

**Singapore Canoe Federation**  
(Unique Entity Number: S71SS0035C)

**Statement by Management Committee Members  
and Financial Statements  
Financial Year Ended 31 March 2019**

**KONG, LIM & PARTNERS LLP**  
CHARTERED ACCOUNTANTS  
Associated worldwide with JHI  
13A MacKenzie Road Singapore 228676  
Tel: 6227 4180 Fax: 6324 0213

**Singapore Canoe Federation**  
**General Information and Table of Content**

---

**Members of the Singapore Canoe Federation Management Committee**

The members of the Singapore Canoe Federation Committee in office at the date of this report are:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Mr Yip Kwan Guan	President	08 July 2017
Dr Zason Chian Lit Khoon	Vice-President	08 July 2017
Mr Gideon Lu Yi	Vice-President	08 July 2017
Mr Sean Chan Sik Lung	Vice-President	08 July 2017
Mr Vincent Wong Heng Choy	Vice-President	08 July 2017
Mr Henry Sim	Honorary Secretary	08 July 2017
Ms Qiu Yunru	Assistant Honorary Secretary	08 July 2017
Ms Yeung Xintian	Honorary Treasurer	08 July 2017
Mr Richard Lee Cheow Lien	Assistant Honorary Treasurer	08 July 2017

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

<u>Name</u>	<u>Company</u>	<u>Designation</u>
Mr Yip Kwan Guan	Jurong West Secondary School	Senior Teacher
Dr Zason Chian Lit Khoon	Lecturer of National Institute of Education	Deputy Head
Mr Gideon Lu Yi	Outward Bound Singapore	Assistant Director
Mr Sean Chan Sik Lung	Keppel Infrastructure Holdings Pte Ltd	Head of Regulation and Risk Management
Mr Vincent Wong Heng Choy	Republic Polytechnic	Lecturer
Mr Henry Sim	Tuas Power Generation Pte Ltd	Senior Technician
Ms Qiu Yunru	Rio Tinto	Property Specialist
Ms Yeung Xintian	Doctor Anywhere Pte Ltd	Director, Business Development
Mr Richard Lee Cheow Lien	System Integration & Technology Pte Ltd	Executive Director

**Name of bank**

DBS Bank

**Name of auditor**

Kong, Lim & Partners LLP

<b>Index</b>	<b>Page</b>
<u>Statement by Management Committee Members</u>	<u>1</u>
<u>Independent Auditor's Report</u>	<u>2</u>
<u>Statement of Financial Position</u>	<u>5</u>
<u>Statement of Comprehensive Income</u>	<u>6</u>
<u>Statement of Accumulated Funds</u>	<u>7</u>
<u>Statement of Cash Flows</u>	<u>8</u>
<u>Notes to the Financial Statements</u>	<u>9</u>

**Singapore Canoe Federation**  
**Statement by Management Committee Members**  
**For the financial year ended 31 March 2019**

---

We state that, in the opinion of the Management Committee Members,

- (a) the financial statements of the Society are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2019 and the financial performance, changes in funds and cash flows of the Society for the year ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Management Committee Members



---

**Yip Kwan Guan**  
President



---

**Yeung Xintian**  
Honorary Treasurer

Singapore, 12 JUL 2019

## **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 "Society"), which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in accumulated 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 provisions of the Charities Act, Chapter 37 (the "Charities Act"), Societies Act, Chapters 311 (the "Societies Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information*

Management Committee Members is responsible for other information. The other information comprises Statement by Management Committee Members set out on page 1.

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 the fact. We have nothing to report in this regard.

## **Independent Auditor's Report to the members of Singapore Canoe Federation (continued)**

### *Management Committee Members' Responsibilities for the Financial Statements*

The Management Committee Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Societies Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised 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 Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee Members' responsibilities include overseeing the Society's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee Members.
- Conclude on the appropriateness of Management Committee Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

## Independent Auditor's Report to the members of Singapore Canoe Federation (continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee Members 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:

- (a) The accounting and other record required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and Charities Act; and
- (b) There was no fund-raising event held by the Society during the financial year ended 31 March 2019.

