

SINGAPORE DRAGON BOAT ASSOCIATION

Reg. No. (UEN) S87SS0101F

**THE BOARD MEMBERS' REPORT
AND FINANCIAL STATEMENTS**

31 MARCH 2024

SINGAPORE DRAGON BOAT ASSOCIATION
THE BOARD MEMBERS' REPORT - 31 MARCH 2024

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SINGAPORE DRAGON BOAT ASSOCIATION

THE BOARD MEMBERS' REPORT - 31 MARCH 2024

The Board Members have, on the date of the statement, authorised the issue of these financial statements.

Board Members

President	Mr Alex Yeo Sheng Chye
Senior Vice-President (Mass Participation)	Mr Choi Pui Chau, Gordon
Senior Vice-President (Performance Maximization)	Mr Tok Hock Soon
Vice-President (High Performance)	Mr. Chia Yi Liang
Vice-President (Technical and Certification)	Ms Huang Xiao Man, Apple
Vice-President (Safety and Education)	Mr Alan Tan Hock Seng
Vice- President (Publicity and Promotion)	Dr Dexter Chan Yak Seng
Vice-President (Sports Talent Development)	Mr Clement Leong Yew Loon
Honorary-Treasurer	Mr Wong Ee Chan
Secretary-General	Mr Tony Leong Pak Keong
Assistant Honorary Treasurer	Ms Amanda Lai Tzyy Ei
Australian Chamber of Commerce (Rep)	Mr Andreas Kasteal
People's Association (Rep)	Mr Dharmalingam s/o Sokalingam
American Dragons Singapore (Rep)	Ms Althea Pabillore
British Chamber of Commerce (Rep)	Mr Bruno Spence
Nanyang Technological University (Rep)	Ms Ivyna Tan
Co-opted Member	Ms Cheng Nyuk Yen
Co-opted Member	Mr Ch'ng Khai Hung
Co-opted Member	Mr Eric Lo Lok Fung
Co-opted Member	Mr Lim Guan Chwee
Co-opted Member	Mr Tan Si Hao
Co-opted Member	Ms Kimberley Madella Chow

SINGAPORE DRAGON BOAT ASSOCIATION

THE BOARD MEMBERS' REPORT - 31 MARCH 2024

Independent Auditors

The independent auditors, Messrs Thong & Lim, Chartered Accountants, have expressed their willingness to accept re-appointment.

In the opinion of the Board,

- (a) the financial statements of Singapore Dragon Boat Association (the "Association") as set out on page 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Association as at 31 March 2024 and of the financial performance, changes in funds and cash flows of the Association for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the Board,



MR ALEX YEO SHENG CHYE
PRESIDENT



MR WONG EE CHAN
HONORARY-TREASURER

24 JULY 2024

SINGAPORE DRAGON BOAT ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINGAPORE DRAGON BOAT ASSOCIATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Dragon Boat Association (the "Association"), which comprise the statement of financial position as at 31 March 2024, and 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Association as at 31 March 2024 and of the financial performance, changes in funds and cash flows of the Association 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 Association 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

The Board is responsible for the other information. The other information comprises the Board Members' Report but does not include the financial statements and our report thereon.

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 identified above 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 on the other information that we obtained prior to the date of this report, 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 the Board for the financial statements

The Board is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Board is responsible for assessing the Association'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 the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board' responsibilities include overseeing the Association's financial reporting process.

SINGAPORE DRAGON BOAT ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of Association'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 Association'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 Association 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 Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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



Thong & Lim
Public Accountants
Chartered Accountants
Singapore

24 July 2024

SINGAPORE DRAGON BOAT ASSOCIATION**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	2024 S\$	2023 S\$
Non-current assets			
Property, plant and equipment	3	164,286	179,976
Current assets			
Trade and other receivables	4	121,414	80,041
Prepayments		7,305	21,160
Bank balance and fixed deposits		1,112,402	926,458
		<u>1,241,121</u>	<u>1,027,659</u>
Current liabilities			
Trade and other payables	5	295,622	162,677
Lease liability	6	24,059	70,101
		<u>319,681</u>	<u>232,778</u>
Net current assets		<u>921,440</u>	<u>794,881</u>
Non-current liabilities			
Lease liability	6	-	23,838
Net assets		<u>1,085,726</u>	<u>951,019</u>
Representing			
Restricted funds	8	220,759	120,236
Unrestricted funds	9	864,967	830,783
		<u>1,085,726</u>	<u>951,019</u>

