflicts of interest. Where MC members have personal interest in business transactions or contracts that the committee may enter into, or have vested interest in other organisations that the committee have dealings with or is considering to enter into joint ventures with, they are expected to declare such interest to the MC as soon as possible and abstain from discussion and decision-making on the matter. Where such conflicts exists, the MC will evaluate whether any potential conflicts of interest will affect the continuing independence of MC members and whether it is appropriate for the MC member to continue to remain on the MC.

3 Property, Plant and Equipment

| | Office and computer equipment \$ | Sports Equipment \$ | Computer Software \$ | Total \$ |
|----------------------------------|---|---------------------------|----------------------------|-------------|
| Cost: | | | | |
| At 1 April 2021 | 54,860 | 1,720,745 | 9,659 | 1,785,264 |
| Additions | 2,678 | 39,328 | - | 42,006 |
| At 31 March 2022 | | | | |
| 1 April 2022 | 57,538 | 1,760,073 | 9,659 | 1,827,270 |
| Additions | 7,215 | 16,978 | - | 24,193 |
| At 31 March 2023 | 64,753 | 1,777,051 | 9,659 | 1,851,463 |
| Accumulated Depreciation: | | | | |
| At 1 April 2021 | 44,280 | 1,664,523 | 5,074 | 1,713,877 |
| Charge for the financial year | 6,652 | 45,804 | 3,219 | 55,675 |
| At 31 March 2022 | | | | |
| 1 April 2022 | 50,932 | 1,710,327 | 8,293 | 1,769,552 |
| Charge for the financial year | 4,828 | 32,201 | 997 | 38,027 |
| At 31 March 2023 | 55,760 | 1,742,528 | 9,290 | 1,807,579 |
| Net Book Value: | | | | |
| At 31 March 2023 | 8,992 | 34,523 | 369 | 43,884 |
| At 31 March 2022 | 6,606 | 49,746 | 1,366 | 57,718 |

4 Trade and Other Receivables

| | 2023 \$ | 2022 \$ |
|---------------------------|----------------|----------------|
| <u>Trade receivable:</u> | | |
| Third parties | 113,611 | 89,613 |
| | 113,611 | 89,613 |
| <u>Other receivables:</u> | | |
| Security deposits | 39,689 | 38,457 |
| Other receivables | 31,995 | 13,430 |
| | 71,684 | 51,887 |
| | <u>185,294</u> | <u>141,500</u> |

Trade receivable is non-interest bearing and is generally on 30 days' terms.

Expected credit losses

The Federation does not have any allowance for expected credit losses on its trade receivables as at year end because they are assessed to be recoverable.

5 Cash and Cash Equivalents

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Cash and cash equivalents - restricted | 105,859 | 92,558 |
| Cash and cash equivalents - unrestricted | 1,429,694 | 1,265,568 |
| | <u>1,535,553</u> | <u>1,358,126</u> |

DBS bank is the banker of the Federation.

Cash and cash equivalents are denominated in the following currencies:

| | 2023 \$ | 2022 \$ |
|---------------------|------------------|------------------|
| Singapore Dollar | 1,534,145 | 1,356,652 |
| United State Dollar | 1,065 | 1,065 |
| Other currencies | 343 | 409 |
| | <u>1,535,553</u> | <u>1,358,126</u> |

6 Trade and Other Payables

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| <u>Trade payables:</u> | | |
| Third party | 21,928 | 27,419 |
| Unutilised funds due to Sport Singapore | 117,847 | 76,548 |
| | 139,775 | 103,967 |
| <u>Other payables:</u> | | |
| Accrual | 38,140 | 24,052 |
| Other payables | 21,419 | 20,993 |
| | 59,559 | 45,045 |
| | <u>199,334</u> | <u>149,012</u> |

7 Lease Liabilities

| | 2023 | 2022 |
|--------------------------------|---------------|----------|
| | \$ | \$ |
| Lease liabilities instalments: | | |
| - payable within 1 year | 34,634 | - |
| - payable after 1 year | 8,960 | - |
| | <u>43,594</u> | <u>-</u> |

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position is 5.49%.

A reconciliation of lease liabilities to cash flows arising from financing activities is as follows:

| | 2023 | 2022 |
|---------------------------------------|---------------|----------|
| | \$ | \$ |
| At beginning of the year | - | - |
| Addition of lease liabilities | 76,382 | - |
| Payment of lease liabilities | (36,000) | - |
| Interest expense on lease liabilities | 3,212 | - |
| At end of the year | <u>43,594</u> | <u>-</u> |

8 LeasesFederation as a lessee

The Federation has lease contracts for Kayak storage. The Federation's obligations under these leases are secured by the lessor's title to the leased assets. The Federation is restricted from assigning and subleasing the leased assets.

a) Carrying amounts of right-of-use asset

| | Kayak Storage | Total |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Addition of right-of-use asset | 76,382 | 76,382 |
| Depreciation | (33,947) | (33,947) |
| At 31 March 2023 | <u>42,435</u> | <u>42,435</u> |

b) Lease liabilities

The carrying amount of lease liabilities is disclosed in Note 7 and the maturity analysis of lease liabilities is disclosed in Note 7.

c) Amounts recognised in profit or loss

| | 2023 | 2022 |
|---|---------------|----------|
| | \$ | \$ |
| Depreciation of right-of-use assets | 33,947 | - |
| Interest expense on lease liabilities | 3,212 | - |
| Total amount recognised in profit or loss | <u>37,159</u> | <u>-</u> |

d) Total cash outflow

The Company had total cash outflows for leases of \$36,000 (2022: \$Nil).

