

SB Tan Audit PAC

Public Accountants & Chartered Accountants

Reg no. 201709525H
118 Aljunied Avenue 2 #06-104
Singapore 380118
Tel: 6844 8626 Fax: 6844 8627
E-mail: admin@sbtan.com
<http://www.sbtan.com>

Singapore Cycling Federation

Registration No. S58SS0009A

Registered Office: 5 Stadium Drive #02-44
Singapore 397631

Annual Report for the Year Ended
31 March 2021

Contents	Page(s)
Management Committee's Report	1
Independent Auditor's Report	2 – 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 25

Management Committee's Report

We, the undersigned Management Committee, submit this annual report to the members together with the audited financial statements of **Singapore Cycling Federation** for the financial year ended 31 March 2021.

Management Committee

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

Dr Hing Siong Chen	- President
Mr Seah Jun Rong Walton	- Vice President (Bike Trial)
Mr Steven Lim Soo Huat	- Vice President (Safety & Education)
Mr Mark Ortega	- Assistant Honorary Secretary
Mr Syed Mohd Shariff Bin Syed Abdul Rahman Aljunied	- Vice President (MTB)
Mr Ang Kee Meng	- Vice President (Track)
Mr Kelvin Khoo Jun Khen	- Vice President (Road)
Mr Elbert Iswara Kuntaryo Adhyatman	- Assistant Honorary Treasurer
Mr Ronnie Yap Choon Lee	- Honorary Secretary
Mr Ahmad Yusuf Bin Mohamed Salleh	- Vice President (BMX)
Mr Michael Chang Chee Chin	- Honorary Treasurer
Ms Chin See Wai	- Vice President (Media and Publicity)

Auditor

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

Statement by Management Committee

The Management Committee of **Singapore Cycling 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 2021, and of the results, changes in funds and cash flows of the Federation for the year ended on that date in accordance with the provisions of the Acts.

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

On behalf of the Management Committee



Dr Hing Siong Chen
President



Mr Michael Chang Chee Chin
Treasurer

Singapore
16 JUL 2021

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Singapore Cycling Federation** (the "Federation"), which comprises the statement of financial position as at 31 March 2021, 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 2021 and of the financial performance, changes in funds and cash flows of the Federation for the year ended on that date.

Basis for Opinion

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

Other Information

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

Management's Responsibility for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE CYCLING 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 **\$16,910** present fairly the tax deductible donation income of **Singapore Cycling Federation** for the year from 1 April 2020 to 31 March 2021.

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 Cycling 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
16 JUL 2021

Statement of Financial Position
As at 31 March 2021

	Note	2021 \$	2020 \$
Property, plant and equipment	3	116,581	55,538
Current Assets			
Trade and other receivables	4	74,405	156,494
Prepayments		9,459	31,497
Cash and cash equivalents	5	714,986	418,524
		798,850	606,515
Current Liabilities			
Trade and other payables	6	344,492	269,660
Lease liabilities	8	7,115	5,442
		351,607	275,102
Net Current Assets		447,243	331,413
Non-Current Liabilities			
Lease liabilities	8	1,838	-
Net Assets		<u>561,986</u>	<u>386,951</u>
<i>Representing:</i>			
Unrestricted Funds	7	422,171	276,010
Restricted Funds		139,815	110,941
		<u>561,986</u>	<u>386,951</u>

