

# *SB Tan Audit PAC*

## **Public Accountants & Chartered Accountants**

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## **Singapore Sepaktakraw Federation**

Registration No. S60SS0012H

Registered office: 11 Bedok North Street 1 #04-03  
Singapore 469662

### Annual Report for the Year Ended 31 March 2020

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**REPORT OF THE COUNCIL MEMBERS**

We, the undersigned Council Members, submit this annual report to the members together with the audited financial statements of **Singapore Sepaktakraw Federation** for the financial year ended 31 March 2020.

**Council Members**

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

Mr Mohd Nasri Bin Haron	President
Mr Abdul Sarip Bin Naharawi	Honorary Life President
Mr Shahril Bin Abdul Ghani	Deputy President 1
Mr Mohammed Radhi Bin Che Mei	Vice President 1
Mr Raimon Bin Budin	Vice President 2
Mr Mohamed Salim Bin Ebrahim Marican	Vice President 3
Mr Zahid Bin Abdul Aziz	Secretary General
Mr Rozlianno Bin Rozli	Deputy Secretary General
Mr Meswan Bin Satin	Treasurer
Mr Mohamad Fami Bin Mohamed	Council Members
Mr Chg Kair Chuan	Council Members
Ms Suzalinah Bte Saidee	Internal Audit

**Auditor**

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

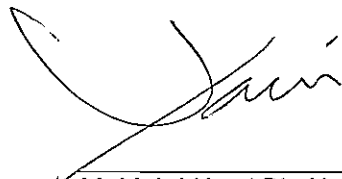
**Statement by Council Members**

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


In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Federation as at 31 March 2020, and of the results, changes in funds and cash flows of the Federation for the year ended on that date in accordance with the provisions of the Acts and FRS.

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

On behalf of the Council Members



\_\_\_\_\_  
Mr Mohd Nasri Bin Haron  
President



\_\_\_\_\_  
Mr Meswan Bin Satin  
Treasurer

Singapore  
4 SEP 2020

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **Singapore Sepaktakraw Federation** (the "Federation"), which comprises the statement of financial position as at 31 March 2020, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act, Charities Act and Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Federation as at 31 March 2020 and of the financial performance, changes in funds and cash flows of the Federation for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Federation in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises the Council Members' Report 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 that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Societies Act ("Act"), Charities Act ("Act") and Singapore Financial Reporting Standards ("FRS"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Report on Compliance With Other Legal and Regulatory Requirements**


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

In our opinion, the amounts of \$Nil present fairly the tax deductible donation income of **Singapore Sepaktakraw Federation** for the year from 1 April 2019 to 31 March 2020.

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

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

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

  
S B TAN AUDIT PAC  
Public Accountants and  
Chartered Accountants  
Singapore  
4 SEP 2020

**Statement of Financial Position  
As at 31 March 2020**

	Note	2020 \$	2019 \$
<b>Property, Plant and Equipment</b>	3	17,523	5,972
<b>Current Assets</b>			
Trade and other receivables	4	13,987	13,075
Prepayments		-	25
Cash and cash equivalents	5	21,714	71,822
		<u>35,701</u>	<u>84,922</u>
<b>Current Liabilities</b>			
Trade and other payables	6	13,928	127,385
Lease liabilities	7	3,919	-
		<u>17,847</u>	<u>127,385</u>
<b>Net Current Assets / (Liabilities)</b>		17,854	(42,463)
<b>Non Current Liabilities</b>			
Lease liabilities	7	1,590	-
<b>Net Assets / (Liabilities)</b>		<u>33,787</u>	<u>(36,491)</u>
<i>Representing:</i>			
<b>Accumulated Funds</b>		33,787	(36,491)
		<u>33,787</u>	<u>(36,491)</u>

*The accompanying notes form part of the financial statements*

**Statement of Comprehensive Income**  
**For the year ended 31 March 2020**

	Note	2020 \$	2019 \$
Revenue	8	274,609	258,637
Other income		98,932	41,562
		<u>373,541</u>	<u>300,199</u>
<i>Less Expenditure</i>			
Coaching expenses		23,210	15,500
Depreciation of property, plant and equipment	3	8,757	5,439
Events expenditures		37,219	38,170
Lease interest	7	1,035	-
Professional and legal fees		11,588	22,814
Rental of equipment and facilities		76,295	122,406
Staff costs - CPF contributions	9	8,646	8,721
- salaries	9	62,140	57,400
Telecommunication		6,550	6,246
Transport and travelling		18,026	5,576
Utilities		7,594	5,641
Other operating expenditure		42,203	35,575
		<u>(303,263)</u>	<u>(323,488)</u>
Surplus/ (Deficit) before taxation		<u>70,278</u>	<u>(23,289)</u>
Taxation	10	-	-
Surplus/ (Deficit) after taxation		<u><u>70,278</u></u>	<u><u>(23,289)</u></u>