9 Reserves

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Unrestricted Funds - Accumulated Funds | <u>1,566,799</u> | <u>1,348,485</u> |
| Annual Operating Expenditure | <u>1,996,919</u> | <u>1,939,396</u> |
| Ratio of Reserves to Annual Operating Expenditure | 0.78 | 0.70 |

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

10 One Team Singapore Fund Donation

This represents funds received and designated according to One Team Singapore Fund terms and agreements.

11 SportSG One Team Singapore Fund

These funds are matching grants given by SportSG for donation of One Team Singapore Fund (Note 10).

12 Revenue

Revenue mainly includes contributions received and receivable for sports activities conducted during the year.

| | 2023 | 2022 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Affiliation and entrance fees | 13,835 | 18,900 |
| Grant from SportSG | 1,334,846 | 1,154,856 |
| Grant from Singapore Sport Institute | 292,390 | 235,148 |
| Rental income | 57,765 | 95,014 |
| Sales of certificate and logbooks | 26,849 | 18,286 |
| Storage fees | 281,014 | 255,000 |
| Sundry income | 77,457 | 127,925 |
| Donation and contributions | 200,655 | 94,744 |
| Course fee | 260,764 | 139,520 |
| Event income | 130,515 | 25,815 |
| | <u>2,676,090</u> | <u>2,165,208</u> |

13 Key Management and Top 3 Personnel Costs

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Key management staff annual remuneration (Including CPF and bonuses) | <u>62,440</u> | <u>265,722</u> |
| Top three staff annual remuneration (Including CPF and bonuses) | <u>260,928</u> | <u>353,007</u> |
| Number of key management in remuneration bands: | | |
| Below \$100,000 | 2 | 2 |
| \$100,001 - \$200,000 | - | 1 |
| \$200,001 - \$300,000 | - | - |
| \$300,001 - \$400,000 | - | - |

14 Management Committee - Remuneration

Executive committee has not received any form of remuneration from the Federation for the year.

15 Tax-Exempt Receipts

| | 2023 | 2022 |
|--|----------------|---------------|
| | \$ | \$ |
| Tax-exempt receipts issued for donations collected | <u>200,655</u> | <u>94,744</u> |

16 Taxation

The income of the Federation is exempted from tax under Section 13 of the Singapore Income Tax Act.

17 Related Party Transactions

There are no significant related party transactions for the year.

18 Overseas Expenditure

The Federation incurred the following overseas expenditure:

| | 2023 | 2022 |
|---|----------------|----------------|
| | \$ | \$ |
| Total overseas travel/accommodation/allowances/training | <u>642,628</u> | <u>296,668</u> |

19 Fund Raising Event

The Federation had no fund raising event for the year.

20 Financial Risk Management Objectives and Policies

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

(a) 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, trade debtors, other 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.

(b) 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. To manage liquidity risk, the Federation monitors and maintains a level of cash and cash equivalents to finance the Federation's operations and mitigate the effects of fluctuation in cash flows.

20 **Financial Risk Management Objectives and Policies (Cont'd)****(b) Liquidity risk (cont'd)**

The maturity profile of the financial liabilities of the Federation is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

| | Trade and other payables | | |
|--------------------------|--------------------------|--------------|----------------|
| | Within 1 year | 1-5 years | Total |
| 31 March 2023 | \$ | \$ | \$ |
| Trade and other payables | 199,334 | - | 199,334 |
| Lease liabilities | 34,634 | 8,960 | 43,594 |
| | <u>233,968</u> | <u>8,960</u> | <u>242,928</u> |
| 31 March 2022 | \$ | \$ | \$ |
| Trade and other payables | 149,012 | - | 149,012 |
| Lease liabilities | - | - | - |
| | <u>149,012</u> | <u>-</u> | <u>149,012</u> |

21 **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) 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:

| | 2023 | 2022 |
|-----------------------------|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Trade and other receivables | 185,294 | 141,500 |
| Cash and cash equivalents | <u>1,535,553</u> | <u>1,358,126</u> |
| | <u>1,720,847</u> | <u>1,499,626</u> |
| Financial liabilities | | |
| At amortised cost: | | |
| Lease liabilities | 43,594 | - |
| Trade and other payables | <u>199,334</u> | <u>149,012</u> |
| | <u>242,928</u> | <u>149,012</u> |

Fair value hierarchy

The Federation categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Federation can access at the measurement date;
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

22 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 uncertainty in estimation 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:

Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 years. The carrying amount of the Federation's property, plant and equipment 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.

Impairment loss on trade and other receivables

The Federation evaluates whether there is any objective evidence that trade and other 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.

23 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 reviews 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 2023 or 31 March 2022. 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.