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

SINGAPORE DRAGON BOAT ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 S\$	2023 S\$
Income			
Course fee income		36,026	12,520
Donation income		125,404	49,067
OTSF matching grant		125,354	38,797
Event income		361,510	403,078
Gain on disposal of property, plant and equipment		2,260	7,741
Grants from SportSG		771,622	780,261
Membership entrance and affiliation fee income		23,698	20,806
Other government grants		6,726	27,966
Rental income		566,185	497,390
Sundry income		16,358	10,827
Total income	10	<u>2,035,143</u>	<u>1,848,453</u>
Expenditure			
Coaching fees and allowances		54,780	52,180
Depreciation of property, plant and equipment	3	133,095	107,589
Expenditure on events and competition	11	424,664	382,050
Finance costs	13	1,682	3,721
Overseas travel expenses		124,664	87,863
Rental and other operating lease expenses		237,476	235,276
Repairs and maintenance		117,098	142,699
Sports equipment and accessories		16,341	13,440
Key Management staff costs			
- CPF contribution	12	46,577	33,238
- Salaries and other staff costs	12	276,586	196,685
Staff costs			
- CPF and SDL contributions		42,846	44,871
- Salaries and other staff costs		283,436	271,427
Other operating expenses	14	141,191	121,905
Total expenditure		<u>1,900,436</u>	<u>1,692,944</u>
Surplus for the year		134,707	155,509
Other comprehensive income		-	-
Total comprehensive income for the year		<u>134,707</u>	<u>155,509</u>
Surplus for the year is attributable as follow:			
Unrestricted funds:			
- General Fund		34,184	119,466
Restricted funds:			
- OTSF and Sports Equipment Fund		100,523	36,043
		<u>134,707</u>	<u>155,509</u>

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

SINGAPORE DRAGON BOAT ASSOCIATION**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	S\$	S\$
RESTRICTED FUNDS:		
Sports Equipment Fund		
Beginning of financial year	3,000	6,000
Amortisation of fund	(3,000)	(3,000)
End of financial year	-	3,000
OTSF Fund		
Beginning of financial year	117,236	78,193
Donation income	125,404	49,067
Matching grants	125,354	38,797
Utilised during the year	(147,235)	(48,821)
End of financial year	220,759	117,236
	220,759	120,236
UNRESTRICTED FUNDS:		
General Fund		
Beginning of financial year	830,783	711,317
Surplus for the year	34,184	119,466
End of financial year	864,967	830,783

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

SINGAPORE DRAGON BOAT ASSOCIATION**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 S\$	2023 S\$
Cash flows from operating activities			
Surplus before tax		134,707	155,509
Adjustments for:			
Depreciation of property, plant and equipment		133,095	107,589
Finance costs		1,682	3,721
Gain on disposal of property, plant and equipment		(2,260)	(7,741)
Interest income		(13,020)	(4,800)
Operating cash flows before changes in working capital		254,204	254,278
Changes in working capital:			
Increase in trade and other receivables		(41,373)	(27,548)
Decrease/(increase) in prepayments		13,855	(12,988)
Increase/(decrease) in trade and other payables		132,945	(1,984)
Cash generated from operations		359,631	211,758
Interest paid		(1,682)	(3,721)
Net cash from operating activities		357,949	208,037
Cash flows from investing activities			
Purchase of property, plant and equipment		(117,020)	(42,732)
Proceeds from disposal of property, plant and equipment		2,260	7,741
Interest income		13,020	4,800
Net cash used in investing activities		(101,740)	(30,191)
Cash flows from financing activities			
Principal payment of lease liability		(70,265)	(67,561)
Net cash used in financing activities		(70,265)	(67,561)
Net increase in cash and cash equivalents		185,944	110,285
Cash and cash equivalents at beginning of year		926,458	816,173
Cash and cash equivalents at end of year	16	1,112,402	926,458

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

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

These notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Singapore Dragon Boat Association (the "Association") is registered in the Republic of Singapore and has its registered office at 3 Stadium Drive, #01-33 Singapore 397630. The Association is registered under the Singapore Societies Act 1966 and Charities Act 1994. The Association has been approved as an Institute of a Public Character (IPC) for the period from 1 January 2024 to 31 December 2026.