**Statement of Changes in Funds**  
**For the year ended 31 March 2020**

	2020 \$	2019 \$
<b>Accumulated Funds</b>		
Accumulated funds brought forward	(36,491)	(13,202)
Surplus/ (Deficit) after taxation	70,278	(23,289)
Accumulated funds carried forward	33,787	(36,491)
<b>Total Funds</b>	<u><u>33,787</u></u>	<u><u>(36,491)</u></u>

*The accompanying notes form part of the financial statements*

**Statement of Cash Flows**

For the year ended 31 March 2020

	Note	2020 \$	2019 \$
<b>Cash Flows From Operating Activities:</b>			
Surplus/ (Deficit) before taxation		70,278	(23,289)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	8,757	5,439
Interest on lease liabilities		1,035	-
Operating cash flow before working capital changes		<u>80,070</u>	<u>(17,850)</u>
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		(912)	4,349
Prepayment		25	-
Trade and other payables		(113,457)	8,174
Cash used in operations		<u>(34,274)</u>	<u>(5,327)</u>
<b>Net cash used in operating activities</b>		<u>(34,274)</u>	<u>(5,327)</u>
<b>Cash Flows From Investing Activities:</b>			
Purchase of property, plant and equipment	3	(10,952)	-
<b>Net cash used in investing activities</b>		<u>(10,952)</u>	<u>-</u>
<b>Cash Flows From Financing Activities:</b>			
Interest paid		(1,035)	-
Payment of principal portion of lease liabilities		(3,847)	-
<b>Net cash used in financing activities</b>		<u>(4,882)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(50,108)	(5,327)
Cash and cash equivalents at beginning of year		71,822	77,149
<b>Cash and cash equivalents at end of year</b>		<u><u>21,714</u></u>	<u><u>71,822</u></u>

The accompanying notes form part of the financial statements



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

## 1 General

Singapore Sepaktakraw Federation (the "Federation") is registered in the Republic of Singapore under the Singapore Societies Act, Cap 311 and has its registered office at 11 Bedok North Street 1 #04-03, Singapore 469662. The Federation is registered as a charity on 11 November 2011 and is an Institution of Public Character ("IPC").

The principal activities of the Federation are those relating to the promotion of the game of sepaktakraw in Singapore and to arrange and organise tournaments locally and with other countries.

The financial statements were authorised for issue by the Council Member on 4 September 2020.

## 2 Significant Accounting Policies

### 2.1 Basis of Accounting

The financial statements, expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with the Societies Act, Charities Act, and Singapore Financial Reporting Standards ("FRS")

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

### 2.2 Changes in Accounting Policies

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

### 2.3 New Standards and Interpretations Not Yet Effective

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

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

### 2.4 Revenue Recognition

Tournament fee is recognized when the event takes place.

Sport Singapore grants, general donation and donation-in-kind is recognized upon receipt.

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

**2.5 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. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**2.6 Foreign Currencies**

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

**2.7 Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Federation and the cost of an item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives as follows:

	<u>Number of years</u>
Sports equipment	3
Computer accessories and software	3
Office equipment	3
Furniture and fittings	5
Renovation	6

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

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

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

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

**2.8 Reserve Policy**

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

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

**2.9 Accumulated Fund**

The accumulated fund is the Federation's operating fund for accounting of all financial sources.

**2.10 Related Party**

A related party is defined as follows:

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

**2.11 Employee Benefits***Defined contribution plan*

The Federation participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, 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.

*Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they accrue to employers. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

**2.12 Provisions**

Provisions are recognised when the Federation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 2.13 *Financial instruments*

### a) **Financial assets**

#### i) Initial recognition and measurement

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

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

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

#### ii) Subsequent measurement

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

#### iii) Derecognition

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

### b) **Financial Liabilities**

#### i) Initial recognition and measurement

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

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

#### ii) Subsequent measurement

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

#### iii) Derecognition

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

## 2.14 *Cash and Cash Equivalents*

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

### 2.15 *Impairment of Non-Financial Assets*

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

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

Impairment losses are recognised in comprehensive income statement.