The accompanying notes form part of the financial statements

Statement of Comprehensive Income
For the year ended 31 March 2021

		<-----2021----->		<-----2020----->		
	Note	Restricted Funds \$	Unrestricted Funds \$	Restricted Funds \$	Unrestricted Funds \$	Total
Revenue	11	133,400	1,322,044	196,100	1,393,005	1,589,105
Other income		-	190,837	-	47,247	47,247
		133,400	1,512,881	196,100	1,440,252	1,636,352
<i>Less Expenditure</i>						
Apparels		-	17,401	4,650	7,795	12,445
Depreciation of plant and equipment		7,082	47,968	6,931	30,242	37,173
Events and functions	3	-	45,657	-	117,248	117,248
Professional and legal fees		-	192,446	-	30,327	30,327
Rental expenses		1,684	84,847	2,970	112,664	115,634
Staff costs - CPF contribution		-	100,662	3,803	79,321	83,124
- Salaries and other staff costs		43,289	651,794	23,809	525,942	549,751
Travelling, training and competition expense		9,968	89,836	62,799	286,412	349,211
Trainer, instructor and coaching fees		28,300	67,702	29,300	59,675	88,975
Other operating expenditure		14,203	68,407	14,907	163,704	178,611
		(104,526)	(1,366,720)	(149,169)	(1,413,330)	(1,562,499)
Surplus before taxation		28,874	146,161	46,931	26,922	73,853
Taxation	16	-	-	-	-	-
Surplus after taxation		28,874	146,161	46,931	26,922	73,853
Other comprehensive income:		-	-	-	-	-
Total comprehensive income for the year		28,874	146,161	46,931	26,922	73,853

The accompanying notes form part of the financial statements

Statement of Changes in Funds
For the year ended 31 March 2021

		2021	2020
		\$	\$
Restricted Funds:			
One Team Singapore Fund Donation			
Balance at beginning of year		37,133	8,080
Donation received	14	16,700	46,800
Less: Utilisation		-	(17,747)
Balance at end of year	9	53,833	37,133
SportSG One Team Singapore Fund			
Balance at beginning of year		60,122	55,930
Matching Grant received		16,700	49,300
Less: Utilisation		(5,905)	(45,108)
Balance at end of year	10	70,917	60,122
One Team Singapore Fund Corporate Donation			
Balance at beginning of year		13,686	-
Matching Grant received		100,000	100,000
Less: Utilisation		(98,621)	(86,314)
Balance at end of year		15,065	13,686
Total Restricted funds		<u>139,815</u>	<u>110,941</u>
Unrestricted Funds:			
Balance at beginning of the year		276,010	249,088
Surplus before taxation		146,161	26,922
Balance at end of the year		422,171	276,010
Total Unrestricted funds		<u>422,171</u>	<u>276,010</u>
Total Funds		<u><u>561,986</u></u>	<u><u>386,951</u></u>

The accompanying notes form part of the financial statements

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 \$	2020 \$
Cash Flows From Operating Activities:			
Surplus before taxation		146,161	26,922
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	55,050	30,242
Interest paid		221	-
Operating cash flow before working capital changes		201,432	57,164
<i>Change in operating assets and liabilities:</i>			
Trade and other receivables		82,089	(122,165)
Prepayments		22,038	(16,466)
Trade and other payables		74,831	21,789
Net cash from operating activities		380,390	(59,678)
Net cash generated from/ (used in) operating activities		380,390	(59,678)
Cash Flows From Investing Activities:			
Purchase of property, plant and equipment	3	(105,419)	(24,000)
Net cash outflow from investing activities		(105,419)	(24,000)
Cash Flows From Financing Activities:			
One Team Singapore Donation Fund (net)	9	16,700	29,053
SportSG One Team Singapore Fund (net)	10	10,795	4,192
One Team Singapore Fund Corporate Donation (net)		1,379	13,686
Payment of principal portion of lease liability		(7,604)	-
Interest expense on lease liabilities		221	-
Net cash outflow from financing activities		21,491	46,931
Net increase/ (decrease) in cash and cash equivalents		296,462	(36,747)
Cash and cash equivalents at beginning of year		418,524	455,271
Cash and cash equivalents at end of year		714,986	418,524

The accompanying notes form part of the financial statements

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

1 **General**

Singapore Cycling Federation (the "Federation") is registered in the Republic of Singapore and has its registered office at OCBC Arena, 5 Stadium Drive #02-44 Singapore 397631. The Federation is registered as a charity on 1 April 2011 and is an Institution of Public Character.

The principal activities of the Federation are those relating to the promotion and development of the sport of cycling in Singapore.

The financial statements were authorised for issue by the Management Committee on 16 July 2021.