The principal activities of the Association are to promote, organise, control and safeguard Dragon Boat events in all its aspects, as well as to arrange and assist Dragon Boat races and related activities at local, national and international level.

2. MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the Societies Act 1966, The Charities Act 1994 and other relevant regulations and Singapore Financial Reporting Standards (FRSs). The Board has determined the Association's functional currency, being the currency of the primary economic environment in which it operates, to be the Singapore dollar (S\$). The financial statements, which are presented in Singapore dollars, have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Association has adopted all new and revised FRSs and Interpretations of FRS (INT FRS) relevant to its operations and which came into effect for annual periods beginning on or after 1 January 2023. Changes to the Association's accounting policies have been made as required, in accordance with the transition provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in significant changes to the Association's accounting policies and did not have a material effect on the amounts reported for the current or prior financial years.

The preparation of financial statements in conformity with FRS requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Although these estimates and underlying assumptions are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances, actual results could ultimately differ from those estimates.

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.

There are no judgements made by the Board 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 next financial year.

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. All items of property, plant and equipment are initially recorded at cost.

The initial cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if there is such an obligation when acquiring or using the asset. Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Association. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Property, plant and equipment (continued)

Depreciation of the property, plant and equipment is calculated on the straight-line method to allocate their depreciable amounts (costs less residual values) over their estimated useful lives as follows:

Leasehold property	term of the lease
Boats	5 years
Computer and office equipment	3 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate at each reporting date.

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

On disposal or retirement of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in the asset revaluation reserve relating to that asset is transferred directly to accumulated earnings.

c) Impairment of non-financial assets

The Board assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the recoverable amount of the asset is estimated and an impairment loss is recognised as an expense in profit or loss whenever the carrying amount of the asset exceeds its estimated recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimated recoverable amount, but not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

d) Financial assets

The Association classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. Classification depends on the Association's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Financial assets (continued)

There are three prescribed subsequent measurement categories, depending on the Association's business model in managing the assets and the cash flow characteristics of the assets. The following categories are relevant to the Association's operations:

Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are categorised as and subsequently measured at amortised cost using the effective interest method, less impairment. Gains and losses on debt instruments are recognised in profit or loss when the asset is derecognised or impaired.

Debt instruments of the Association mainly comprise bank balances and deposits and trade and other receivables.

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

The Association assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables, the Association applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank balances and deposits, the general 3 stage approach is applied. Credit loss allowance is based on a 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

e) Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

f) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

h) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) 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 measured at the Board's best estimate of the expenditure required to settle the present obligation at the reporting date, and are discounted to present value when the effect is material. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Funds

All income and expenditures are reflected in the statement of comprehensive income. Income and expenditures specifically relating to any of the funds separately set up by the Association are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which the Board retains full control to use in achieving any of its Association purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

j) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the government grant relates to an asset, the grant is credited to a deferred income account in the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable for the purpose of giving immediate financial support to the Association with no future related costs are recognised in profit or loss in the period in which they become receivable.

k) Leases

As lessee

At the inception of the contract, the Association assesses if the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Association allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. The Association has elected not to separate lease and non-lease components for property leases and accounts for these as one single lease component.

The Association recognises a right-of-use ("ROU") asset and lease liability at the date which the underlying asset is available for use. ROU assets are initially measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Lease liabilities are initially measured at the present value of lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a. Fixed payments, including in-substance fixed payments;
 - b. Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
 - c. Amounts expected to be payable under a residual value guarantee; and
 - d. The exercise price under a purchase option that the Association is reasonably certain to exercise, lease payments in an optional renewal period if the Association is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Association is reasonably certain not to terminate early.
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SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Leases (continued)

Lease liabilities are measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Association's estimate of the amount expected to be payable under a residual value guarantee, if the Association changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

On remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Association's ROU assets are presented within property, plant and equipment.

Short-term leases and leases of low-value assets

The Association has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases that have lease terms of 12-months or less. The Association recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As lessor

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis in profit or loss over the term of the lease. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees as a result of services rendered by them up to the reporting date. A provision is made for the estimated liability for annual leave accrued and not yet taken by the reporting date.

