

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

**Statement by Management Committee Members  
and Financial Statements  
Financial Year Ended 31 March 2018**

**KONG, LIM & PARTNERS LLP**  
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**Singapore Canoe Federation  
General Information and Index**

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**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	Vice-President	08 July 2017
Mr Henry Sim	Honorary Secretary	08 July 2017
Ms Qiu Yunru	Honorary Assistant Secretary	08 July 2017
Ms Yeung Xintian	Honorary Treasurer	08 July 2017
Mr Richard Lee Cheow Lien	Honorary Assistant 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	Lecturer	Republic Polytechnic
Mr Henry Sim	Tuas Power Generation Pte Ltd	Senior Technician
Ms Qiu Yunru	Rio Tinto	Property Specialist
Ms Yeung Xintian	Doctor Anywhere Pte td	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

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**Singapore Canoe Federation  
Statement by Management Committee Members  
For the financial year ended 31 March 2018**

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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 2018 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



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**Mr Yip Kwan Guan**  
President



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**Ms Yeung Xintian**  
Honorary Treasurer

Singapore **05 OCT 2018**

## **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 2018, 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 2018 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 Matter*

The financial statements of the Society for the financial year ended 31 March 2017 were audited by another firm of auditor who expressed an unmodified opinion on those statements on 8 June 2017.

#### *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's 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 2018.

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 requirement 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, 05 OCT 2018

**Singapore Canoe Federation  
Statement of Financial Position  
As at 31 March 2018**

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<u>236,228</u>	<u>588,842</u>
<b>Current assets</b>			
Trade and other receivables	5	168,717	151,769
Prepayments	6	127,542	7,028
Cash at bank	7	<u>524,434</u>	<u>659,084</u>
		<u>820,693</u>	<u>817,881</u>
<b>Total assets</b>		<u>1,056,921</u>	<u>1,406,723</u>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Accumulated funds	8	<u>856,268</u>	<u>966,061</u>
<b>Current liabilities</b>			
Trade and other payables	9	<u>200,653</u>	<u>440,662</u>
<b>Total liabilities</b>		<u>200,653</u>	<u>440,662</u>
<b>Total funds and liabilities</b>		<u>1,056,921</u>	<u>1,406,723</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 2018**

	<u>Note</u>	<u>2018</u> <u>S\$</u>	<u>2017</u> <u>S\$</u>
<b>Income</b>	10	2,387,712	2,577,540
<b>Items of expenditure</b>			
Coaching		(313,207)	(271,659)
Contract services		(86,750)	(88,629)
Depreciation of property, plant and equipment	4	(424,013)	(451,256)
Employee benefits expenses	11	(505,016)	(501,341)
Event expenditures		(115,428)	(196,822)
Facilities and equipment		(20,768)	(125,347)
License fee		(41,345)	(40,189)
Overseas and local training and competitions		(608,500)	(398,900)
Rental		(273,074)	(272,994)
Other operating expenses	12	(109,404)	(126,179)
		<u>(2,497,505)</u>	<u>(2,473,316)</u>
<b>(Deficit)/Surplus before income tax</b>		(109,793)	104,224
Income tax expense	13	-	-
<b>(Deficit)/Surplus after income tax</b>		<u>(109,793)</u>	<u>104,224</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 2018**

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	<b>Accumulated funds</b>
	<b>S\$</b>
<b>Balance as at 01 April 2016</b>	861,837
Total surplus for the year	104,224
<b>Balance as at 31 March 2017</b>	966,061
Total deficit for the year	(109,793)
<b>Balance as at 31 March 2018</b>	<b>856,268</b>

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 2018**

	<b>2018</b>	<b>2017</b>
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>		
(Deficit)/Surplus before income tax	(109,793)	104,224
<i>Adjustments for:</i>		
Amortisation of government grant for capital expenditure	(306,968)	(300,131)
Impairment loss on trade receivables	14,319	12,089
Depreciation of property, plant and equipment	424,013	451,256
Operating cash flow before working capital changes	21,571	267,438
<i>Changes in working capital:</i>		
Prepayments	(120,514)	24,352
Trade and other receivables	(31,267)	86,854
Trade and other payables	66,959	26,270
<b>Cash flows (used in)/generated from operating activities</b>	<b>(63,251)</b>	<b>404,914</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(71,399)	(94,942)
<b>Net cash flows used in investing activities</b>	<b>(71,399)</b>	<b>(94,942)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(134,650)</b>	<b>309,972</b>
Cash and cash equivalents at the beginning of financial year	659,084	349,112
<b>Cash and cash equivalents at the end of financial year</b>	<b>524,434</b>	<b>659,084</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 2018**

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

**1. General**

Singapore Canoe Federation (the "Society") was registered as a charity on 12 January 2011. Institution of Public Character (IPC) status was also renewed for the period 7 March 2017 to 6 March 2020.