During the course of our audit, nothing has come to our attention that causes to believe that during the year:

- (a) The Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulation; and
- (b) The Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

*Kong Lim & Partners LLP*  
**KONG, LIM & PARTNERS LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 12 JUL 2019

**Singapore Canoe Federation  
Statement of Financial Position  
As at 31 March 2019**

	<b>Note</b>	<b>2019</b> <b>S\$</b>	<b>2018</b> <b>S\$</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	105,689	236,228
<b>Current assets</b>			
Trade and other receivables	5	154,842	168,717
Prepayments	6	27,908	127,542
Cash and cash equivalents	7	844,436	524,434
		<u>1,027,186</u>	<u>820,693</u>
<b>Total assets</b>		<u>1,132,875</u>	<u>1,056,921</u>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Accumulated fund	8	835,797	856,268
Restricted fund	8	4,280	-
<b>Total funds</b>		<u>840,077</u>	<u>856,268</u>
<b>Current liabilities</b>			
Trade and other payables	9	292,798	200,653
<b>Total liabilities</b>		<u>292,798</u>	<u>200,653</u>
<b>Total funds and liabilities</b>		<u>1,132,875</u>	<u>1,056,921</u>

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

**Singapore Canoe Federation**  
**Statement of Comprehensive Income**  
**For the financial year ended 31 March 2019**

	<u>Note</u>	<u>2019</u> <u>S\$</u>	<u>2018</u> <u>S\$</u>
<b>Income</b>	10	2,582,116	2,387,712
<b>Items of expenditure</b>			
Coaching		(353,901)	(313,207)
Contract services		(99,413)	(86,750)
Depreciation of property, plant and equipment	4	(189,958)	(424,013)
Employee benefits expenses	11	(616,051)	(505,016)
Event expenditures		(293,671)	(127,843)
Facilities and equipment		(8,417)	(20,768)
License fee		(41,345)	(41,345)
Overseas and local training and competitions		(557,583)	(608,500)
Rental		(276,107)	(273,074)
Other operating expenses	12	(161,861)	(96,989)
		<u>(2,598,307)</u>	<u>(2,497,505)</u>
<b>Deficit before income tax</b>		(16,191)	(109,793)
Income tax expense	13	-	-
<b>Deficit after income tax</b>		<u>(16,191)</u>	<u>(109,793)</u>
<b>Deficit for the year is attributable as follows:</b>			
Unrestricted fund:			
- Accumulated fund		(5,971)	(109,793)
Restricted fund:			
- One Team Singapore Fund		(10,220)	-
		<u>(16,191)</u>	<u>(109,793)</u>

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



**Singapore Canoe Federation**  
**Statement of Changes in Accumulated Funds**  
**For the financial year ended 31 March 2019**

	<b>Accumulated fund</b>	<b>Restricted fund</b>	<b>Total funds</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>Balance as at 1 April 2017</b>	966,061	-	966,061
Total deficit for the year	(109,793)	-	(109,793)
<b>Balance as at 31 March 2018</b>	856,268	-	856,268
Transfer of funds	(14,500)	14,500	-
Total deficit for the year (Note 8)	(5,971)	(10,220)	(16,191)
<b>Balance as at 31 March 2019</b>	835,797	4,280	840,077

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

**Singapore Canoe Federation**  
**Statement of Cash Flows**  
**For the financial year ended 31 March 2019**

	<b>2019</b>	<b>2018</b>
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>		
Deficit before income tax	(16,191)	(109,793)
<u>Adjustments for:</u>		
Amortisation of government grant for capital expenditure	-	(306,968)
Impairment loss on trade receivables	5,112	14,319
Bad debt written-off	8,017	-
Depreciation of property, plant and equipment	189,958	424,013
Operating cash flow before working capital changes	186,896	21,571
<i>Changes in working capital:</i>		
Prepayments	99,634	(120,514)
Trade and other receivables	746	(31,267)
Trade and other payables	92,145	66,959
<b>Net cash flows generated from/(used in) operating activities</b>	<b>379,421</b>	<b>(63,251)</b>
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(59,419)	(71,399)
<b>Net cash flows used in investing activity</b>	<b>(59,419)</b>	<b>(71,399)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>320,002</b>	<b>(134,650)</b>
Cash and cash equivalents at the beginning of financial year	524,434	659,084
<b>Cash and cash equivalents at the end of financial year</b>	<b>844,436</b>	<b>524,434</b>
<b>(Note 7)</b>		