2 **Significant Accounting Policies**

2.1 ***Basis of Preparation***

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

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

2.2 ***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 *Fair Value Measurement*

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Federation takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

Financial Instruments - Financial assets and financial liabilities are recognised on the statement of financial position when the Federation becomes a party to the contractual provisions of the instrument.

2.5 *Revenue Recognition*

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

Membership fee is recognised when the event takes place.

Sponsorship, donation and contribution is recognised upon receipt.

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

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>
Furniture and fittings	3
Equipment	3
Software	3
Right-of-use assets (land)	Over the lease period of 1.5 years

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

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

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

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

2.8 Cash and Cash Equivalents

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

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

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

(b) Short-term employee benefits

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

2.10 Related Party

(a) A related party is defined as follows:

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

(b) An entity is related to the Federation if any of the following conditions applies:

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

2.11 Impairment of Financial Assets

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

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

2.11 *Impairment of Financial Assets (cont'd)*

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

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

2.12 *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.

2.13 *Financial Instruments*

(a) *Financial Assets*

i) Initial recognition and measurement

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

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

2.13 Financial Instruments (cont'd)**(a) Financial Assets (cont'd)**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 Liabilitiesi) 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 Leases

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

(a) Lease of Land

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

2.14 Leases (cont'd)**(a) Lease of Land (cont'd)****Right-of-use assets**

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

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

The Federation's right-of-use assets are presented within plant and equipment (Note 3).

Lease liabilities

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

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

The Federation's lease liabilities are disclosed in Note 8.

(b) Lease of Office

Lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Additionally, lessee are required to disclose the total cash outflow for leases for the reporting period.

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.

2.15 Provisions

Provisions are recognised when the Federation has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.16 Reserve Policy

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

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

2.17 Conflict of interest policy

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

3 Property, Plant and Equipment

	Furniture & Fittings	Equipment	Right-of-use asset	Total
	\$	\$	\$	\$
Cost:				
At 1 April 2019	11,339	98,686	-	110,025
Additions	-	24,000	12,373	36,373
At 31 March 2020				
1 April 2020	11,339	122,686	12,373	146,398
Additions	-	105,419	10,674	116,093
Disposals	(3)	(2,518)	-	(2,521)
At 31 March 2021	11,336	225,587	23,047	259,970
Accumulated Depreciation:				
At 1 April 2019	2,730	50,957	-	53,687
Charge for the financial year	3,387	26,716	7,070	37,173
At 31 March 2020				
1 April 2020	6,117	77,673	7,070	90,860
Charge for the financial year	3,387	44,581	7,082	55,050
Disposals	(3)	(2,518)	-	(2,521)
At 31 March 2021	9,501	119,736	14,152	143,389
Net Book Value:				
At 31 March 2021	1,835	105,851	8,895	116,581
At 31 March 2020	5,222	45,013	5,303	55,538

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets. Details of such leased assets are disclosed in Note 15 (a).

4 Trade and Other Receivables

	2021	2020
	\$	\$
<u>Trade receivable:</u>		
Third party	37,760	127,182
	37,760	127,182
<u>Other receivable:</u>		
Security Deposit	16,498	11,523
Other receivable	20,147	17,789
	36,645	29,312
	74,405	156,494

4 Trade and Other Receivables (cont'd)

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

Expected credit losses

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

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash and cash equivalents - restricted	139,815	110,941
Cash and cash equivalents - unrestricted	575,171	307,583
	<u>714,986</u>	<u>418,524</u>

Oversea-Chinese Banking Corporation is the banker of the Federation.