For qualifying employees, the Association makes mandatory contributions to the Central Provident Fund scheme, a defined state contribution plan. These contributions are recognised as staff costs in the period in which the related service is performed.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board are considered key management personnel.

m) Revenue recognition

Revenue from contracts with customers for the sale of goods or provision of services in the ordinary course of business is recognised when the Association satisfies a performance obligation by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

The transaction price is the amount of consideration in the contract to which the Association expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Association does not receive a separately identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved. Revenue may be recognised at a point in time or over time following the timing of satisfaction of the performance obligation. If a performance obligation is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Revenue recognition (continued)

The transaction price is allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations. More specifically:

Course fee

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

Event revenue and prize income

Event revenue and prize income are recognised when the event occurs.

Donations and sponsorships

Income from donations and sponsorships are accounted for when received, except from committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships.

Rental income

Rental income arising on operating leases is accounted for on a straight-line basis over the lease term.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Membership entrance and affiliation fee income

Membership entrance and affiliation fee income is recognised on a straight-line basis over the subscription period.

n) Income tax

The Association is an approved charity organisation under the Charities Act 1994. No provision for taxation has been made in the financial statements as the Association is exempt from income tax in accordance with the provisions of the Income Tax Act 1947.

o) Foreign currencies

Transactions in foreign currencies are recorded in Singapore dollars by applying the exchange rates at the date of the transactions. At each reporting date, foreign currency monetary items are translated using the closing exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss for the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised directly in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Related parties

Entities and individuals that directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with the Association, are related parties of the Association. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Association that gives them significant influence over the entity, key management personnel, including The Board Members of the Association and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

q) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits less bank overdrafts and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

r) Conflict of interest policy

The Board Members are expected to avoid actual and perceived conflicts of interest. Where the Board Members have personal interest in business transactions or contracts that the Association may have enter into, or have vested interest in other organisations that the Association have dealings with or is considering to enter into joint ventures with, they are expected to declare such interest to the Board as soon as possible and abstain from discussion and decision-making on the matter.

Where such conflicts exist, the Board will evaluate whether any potential conflicts of interest will affect the continuing independence of the Board Members and whether it is appropriate for the Board Member to continue to remain on the Board.

SINGAPORE DRAGON BOAT ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024****3. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold property S\$	Computer and office equipment S\$	Boats S\$	Total S\$
2024				
Cost				
At beginning of year	205,325	111,006	740,596	1,056,927
Modification of lease liability (note 7)	385	-	-	385
Additions in the year	-	9,100	107,920	117,020
Disposals in the year	-	-	(216,093)	(216,093)
At end of year	<u>205,710</u>	<u>120,106</u>	<u>632,423</u>	<u>958,239</u>
Depreciation				
At beginning of year	113,497	68,984	694,470	876,951
Depreciation charge for the year	69,519	20,910	42,666	133,095
Disposals in the year	-	-	(216,093)	(216,093)
At end of year	<u>183,016</u>	<u>89,894</u>	<u>521,043</u>	<u>793,953</u>
Carrying value 2024	<u>22,694</u>	<u>30,212</u>	<u>111,380</u>	<u>164,286</u>
2023				
Cost				
At beginning of year	204,296	124,018	833,956	1,162,270
Modification of lease liability (note 7)	1,029	-	-	1,029
Additions in the year	-	42,732	-	42,732
Disposals in the year	-	(55,744)	(93,360)	(149,104)
At end of year	<u>205,325</u>	<u>111,006</u>	<u>740,596</u>	<u>1,056,927</u>
Depreciation				
At beginning of year	45,398	109,628	763,440	918,466
Depreciation charge for the year	68,099	15,100	24,390	107,589
Disposals in the year	-	(55,744)	(93,360)	(149,104)
At end of year	<u>113,497</u>	<u>68,984</u>	<u>694,470</u>	<u>876,951</u>
Carrying value 2023	<u>91,828</u>	<u>42,022</u>	<u>46,126</u>	<u>179,976</u>

Leasehold property is right-of-use of asset acquired under a leasing arrangement. Details of such leased asset are disclosed in note 7.