Singapore Canoe Federation is governed by its constitution that is approved by Registry of Society. The Society is registered under Societies Act, Chapter 311 of Singapore on 12 January 2011. The registered office is at 3 Stadium Drive #01-33 Singapore 397630.

The Society was formed for the purposes of encouraging and promoting of canoeing and kayaking in Singapore.

**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 revised standards**

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 2017. The adoption of these standards did not have any material effect on the financial statements.

**2.3 Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. The Society does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 109 Financial Instruments	1 Jan 2018
FRS 116 Leases	1 Jan 2019
FRS 115 Revenue from Contracts with Customers	1 Jan 2018

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

### **2.3 Standards issued but not yet effective (continued)**

The nature of the impending changes in accounting policy on adoption of FRS 109 and 116 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Company has performed a preliminary assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 115 in 2018.

#### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Society plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Society has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Society adopts FRS 109 in 2018.

#### **Impairment**

FRS 109 requires the Society to record expected credit losses on all of its loans and trade receivables either on a 12-month or lifetime basis. The Society expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Society had no impairment losses for the year.

#### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Society has performed a preliminary impact assessment of the adoption of FRS116 and expects that adoption of FRS 116 will result in increase in total assets and total liabilities.

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

### 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.

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

**2.6 Financial instruments**

**(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.

**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.

**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.

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

### 2.6 Financial instruments (continued)

#### (b) Financial liabilities (continued)

##### **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.

### 2.7 Impairment of financial assets

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.

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. Summary of significant accounting policies (continued)**

**2.8 Cash at bank**

Cash at bank is subject to an insignificant risk of changes in value.

**2.9 Income**

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 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit and loss on a systematic basis over the periods in which the entity recognised as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other Income".

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

### **2.13 Taxes**

The Society is a tax-exempted institution under the provision of the Income Tax Act (Chapter 134, 2004 Revised Edition).

### **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.

### **2.15 Funds**

Funds balances restricted by outside sources are indicated and distinguished from unrestricted funds allocated to specific purposes if any by action of the Society Members. Externally restricted fund may only be utilised in accordance with the purpose established by the source of such funds and are in contrast with the unrestricted funds over which the Society Members retains full control of use in achieving any of its institution purposes.

## **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.

#### **(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 2018 was S\$236,228 (2017: S\$588,842).

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation of uncertainty (continued)

(b) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and Committee's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, Committee considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Society's trade and other receivables as at 31 March 2018 were S\$168,717 (2017: S\$151,769).

4. Property, plant and equipment

	Office and computer equipment S\$	Motor vehicle S\$	Sports equipment S\$	Total S\$
<b>Cost</b>				
At 01 April 2016	22,517	13,800	1,540,035	1,576,352
Additions	12,869	-	82,073	94,942
At 31 March 2017	35,386	13,800	1,622,108	1,671,294
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
<b>Accumulated depreciation</b>				
At 01 April 2016	16,484	13,800	600,912	631,196
Depreciation	7,070	-	444,186	451,256
At 31 March 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
<b>Carrying amount</b>				
At 31 March 2017	11,832	-	577,010	588,842
At 31 March 2018	8,938	-	227,290	236,228

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**5. Trade and other receivables**

	<u>2018</u>	<u>2017</u>
	<u>S\$</u>	<u>S\$</u>
Trade receivables	134,547	114,083
Less: Allowance for impairment	-	(12,089)
Trade receivables (net)	<u>134,547</u>	<u>101,994</u>
Deposits	33,433	49,098
Others receivables	737	677
	<u>168,717</u>	<u>151,769</u>

Trade receivables are unsecured, non-interest bearing and are generally on 30 days terms (2017: 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\$109,676 (2017: S\$28,652) 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>2018</u>	<u>2017</u>
	<u>S\$</u>	<u>S\$</u>
Trade receivables past due but not impaired:		
Lesser than 30 days	35,975	-
31 to 60 days	1,685	365
61 to 90 days	20,559	9,329
More than 90 days	51,457	18,958
	<u>109,676</u>	<u>28,652</u>

Receivables that were past due and impaired

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

	<u>2018</u>	<u>2017</u>
	<u>S\$</u>	<u>S\$</u>
Trade receivables - nominal amounts	-	12,089
Less: Allowance for impairment	-	(12,089)
	<u>-</u>	<u>-</u>
The movement in allowances accounts:		
At beginning of year	12,089	6,283
Allowance made during the year	14,319	12,089
Written off	(26,408)	(6,283)
At end of the year	<u>-</u>	<u>12,089</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.

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**6. Prepayment**

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Insurance	11,828	-
Cash advance for Championships	5,600	-
Advances paid to suppliers for events	106,653	-
Others	3,461	7,028
	<u>127,542</u>	<u>7,028</u>

Prepayment are denominated in Singapore Dollar.

**7. Cash at bank**

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Cash at bank	<u>524,434</u>	<u>659,084</u>

Cash at bank are denominated in Singapore Dollar.

**8. Accumulated funds**

The accumulated funds of the Society provide 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.