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

**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

---

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

**1. General**

Singapore Canoe Federation (the "Society") is a Society registered in Singapore under Societies Act, Cap. 311. It was granted the status of an Institutions of a Public Character under Charities Act, Chapter 37 from 7 March 2017 to 6 March 2020, subject to renewal.

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

The registered office is located at 3 Stadium Drive #01-33 Singapore 397630.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Society have been drawn up in accordance with Charities Act, Chapter 37, Societies Act, Chapter 311 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Society's functional currency.

**2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 April 2018. Except for the adoption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers described below, the adoption of these standards did not have any material effect on the financial performance or position of the Society.

*FRS 109 Financial Instruments*

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Society applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Society has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

**(a) Classification and measurement**

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Society's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

**2. Summary of significant accounting policies (continued)**

**2.2 Adoption of new and amended standards and interpretations (continued)**

*FRS 109 Financial Instruments (continued)*

**(a) Classification and measurement (continued)**

The assessment of the Society's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Society. The Society continued measuring at fair value all financial assets previously held at fair value under FRS 39. The following are the changes in the classification and measurement of the Society's financial assets:

Trade and other receivables classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 January 2018.

The Society has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Society's financial liabilities.

**(b) Impairment**

The adoption of FRS 109 has fundamentally changed the Society's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Society to recognise an allowance for ECLs for all debt instruments not held at FVPL.

*FRS 115 Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Society has performed an analysis of the impact of this standard on the Society's revenue stream and determined that this new standard does not have a material effect on the Society's financial statements.

## 2. Summary of significant accounting policies (continued)

### 2.3 Standards issued but not yet effective

The Society has not adopted the following standards applicable to the Society that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 116 Leases	1 Jan 2019
Annual Improvements to FRSs (March 2018)	1 Jan 2019

The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

#### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Society plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.

### 2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Years</u>
Office and computer equipment	3
Motor vehicle	5
Sports equipment	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 useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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.

## 2. Summary of significant accounting policies (continued)

### 2.5 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society 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 in profit or loss.

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

### 2.6 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

#### (a) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes a party to the contractual provisions of the financial instrument.

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

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

##### Subsequent measurement

###### *Financial assets at amortised cost*

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**2. Summary of significant accounting policies (continued)**

**2.6 Financial instruments (continued)**

**(a) Financial assets (continued)**

**Derecognition**

A financial asset is derecognised when 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 has been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**(b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

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

**Subsequent measurement**

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

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the respective carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

**(a) Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

**2. Summary of significant accounting policies (continued)**

**2.6 Financial instruments (continued)**

**(a) Financial assets (continued)**

**Subsequent measurement**

*Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables comprise trade and other receivable and cash at bank and on hand.

**Derecognition**

A financial asset is derecognised when 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 has been recognised in other comprehensive income is recognised in profit or loss.

**(b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.



## **2. Summary of significant accounting policies (continued)**

### **2.7 Impairment of financial assets**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. 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 Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society 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 Society considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

The Society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Society determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

**2. Summary of significant accounting policies (continued)**

**2.7 Impairment of financial assets (continued)**

**Financial assets carried at amortised cost (continued)**

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and are subject to an insignificant risk of changes in value.

**2.9 Revenue recognition**

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018:

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**(a) Government grant**

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis the periods necessary to match them with the related costs that they are intended to compensate.

**(b) Storage fee**

The Society generates storage fee income from the storage of canoe boats. Storage fee is recognised on receipt basis.

**(c) Course fee**

The Society generates course fee income from collecting course registration fees. These payments allow the members to enjoy the benefits from coaching and training course. Course fee is recognised at a point in time on receipt basis.