Cash in hand denominated in foreign currency:

	2021	2020
	\$	\$
Azerbaijan New Manat	55	55
Riyal	2	2
Thai Baht	349	349
Indonesian Rupiah	1	1
Uzbekistan Som	117	117
Taiwan Dollar	28	28

6 Trade and Other Payables

	2021	2020
	\$	\$
<u>Trade payable:</u>		
Third party	1,042	540
Advance income	107,695	109,238
	108,737	109,778
<u>Other payables:</u>		
Accrual	91,320	47,058
Sport SG unutilised grant payable	141,416	112,824
Unutilised AEP grants	2,819	-
Unutilised SpexTag	200	-
	235,755	159,882
	<u>344,492</u>	<u>269,660</u>

7 Reserves

	2021	2020
	\$	\$
Unrestricted Funds - Accumulated Funds	<u>422,171</u>	<u>276,010</u>
Annual Operating Expenditure	<u>1,366,720</u>	<u>1,413,330</u>
Ratio of Reserves to Annual Operating Expenditure	0.31	0.20

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

8 Lease Liabilities

	2021	2020
	\$	\$
Lease liabilities instalments:		
- payable within 1 year	7,115	5,442
- payable after 1 year	1,838	-
	<u>8,953</u>	<u>5,442</u>

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position is 5.25%.

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

	2021	2020
	\$	\$
At 1 April 2020	5,442	-
Addition of lease liabilities	10,674	12,373
Payment of lease liabilities	(7,383)	(7,383)
Interest expense on lease liabilities	221	452
At 31 March 2021	<u>8,953</u>	<u>5,442</u>

9 One Team Singapore Fund Donation

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

10 SportSG One Team Singapore Fund

These funds are matching grants given by SportSG for donation of One Team Singapore Fund (Note 9).

11 Revenue

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

	2021	2020
	\$	\$
Subsidies from Sport Singapore-Cash	1,084,350	810,132
Subsidies from Sport Singapore-Non Cash	77,348	180,949
Donation income	10,220	25,950
Course and race entry fees	88,056	118,015
Membership ,license fee and sanction fees	5,482	31,493
Sponsorship	56,588	226,466
	<u>1,322,044</u>	<u>1,393,005</u>

12 Key Management Personnel Costs

	2021	2020
	\$	\$
Top three key executives' annual remuneration (Including CPF and bonuses)	<u>303,572</u>	<u>268,293</u>
Number of executives in remuneration bands:		
- More than S\$100,000	1	1
- Less than S\$100,000	2	2
Top three key executives' annual remuneration (Including CPF and bonuses)	<u>303,572</u>	<u>268,293</u>
Number of executives in remuneration bands:		
- More than S\$100,000	1	1
- Less than S\$100,000	2	2

13 Management Committee- Remuneration

Management Committee has not received any form of remuneration from the Federation for the year.

14 Tax-Exempt Receipts

	2021	2020
	\$	\$
Tax-exempt receipts issued for donations collected	<u>16,910</u>	<u>46,950</u>

15 Leases

Federation as a lessee

The Federation has lease contracts for land.

a) Carrying amounts of right-of-use assets classified within plant and equipment

	Land	
	2021	2020
	\$	\$
At 1 April 2020	5,303	12,373
Addition	10,674	-
Depreciation	(7,082)	(7,070)
At 31 March 2021	8,895	5,303

b) Lease liabilities

The carrying amount of lease liabilities is disclosed in Note 8 and the maturity analysis of lease liabilities is disclosed in Note 8.

c) Amounts recognised in comprehensive income:

	2021	2020
	\$	\$
Depreciation of right-of-use assets	7,082	7,070
Interest expense on lease liabilities	221	452
Total amount recognised in comprehensive	7,303	7,522

d) Total cash outflow

The Federation had total cash outflows for leases of \$7,383 in 2021 (2020: \$7,383).

16 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.

17 Related Party Transactions

The Federation's related party transactions for the year are as follows:

	2021	2020
	\$	\$
<i>Income</i>		
Donation income from Committee members	<u>10,000</u>	<u>1,000</u>
<i>Expenditure</i>		
Awards, Trophies & Prizes	-	52
Commissaire fees	<u>-</u>	<u>890</u>
	<u>-</u>	<u>942</u>

18 Overseas Expenditure

The federation incurred the following overseas expenditure during the year:

	2021	2020
	\$	\$
Total Overseas travel/accommodation/allowances/training	<u>-</u>	<u>182,459</u>

19 Fund Raising Event

The Federation had no fund raising event for the year.

20 Financial Risk Management Objectives and Policies

The main risks arising from the Federation's financial instruments are 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. Advance from Sports 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.