4. TRADE AND OTHER RECEIVABLES

	2024 S\$	2023 S\$
Trade receivables	95,932	42,509
Deposits	17,792	18,622
Grant receivables	3,524	15,870
Interest receivables	3,144	3,040
Other receivables	1,022	-
	<u>121,414</u>	<u>80,041</u>

Trade and other receivables are denominated in Singapore dollars and their carrying amounts approximate their fair values.

SINGAPORE DRAGON BOAT ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024****5. TRADE AND OTHER PAYABLES**

	2024	2023
	S\$	S\$
Trade payables	71,956	45,857
GST payables	21,755	10,999
Advance income	9,590	19,588
Other payables and accruals	192,321	86,233
	<u>295,622</u>	<u>162,677</u>

Trade and other payables are denominated in Singapore dollars and their carrying amounts approximate their fair values.

6. LEASE LIABILITY

	2024	2023
	S\$	S\$
Current	24,059	70,101
Non-current	-	23,838
Total lease liability	<u>24,059</u>	<u>93,939</u>

Effective interest rate at reporting date:

Lease liability	<u>3%</u>	<u>3%</u>
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Lease liability is denominated in Singapore dollars and its carrying amount approximates its fair value.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Association's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Association's statement of cash flows as cash flows from financing activities.

	1 April	Principal and	Non-cash changes		31 March
			interest	Modification	
	S\$	payments	of lease	expense	S\$
		S\$	liability	S\$	
			S\$		
2024					
Lease liability	93,939	(71,947)	385	1,682	24,059
2023					
Lease liability	160,471	(71,282)	1,029	3,721	93,939

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

7. LEASES

Where the Association is the lessee

The Association leases office and work stations for the purpose of day to day office operations. The lease typically runs for a period of 3 years and is renegotiated upon renewal to reflect market rentals.

Information about leases for which the Association is a lessee is presented below:

Right-of-use asset

Right-of-use asset relating to leased property is presented within property, plant and equipment (note 3).

	2024	2023
	S\$	S\$
<i>Leasehold property</i>		
At beginning of year	91,828	158,898
Modifications to lease liability	385	1,029
Depreciation charge for the year	(69,519)	(68,099)
At end of year	<u>22,694</u>	<u>91,828</u>
<i>Amounts recognised in profit or loss:</i>		
Interest on lease liabilities	1,682	3,721
Expenses relating to short-term leases	236,908	234,709
	<u>238,590</u>	<u>238,430</u>
<i>Amounts recognised in statement of cash flows:</i>		
Total cash outflow for leases	<u>308,855</u>	<u>305,991</u>

8. RESTRICTED FUNDS

	2024	2023
	S\$	S\$
Composition		
Sports Equipment Fund	-	3,000
OTSF Fund	220,759	117,236
	<u>220,759</u>	<u>120,236</u>
Movements in restricted funds:		
Sports Equipment Fund		
At beginning of year	3,000	6,000
Amortisation of fund	(3,000)	(3,000)
At end of year	<u>-</u>	<u>3,000</u>
OTSF Fund		
<u>Donation income</u>		
At beginning of year	93,012	43,945
Received during the year	125,404	49,067
Utilised during the year	(43,300)	-
At end of year	<u>175,116</u>	<u>93,012</u>
<u>Matching grant</u>		
At beginning of year	24,224	34,248
Received during the year	125,354	38,797
Utilised during the year	(103,935)	(48,821)
At end of year	<u>45,643</u>	<u>24,224</u>
Total OTSF Fund	<u>220,759</u>	<u>117,236</u>

SINGAPORE DRAGON BOAT ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024****8. RESTRICTED FUNDS (CONTINUED)**Sports Equipment Fund

This fund raised by the Association is to provide funding for the purchase of dragon boat.

OTSF Fund

The One Team Singapore Fund (OTSF) was created to enable all supporters of Team Singapore to contribute towards strengthening the High-Performance Sport system. It offers matching grants from the Government for donations channelled towards supporting Team Singapore Athletes with an annual cap amount of S\$400,000 with no time restriction on the use.

9. UNRESTRICTED FUNDS

	2024	2023
	S\$	S\$
Unrestricted Funds – Accumulated Funds	<u>864,967</u>	<u>830,783</u>

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

10. INCOME

Income mainly represents contributions received and receivable for sports activities conducted during the year. The Association enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Association. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The Institutions of a Public Character status granted to the Association for donations is for the period from 1 January 2024 to 31 December 2026.