**(d) Event income**

The Society received income from the canoe racing and kayaking events held for the members and participants. Revenue from event income is recognised at point in time on receipt basis.

## **2. Summary of significant accounting policies (continued)**

### **2.9 Revenue recognition (continued)**

These accounting policies are applied before the initial application date of FRS 115, 1 April 2018:

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

Sponsorship and contribution is recognised upon receipt.

Subsidies from government that compensate the Society 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.

### **2.10 Gift in kind**

A gift in kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

### **2.11 Employee benefits**

#### **Defined contribution plans**

The Society 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.

### **2.12 Operating lease**

#### **As lessee**

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.

### **2.13 Taxes**

The Society is a tax-exempted institution under Section 13(1)(zm) of the Income Tax Act, Chapter 134.

### **2.14 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 contract that the Society may enter into, or have vested interest in the organisation that the Society have dealings with or is considering to enter into joint ventures with, they are expected to declare such interests to the MC as soon as possible and abstain from discussion and decision-making on the matter. Where such conflicts exist, the MC members 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.

## **2. Summary of significant accounting policies (continued)**

### **2.15 Funds**

Funds balances include funds over which the Society retains full control to use in achieving any of the Society's objectives.

#### **(a) Unrestricted fund**

Unrestricted fund comprises general fund and designated fund. General funds are used for the general purposes of the Society as set out in its governing document. These funds are expendable at the discretion of the Management Committees. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Management Committees' discretion to apply the fund.

The Society classifies its accumulated fund as unrestricted fund.

#### **(b) Restricted fund**

Restricted funds are funds subject to specific funded programmes by government and charity bodies or donors, but still within the wider objects of the Society.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Management Committees retains full control to use in achieving its institutional purposes.

The Society classifies its One Team Singapore Fund (OTSF) as a restricted fund.

## **3. Significant accounting judgments and estimates**

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### **3.1 Judgments made in applying accounting policies**

The Management Committee is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **3.2 Key sources of estimation of uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation of uncertainty (continued)

(a) Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Society's property, plant and equipment as at 31 March 2019 was S\$105,689 (2018: S\$236,228).

(b) Provision for expected credit losses of trade receivables

The Society uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Society's historical observed default rates. The Society will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The carrying amount of the Society's trade receivables as at 31 March 2019 was S\$113,577 (2018: S\$134,547).

4. Property, plant and equipment

	Office and computer equipment	Motor vehicle	Sports equipment	Total
	S\$	S\$	S\$	S\$
<b>Cost</b>				
At 1 April 2017	35,386	13,800	1,622,108	1,671,294
Additions	1,933	-	69,466	71,399
Written-off	(4,837)	-	(62,416)	(67,253)
At 31 March 2018	32,482	13,800	1,629,158	1,675,440
Additions	6,669	-	52,750	59,419
At 31 March 2019	39,151	13,800	1,681,908	1,734,859
<b>Accumulated depreciation</b>				
At 1 April 2017	23,554	13,800	1,045,098	1,082,452
Depreciation	4,827	-	419,186	424,013
Written-off	(4,837)	-	(62,416)	(67,253)
At 31 March 2018	23,544	13,800	1,401,868	1,439,212
Depreciation	6,564	-	183,394	189,958
At 31 March 2019	30,108	13,800	1,585,262	1,629,170
<b>Carrying amount</b>				
At 31 March 2018	8,938	-	227,290	236,228
At 31 March 2019	9,043	-	96,646	105,689

**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

**5. Trade and other receivables**

	<u>2019</u>	<u>2018</u>
	<u>S\$</u>	<u>S\$</u>
Trade receivables	118,689	134,547
Less: Allowance for impairment	(5,112)	-
Trade receivables (net)	<u>113,577</u>	<u>134,547</u>
Deposits	34,589	33,433
Others receivables	6,676	737
	<u><u>154,842</u></u>	<u><u>168,717</u></u>

Trade receivables are unsecured, non-interest bearing and are generally on 30 days terms (2018: 30 days) terms.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Trade and other receivables are denominated in Singapore Dollar.