20 Financial Risk Management Objectives and Policies (cont'd)

	Lease liabilities		Trade and other payables	
	2021	2020	2021	2020
	\$	\$	\$	\$
< 12 months	7,115	5,442	236,797	160,422
	<u>8,953</u>	<u>5,442</u>	<u>236,797</u>	<u>160,422</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.

21 Fair Values of Financial Instruments

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

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

Cash and cash equivalents, other receivables and other payables

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

Trade receivables and trade payables

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

Classification of Financial Instruments

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

21 Fair Values of Financial Instruments (cont'd)

	2021	2020
	\$	\$
Financial assets		
Trade and other receivables	83,864	187,991
Cash and cash equivalents	714,986	418,524
	<u>798,850</u>	<u>606,515</u>
Financial liabilities		
At amortised cost		
Trade and other payables	236,797	160,422
Lease liabilities	8,953	5,442
	<u>245,750</u>	<u>165,864</u>

22 Accounting Estimates and Judgement in Applying Accounting Policies

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

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of 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 this property, plant and equipment to be within 3 to 5 years. The carrying amount of the Federation's property, plant and equipment is stated in Note 3. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised and impact the profit in future years.

Impairment loss on trade receivables

The Federation evaluates whether there is any objective evidence that trade receivables are impaired and determine the amount of impairment loss as a result of the inability of the debtors to make required payments. The Federation bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

23 Capital Management

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

The Management regularly 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 2021 or 31 March 2020. 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 audited accounts

Detailed Statement of Comprehensive Income
For the year ended 31 March 2021

	2021			2020		
	\$			\$		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
<i>Income</i>						
Course and race entry fees	-	88,056	88,056	-	118,015	118,015
Donation income	16,700	10,220	26,920	46,800	25,950	72,750
Membership and license fee	-	4,440	4,440	-	17,993	17,993
Sanction fees	-	1,042	1,042	-	13,500	13,500
Subsidy from Sport Singapore	116,700	1,161,698	1,278,398	149,300	991,081	1,140,381
Sponsorship income	-	21,000	21,000	-	162,500	162,500
Sponsorship income - in kind	-	35,588	35,588	-	63,966	63,966
Other income	-	190,837	190,837	-	47,247	47,247
Total income	133,400	1,512,881	1,646,281	196,100	1,440,252	1,636,352
<i>Less Expenditure</i>						
Apparels	-	17,401	17,401	4,650	7,795	12,445
Bank charges	-	346	346	-	333	333
Contributions to CPF Board	-	100,662	100,662	3,803	79,321	83,124
Commissaires services	-	2,310	2,310	-	13,570	13,570
Depreciation of property, plant and equipment	7,082	47,968	55,050	6,931	30,242	37,173
Events and functions	-	45,657	45,657	-	117,248	117,248
General expenses	7,961	17,227	25,188	6,600	11,982	18,582
Insurance	5,946	9,245	15,191	1,585	13,921	15,506
Lease liability interest	221	-	221	452	-	452
Printing, postage and stationery	-	583	583	348	2,772	3,120
Professional and legal fees	-	192,446	192,446	-	30,327	30,327
Rental	1,684	84,847	86,531	2,970	112,664	115,634
Salaries and bonus	43,289	651,794	695,083	23,809	525,942	549,751
Staff welfare	5,931	10,957	16,888	2,863	5,290	8,153
Travelling, training and competition expense	280	22,509	22,789	62,799	286,412	349,211
Sport equipments	3,757	56,370	60,127	3,025	46,254	49,279
Sponsorship expense - in kind	-	35,588	35,588	-	63,966	63,966
Telecommunication	-	1,605	1,605	-	2,129	2,129
Transport	75	1,503	1,578	34	3,487	3,521
Trainer, instructor and coaching fees	28,300	67,702	96,002	29,300	59,675	88,975
	(104,526)	(1,366,720)	(1,471,246)	(149,169)	(1,413,330)	(1,562,499)
Surplus for the year before taxation	28,874	146,161	175,035	46,931	26,922	73,853