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

### 2.16 *Impairment of Financial Assets*

The Federation 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 Federation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

The Federation considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Federation may also consider a financial asset to be in default when internal or external information indicates that the Federation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Federation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.17 *Leases*

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

**2.17 Leases (cont'd)**

These accounting policies are applied on and after the initial application date of FRS16, 1 January 2019:

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

The adoption of FRS116 Leases has no significant impact as the property leases of the Federation are fully covered by non cash grant from SportSG.

**Lease liabilities**

At the commencement date of the lease, the Federation recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Federation uses its interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

**2.18 Fund Raising Event**

The Federation had no fund raising event for the year.

**2.19 Conflict of interest policy**

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

## 3 Property, Plant and Equipment

	Sports equipment	Computers and software	Furniture, fittings & office equipment	Renovation	Total
<b>Cost:</b>	\$	\$	\$	\$	\$
At 1 April 2018	385,547	8,005	22,255	372,924	788,731
Additions	-	-	-	-	-
At 31 March 2019 and 1 April 2019	385,547	8,005	22,255	372,924	788,731
Additions	-	10,550	9,758	-	20,308
At 31 March 2020	385,547	18,555	32,013	372,924	809,039
<b>Accumulated Depreciation:</b>					
At 1 April 2018	385,547	8,005	17,044	366,724	777,320
Charge for the financial year	-	-	2,056	3,383	5,439
At 31 March 2019 and 1 April 2019	385,547	8,005	19,100	370,107	782,759
Charge for the financial year	-	1,260	5,663	1,834	8,757
At 31 March 2020	385,547	9,265	24,763	371,941	791,516
<b>Net Book Value:</b>					
At 31 March 2020	-	9,290	7,250	983	17,523
At 31 March 2019	-	-	3,155	2,817	5,972

## 4 Trade and Other Receivables

	2020 \$	2019 \$
Trade receivables	2,912	-
<b>Other receivables:</b>		
Advance to Council Member	-	2,000
Deposits	11,075	11,075
	11,075	13,075
	13,987	13,075

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

**Expected credit losses**

The Federation has not recognised an allowance for expected credit losses for trade receivables as at 31 March 2020 as these are considered to be low credit risk and have low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligation if demanded in the near term.

## 5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash and cash equivalents	21,714	71,822

DBS bank is the only bank of the Federation.

## 6 Trade and Other Payables

	2020	2019
	\$	\$
Trade payable	270	-
<i>Other payables:</i>		
Accruals	10,510	105,864
Advance received from Council Member	-	1,000
CPF payable	1,264	6,331
Spextag	-	5,940
Unutilised funds due to Sport SG	1,884	8,250
	13,658	127,385
	<u>13,928</u>	<u>127,385</u>

## 7 Lease liabilities

	2020	2019
	\$	\$
Lease liabilities instalments:		
- payable within 1 year	3,919	-
- payable after 1 year	1,590	-
	<u>5,509</u>	<u>-</u>

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

	2020
At 1 April 2019	-
Addition of lease liabilities	9,356
Payment of lease liabilities	(4,882)
Interest expense on lease liabilities	1,035
At 31 March 2020	<u>5,509</u>

## 8 Revenue

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

	2020	2019
	\$	\$
Major events	14,265	33,110
Registration fees	1,900	400
Rental income	3,550	9,400
Sponsorship in-kind	-	9,820
Subsidies from Sport Singapore	251,082	205,907
	<u>274,609</u>	<u>258,637</u>



**9 Key Management and Top 3 Personnel Costs**

	2020 \$	2019 \$
Key management staff annual remuneration (Including CPF and bonuses)	<u>-</u>	<u>-</u>
Number of key management in remuneration bands:		
Below \$100,000	-	-
\$100,001 - \$200,000	-	-
	2020 \$	2019 \$
Top 3 executives' annual remuneration (Including CPF and bonuses)	62,280	65,885
Number of top three staff in remuneration bands:		
Below \$100,000	3	2
\$100,001 - \$200,000	-	-
Above \$200,001	-	-

**10 Taxation**

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

**11 Management Committee-Remuneration**

Council Member has not received any form of remuneration from the Federation for the year.

**12 Related Party Transactions**

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

**13 Reserve**

	2020 \$	2019 \$
Unrestricted Fund - Accumulated Fund	<u>33,787</u>	<u>(36,491)</u>
Annual Operating Expenditure	<u>303,263</u>	<u>323,488</u>
Ratio of Reserves to Annual Operating Expenditure	0.11	(0.11)

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

**14 Overseas Expenditure and Capital Outlay**

The Federation incurred \$13,413.45 (2019: \$Nil) on overseas expenses - travelling, accommodation, allowance and training.