Receivables that were past due but not impaired

The Society had trade receivables amounting to S\$49,780 (2018: S\$109,676) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their ageing at the reporting date was as follows:

	<u>2019</u>	<u>2018</u>
	<u>S\$</u>	<u>S\$</u>
Trade receivables past due but not impaired:		
Lesser than 30 days	11,489	35,975
31 to 60 days	17,942	1,685
61 to 90 days	1,200	20,559
More than 90 days	19,149	51,457
	<u><u>49,780</u></u>	<u><u>109,676</u></u>

Receivables that were impaired

The Society's trade receivables that were impaired at 31 March 2018 and the movement of the allowance accounts used to record the impairment were as follows:

	<u>2018</u>
	<u>S\$</u>
Trade receivables - nominal amounts	-
Less: Allowance for impairment	-
	<u><u>-</u></u>
Movement in allowances accounts:	
At 1 April	12,089
Allowance made	14,319
Written off	(26,408)
At 31 March	<u><u>-</u></u>

Trade receivables that were determined to be impaired at the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

**5. Trade and other receivables (continued)**

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	<u>2019</u> <u>S\$</u>
Movement in allowances accounts:	
At 31 March 2018 under FRS 39	-
Effect of adopting FRS 109	-
At 1 April 2018 under FRS 109	-
Allowance made	5,112
At 31 March 2019	<u>5,112</u>

**6. Prepayments**

	<u>2019</u> <u>S\$</u>	<u>2018</u> <u>S\$</u>
Insurance	16,356	11,828
Cash advance for Championships	10,576	5,600
Advances paid to suppliers for events	976	106,653
Others	-	3,461
	<u>27,908</u>	<u>127,542</u>

Prepayments are denominated in Singapore Dollar.

**7. Cash and cash equivalents**

	<u>2019</u> <u>S\$</u>	<u>2018</u> <u>S\$</u>
Cash at bank	844,361	524,434
Cash on hand	75	-
	<u>844,436</u>	<u>524,434</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>2019</u> <u>S\$</u>	<u>2018</u> <u>S\$</u>
Singapore Dollar	844,361	524,434
Australian Dollar	75	-
	<u>844,436</u>	<u>524,434</u>

8. Fund account transaction and balances

	Unrestricted Fund	Restricted Fund	
	Accumulated Fund (i)	One Team Singapore Fund (ii)	Total
	S\$	S\$	S\$
<b>2019</b>			
<b>Income</b>			
Affiliation and entrance fees	18,500	-	18,500
Grant from SportSG	930,992	17,740	948,732
Grant from Singapore Sport Institute	580,296	-	580,296
Rental income	62,304	-	62,304
Sales of certificate and logbooks	35,210	-	35,210
Storage fee	249,885	-	249,885
Sundry income	53,836	-	53,836
Donation and contribution	6,520	3,240	9,760
Course fee	316,654	-	316,654
Event income	283,956	-	283,956
Sponsorship received	22,983	-	22,983
	<u>2,561,136</u>	<u>20,980</u>	<u>2,582,116</u>
<b>Expenses</b>			
Coaching	(353,901)	-	(353,901)
Contract services	(99,413)	-	(99,413)
Depreciation of property, plant and equipment	(189,958)	-	(189,958)
Employee benefits expenses	(616,051)	-	(616,051)
Event expenditures	(293,671)	-	(293,671)
Facilities and equipment	(8,417)	-	(8,417)
License fee	(41,345)	-	(41,345)
Overseas and local training and competitions	(526,383)	(31,200)	(557,583)
Rental	(276,107)	-	(276,107)
Other operating expenses	(161,861)	-	(161,861)
	<u>(2,567,107)</u>	<u>(31,200)</u>	<u>(2,598,307)</u>
Total deficit for the year	<u>(5,971)</u>	<u>(10,220)</u>	<u>(16,191)</u>

- (i) Accumulated fund – The accumulated fund of the Society provides financial stability and the means for the development of the Society's activities. The Management Committee Members review the level of reserves regularly for the Society's continuing obligations.
- (ii) One Team Singapore Fund ("OTSF") is a matching grant of one dollar for every donation raised by the Society provided by the Singapore Government to contribute to enhance the High Performance Sport ("HPS") system for Team Singapore athletes. The donations and grant received for this fund are restricted to all HPS projects and initiatives that contribute to the HPS System.