**9. Trade and other payables**

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Trade payables	16,905	5,119
Unutilised funds from SportSG	95,326	19,396
Grant on capital expenditures	-	306,968
	<u>112,231</u>	<u>331,483</u>
Accruals	49,468	67,807
Others payables	38,954	41,372
	<u>200,653</u>	<u>440,662</u>

Trade payables are non-interest bearing and are normally settled on 30 to 90 days terms (2017: 30 to 90 days) terms.

Other payables have an average term of 3 months (2017: average 3 months).

Trade and other payables are denominated in Singapore Dollar.

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**10. Income**

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Affiliation and entrance fees	19,015	24,300
Contribution from SportSG	1,055,408	1,285,711
Contribution from Singapore Sport Institute	472,466	610,600
Rental income	62,239	70,409
Sales of certificate and logbooks	34,702	35,430
Storage fee	234,930	163,117
Sundry income	20,449	96,532
Donation and contribution	90,400	35,860
Course fee	258,862	255,581
Event income	139,241	-
	<u>2,387,712</u>	<u>2,577,540</u>

**11. Employee benefits expenses**

	<u>2018</u>	<u>2017</u>
	S\$	S\$
Salaries, bonuses and allowance	418,206	418,735
CPF and SDL	78,110	74,418
Other benefits	8,700	8,188
	<u>505,016</u>	<u>501,341</u>

Number of employees in remuneration bands

	<u>2018</u>	<u>2017</u>
S\$100,001-S\$150,000	1	1
Less than S\$100,000	14	12

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>2018</u>	<u>2017</u>
	S\$	S\$
Entertainment fee	15,928	17,044
Insurance expenses	18,884	25,150
Impairment loss on trade receivables	14,319	12,089
Repair and maintenance expenses	13,169	15,182

**13. Taxation**

The Society has been granted IPC status since 12 January 2011. The Society is a charitable institution by virtue of Section 2 of the Charities Act, Chapter 37. In addition, the Society is exempted from filling income tax returns by virtue of Section 13(l)(zm) of the Income Tax Act Chapter 134.

**14. Tax exempt receipts**

The Society enjoys a concessionary tax whereby qualifying donor are granted double tax deduction for the donations made to the Society. During the financial year, the Society issued tax-exempt receipts for donations collected amounting to S\$90,400 (2017: S\$35,860).

**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>2018</u>	<u>2017</u>
	S\$	S\$
Within one year	181,738	99,885
Later than one year but within 5 years	143,854	-
	<u>325,592</u>	<u>99,885</u>

Rental charges recognised as expenditure during the year was S\$273,074 (2017: S\$272,994). Operating lease payments represents rentals payable by the Society for its office and store premises.

**16. Disclosure on online evaluation checklist via charity portal**

As required, the Society has submitted the Governance Evaluation Checklist for the financial year ended 31 March 2017 via Charity Portal on <http://www.charities.gov.sg>.

The Society will submit the Governance Evaluation Checklist for the financial year ended 31 March 2018 after the approval of the financial statements.

**17. 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.

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

**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 has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

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.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Society. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5.

**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.

17. Financial risk management (continued)

Liquidity risk (continued)

*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>2018</b>			
<b>Financial assets:</b>			
Trade and other receivables	168,717	168,717	168,717
Cash at bank	524,434	524,434	524,434
Total undiscounted financial assets	<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
Total undiscounted financial liabilities	<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>
<b>2017</b>			
<b>Financial assets:</b>			
Trade and other receivables	151,769	151,769	151,769
Cash at bank	659,084	659,084	659,084
Total undiscounted financial assets	<u>810,853</u>	<u>810,853</u>	<u>810,853</u>
<b>Financial liabilities:</b>			
Trade and other payables	133,694	133,694	133,694
Total undiscounted financial liabilities	<u>133,694</u>	<u>133,694</u>	<u>133,694</u>
<b>Total net undiscounted financial assets</b>	<u>677,159</u>	<u>677,159</u>	<u>677,159</u>

Reserve Policy

	<u>2018</u> S\$	<u>2017</u> S\$
Unrestricted funds	856,268	966,061
Ratio of reserves to annual expenditure	<u>0.34:1</u>	<u>0.39:1</u>

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.



**18. Fair values**

The fair value of a financial instrument is the amount at which is 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 at bank, 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.

**19. Financial instruments by category**

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

	<u>2018</u> S\$	<u>2017</u> S\$
<b>Loans and receivables</b>		
Trade and other receivables (Note 5)	168,717	151,769
Cash at bank (Note 7)	524,434	659,084
Total loans and receivables	<u>693,151</u>	<u>810,853</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables (Note 9)	200,653	133,694
Total financial liabilities measured at amortised cost	<u>200,653</u>	<u>133,694</u>

**20. 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 did not breach any gearing covenants during the financial years ended 31 March 2018 or 31 March 2017. 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.

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

The financial statements for the financial year ended 31 March 2018 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee Members.