**15 Financial Risk Management Objectives and Policies**

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

**Liquidity risk**

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

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

<b>31 March 2020</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>Total</b>
	\$	\$	\$	\$
Trade payable	270			270
Accruals	11,774	-	-	11,774
Unutilised funds due to SportSG	1,884	-	-	1,884
Lease liabilities	3,919	1,590	-	5,509
	<u>17,847</u>	<u>1,590</u>	<u>-</u>	<u>19,437</u>

<b>31 March 2019</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>Total</b>
	\$	\$	\$	\$
Accruals	112,195	-	-	112,195
Advance received from Council Member	1,000	-	-	1,000
Spextag	5,940	-	-	5,940
Unutilised funds due to SportSG	8,250	-	-	8,250
	<u>127,385</u>	<u>-</u>	<u>-</u>	<u>127,385</u>

**Credit risk**

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of cash and cash equivalents and debtors represent the Federation's maximum exposure to credit risk in relation to financial assets. The Federation monitors the exposure to credit risk on an ongoing basis and credit evaluations are performed on parties requiring credit over a certain amount. Cash terms or advance payments are required for parties of lower credit standing. The credit risk on balances of cash and cash equivalents is low as these balances are placed with a reputable bank.

**16 Fair Values of Financial Instruments**

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

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

**Cash and cash equivalents, other receivables and other payables**

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

**Trade receivables and trade payables**

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

## 16 Fair Values of Financial Instruments (cont'd)

**Classification of Financial Instruments**

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

	2020	2019
	\$	\$
<b>Financial assets (undiscounted)</b>		
Trade and other receivables	13,987	13,075
Cash and cash equivalents	21,714	71,822
	<u>35,701</u>	<u>84,897</u>
<b>Financial liabilities (undiscounted)</b>		
Accruals	11,774	112,195
Trade and other payables	2,154	15,190
Lease liabilities	5,509	-
	<u>19,437</u>	<u>127,385</u>

**Fair value hierarchy**

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

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

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

## 17 Accounting Estimates and Judgement in Applying Accounting Policies

The Federation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Key source of estimation uncertainty**

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

**Depreciation of property, plant and equipment**

The cost of property, plant and equipment are depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these property, plant and equipment is to be within 3 years to 6 years. The carrying amount of the Federation's property, plant and equipment as at year end are stated in Note 3. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised and impact the profit in future years.

**17 Accounting Estimates and Judgement in Applying Accounting Policies (cont'd)*****Provision for expected credit losses of trade receivables***

Expected credit losses (ECLs) are probability-weighted estimates of credit losses over the life of a financial instruments. In estimating ECLs to determine the probability of default of its debtors, the Federation has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

**18 Capital Management**

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

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

The Federation did not breach any gearing covenants during the financial years ended 31 March 2020 or 31 March 2019. In the same period, no significant changes were made in the objectives, policies or processes relating to the management of the Federation's capital structure.

The following detailed statement of comprehensive income is supplementary and does not form part of the unaudited financial statements.

**Detailed Statement of Comprehensive Income  
For the year ended 31 March 2020**

	2020	2019
	\$	\$
<i><u>Income</u></i>		
Affiliates fee	1,900	400
Course fee income	3,812	-
Events income	14,265	33,110
Rental income	3,550	9,400
Subsidies from Sport Singapore	251,082	205,907
Sponsorship	-	9,820
Other income	98,932	41,562
<b>Total income</b>	<b>373,541</b>	<b>300,199</b>
<i><u>Less Expenditure</u></i>		
Affiliation fees	25	24
Bank charges	246	107
Coaching expenses	23,210	15,500
Competition management fee	2,434	6,050
Contributions to CPF Board	8,646	8,721
Depreciation of property, plant and equipment	8,757	5,439
Entertainment	140	313
Events expenditures	37,219	38,170
Food and refreshment	2,992	2,010
General expenses	6,262	8,864
Insurance	124	855
Printing and postages	5,240	2,576
Lease interest	1,035	-
Professional and legal fees	11,588	22,814
Property, plant and equipment expensed	1,694	1,871
Rental of equipment and facilities	76,295	122,406
Repair and maintenance	161	1,914
Salaries and benefits	62,140	57,400
SpexTAG and SpexMEDIC expenses	22,885	10,991
Telecommunication	6,550	6,246
Transport and travelling	18,026	5,576
Utilities	7,594	5,641
	(303,263)	(323,488)
<b>Surplus/ (Deficit) for the year before taxation</b>	<b>70,278</b>	<b>(23,289)</b>