**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

**9. Trade and other payables**

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Trade payables	39,760	16,905
Unutilised funds from SportSG	176,200	95,326
	<u>215,960</u>	<u>112,231</u>
Accruals	25,000	49,468
Others payables	51,838	38,954
	<u>292,798</u>	<u>200,653</u>

Trade payables are non-interest bearing and are normally settled on 30 to 90 days terms (2018: 30 to 90 days) terms.

Other payables have an average term of 3 months (2018: average 3 months).

Trade and other payables are denominated in Singapore Dollar.

**10. Income**

**Disaggregation of revenue**

	<u>2019</u>	<u>2018</u>
	S\$	S\$
<u>Type of good or service</u>		
Affiliation and entrance fees	18,500	13,915
Grant from SportSG	948,732	1,055,408
Grant from Singapore Sport Institute	580,296	472,466
Rental income	62,304	62,239
Sales of certificate and logbooks	35,210	34,702
Storage fee	249,885	234,930
Sundry income	53,836	20,449
Donation and contribution	9,760	90,400
Course fee	316,654	258,862
Event income	283,956	144,341
Sponsorship received	22,983	-
	<u>2,582,116</u>	<u>2,387,712</u>
<u>Timing of transfer of good or service</u>		
At a point in time	2,332,231	2,152,782
Over time	249,885	234,930
	<u>2,582,116</u>	<u>2,387,712</u>

During the financial year, the Society received sponsorship in cash amounting to S\$2,000 (2018: S\$Nil) and in-kind sponsorship amounting to S\$22,983 (2018: S\$Nil).

**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

**11. Employee benefits expenses**

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Salaries, bonuses and allowance	530,771	418,206
CPF and SDL	75,741	78,110
Other benefits	9,539	8,700
	<u>616,051</u>	<u>505,016</u>

Number of employees in remuneration bands

	<u>2019</u>	<u>2018</u>
S\$100,001-S\$150,000	1	1
Less than S\$100,000	<u>12</u>	<u>14</u>

There were no salaries or other form of benefits paid to key management personnel.

**12. Other operating expenses**

The following items have been included in arriving at other operating expenses:

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Entertainment expenses	13,542	15,928
Insurance expenses	19,316	18,884
Impairment loss on trade receivables	5,112	14,319
Repair and maintenance expenses	<u>19,790</u>	<u>13,169</u>

**13. Taxation**

The Society is an approved charity under the Charities Act, Chapter 37. No provision for taxation has been made in the financial statements as the Society is exempt from income tax in accordance with the provisions of the Income Tax Act, Chapter 134.

**14. Tax exempt receipts**

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget.

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Tax-exempt donations collected	<u>9,760</u>	<u>90,400</u>

**15. Operating lease commitments**

The Society leases office under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

The future minimum rental receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Within one year	183,850	181,738
Later than one year but within 5 years	86,441	143,854
More than 5 years	9,630	-
	<u>279,921</u>	<u>325,592</u>

Rental charges recognised as expenditure during the year was S\$276,107 (2018: S\$273,074). Operating lease payments represents rentals payable by the Society for its office and store premises.

**16. Financial risk management**

The Society's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk and liquidity risk.

The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the Management Committee. It is, and has been throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

**Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

**16. Financial risk management (continued)**

**Credit risk (continued)**

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

**Singapore Canoe Federation**  
**Notes to the Financial Statements**  
**For the financial year ended 31 March 2019**

**16. Financial risk management (continued)**

**Credit risk (continued)**

The table below details the credit quality of the Society's financial assets, as well as the maximum exposure to credit risk by credit risk rating categories:

	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount S\$</b>	<b>Loss allowance S\$</b>	<b>Net carrying amount S\$</b>
<b>31 March 2019</b>				
Trade receivables (Note 5)	Lifetime ECL (simplified)	118,689	(5,112)	113,577
			<u>(5,112)</u>	
<b>1 April 2018</b>				
Trade receivables (Note 5)	Lifetime ECL (simplified)	134,547	-	134,547
			<u>-</u>	

Trade receivables (Note 5)

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	<b>Trade receivables</b>					<b>Total S\$</b>
	<b>Days past due</b>					
	<b>Not past due S\$</b>	<b>&lt; 30 days S\$</b>	<b>31 - 60 days S\$</b>	<b>61 - 90 days S\$</b>	<b>&gt; 90 days S\$</b>	
<b>31 March 2019</b>						
ECL rate	0%	0%	0%	0%	21%	
Estimated total gross carrying amount at default	75,334	11,489	17,942	1,200	24,261	130,226
ECL	-	-	-	-	(5,112)	<u>(5,112)</u>
						<u>125,114</u>
<b>31 March 2018</b>						
Total gross carrying amount	26,990	35,975	1,685	20,559	51,457	136,666
Allowance for impairment	-	-	-	-	-	<u>-</u>
						<u>136,666</u>

Information regarding loss allowance movement of trade receivables is disclosed in Note 5.

**16. Financial risk management (continued)**

**Credit risk (continued)**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

**Liquidity risk**

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain an adequate level of cash and cash equivalents to finance the society's operations. The Society's operations are financed mainly through the funding from SportSG.

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$
<b>2019</b>			
<b>Financial assets:</b>			
Trade and other receivables	154,842	154,842	154,842
Cash and cash equivalents	844,436	844,436	844,436
<b>Total undiscounted financial assets</b>	<u>999,278</u>	<u>999,278</u>	<u>999,278</u>
<b>Financial liabilities:</b>			
Trade and other payables	292,798	292,798	292,798
<b>Total undiscounted financial liabilities</b>	<u>292,798</u>	<u>292,798</u>	<u>292,798</u>
<b>Total net undiscounted financial assets</b>	<u>706,480</u>	<u>706,480</u>	<u>706,480</u>
<b>2018</b>			
<b>Financial assets:</b>			
Trade and other receivables	168,717	168,717	168,717
Cash and cash equivalents	524,434	524,434	524,434
<b>Total undiscounted financial assets</b>	<u>693,151</u>	<u>693,151</u>	<u>693,151</u>
<b>Financial liabilities:</b>			
Trade and other payables	200,653	200,653	200,653
<b>Total undiscounted financial liabilities</b>	<u>200,653</u>	<u>200,653</u>	<u>200,653</u>
<b>Total net undiscounted financial assets</b>	<u>492,498</u>	<u>492,498</u>	<u>492,498</u>

16. Financial risk management (continued)

Liquidity risk (continued)

Reserve Policy

	2019	2018
	S\$	S\$
Unrestricted fund	835,797	856,268
Annual operating expenditure	2,598,307	2,497,505
Ratio of reserves to annual expenditure	0.32:1	0.34:1

The reserve of the Society provides financial stability and the means for the development of the Society's activities. The Society intends to maintain the reserves at a level sufficient for its operating needs. The management committee reviews the level of reserves regularly for the Society's continuing obligations.

17. Fair values

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 approximate their fair values as they are subject to normal trade credit terms.

18. Financial instruments by category

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

	2019	2018
	S\$	S\$
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables (Note 5)	154,842	168,717
Cash and cash equivalents (Note 7)	844,436	524,434
Total financial assets measured at amortised cost	999,278	693,151
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables (Note 9)	292,798	200,653
Total financial liabilities measured at amortised cost	292,798	200,653

**19. Fund management**

The primary objective of the management of the Society'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 Society's capital structure and make adjustment to reflect economic conditions, strategies and future commitments.

The Society is not subject to externally imposed capital requirement.

The Society did not breach any gearing covenants during the financial years ended 31 March 2019 or 31 March 2018. In the same period, no significant changes were made in the objectives, policies or processes relating to the management of the Society's capital structure.

**20. Authorisation of financial statements for issue**

The financial statements for the financial year ended 31 March 2019 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee Members.