	2024	2023
	S\$	S\$
Tax-exempt receipts issued for donations collected	<u>124,488</u>	<u>45,225</u>

11. EXPENDITURE ON EVENTS AND COMPETITION

	2024	2023
	S\$	S\$
Event expenses	<u>424,664</u>	<u>382,050</u>

SINGAPORE DRAGON BOAT ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024****12. STAFF COSTS**

No staff is involved in setting his own remuneration. The annual remuneration of key management personnel is classified as follows:

	2024	2023
	S\$	S\$
CPF contribution	46,577	33,238
Salaries and other staff costs	276,586	196,685
	<u>323,163</u>	<u>229,923</u>

Number of key management in remuneration bands:

	2024	2023
Below S\$100,000	3	2
S\$100,001 – S\$200,000	1	1
S\$200,001 – S\$300,000	-	-
S\$300,001 – S\$400,000	-	-
	<u>-</u>	<u>-</u>

The top three highest paid staff annual remuneration is classified as follows:

	2024	2023
	S\$	S\$
CPF contribution	38,881	34,377
Salaries and other staff costs	231,316	202,532
	<u>270,197</u>	<u>236,909</u>

Number of top 3 highest paid staff in remuneration bands:

	2024	2023
Below S\$100,000	2	2
S\$100,001 – S\$200,000	1	1
S\$200,001 – S\$300,000	-	-
S\$300,001 – S\$400,000	-	-
	<u>-</u>	<u>-</u>

13. FINANCE COSTS

	2024	2023
	S\$	S\$
Finance costs comprise interest on:		
Lease liability	1,682	3,721
	<u>1,682</u>	<u>3,721</u>

14. OTHER OPERATING EXPENSES

	2024	2023
	S\$	S\$
Included in other operating expenses are:		
Insurance	21,930	25,869
Trainers and steersman allowances	72,240	59,985
	<u>94,170</u>	<u>85,854</u>

SINGAPORE DRAGON BOAT ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024****15. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

	2024	2023
	S\$	S\$
The Association's related party transactions are as follows:		
Events and boat races	10,265	10,645
Balances with the Board Members of the Association at the reporting date: Included under trade payables in the statement of financial position	1,390	900

16. CASH AND CASH EQUIVALENTS

	2024	2023
	S\$	S\$
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:		
Bank balance	648,402	462,458
Fixed deposits	464,000	464,000
	1,112,402	926,458

Fixed deposits bear effective interest at an average rate of 2.28% (2023: 3.07%) per annum and are for an average tenor of 248 days (2023: 285 days).

Cash and cash equivalents are denominated in Singapore dollars.

DBS Bank Ltd is the banker of the Association.

17. FINANCIAL RISK MANAGEMENT

The overall financial management of the Association is determined and carried out by the Board at their discretion and in the best interest of the Association. The Association is exposed to the following financial risks:

Liquidity risk

This is primarily due to fluctuations in the requirement for funds for the Association's operations and other activities. The Association manages liquidity risk by maintaining sufficient funds to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Association's financial liabilities at the reporting date, based on expected contractual undiscounted cash flows:

	Total	Within 1	Within 2 to 5
	S\$	year	years
		S\$	S\$
2024			
Lease liability	24,149	24,149	-
2023			
Lease liability	95,708	71,781	23,927

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

This is primarily due to uncertainty in the recoverability of the carrying amounts of the Association's financial assets. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Association minimises credit risk by dealing exclusively with high credit rating counterparties.

The Association manages credit risk arising from the rendering of services to customers through a credit evaluation process and regular monitoring thereafter. If customers are independently rated, these ratings are used. Otherwise, the Board assesses the credit quality of the customer taking into account its financial position, past experience and other factors. Compliance with credit limits set is regularly monitored.

At the reporting date there were no financial assets that were subject to more than immaterial credit losses where the expected credit loss model has been applied. The Association has applied the simplified approach to measure lifetime expected credit losses for trade receivables from customers. To measure expected credit losses, these receivables have been assessed based on shared credit risk characteristics and days past due. The Association considers historical observed default rates in determining expected credit loss provision rates.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Association. The Association categorises a receivable for write off when a debtor fails to make contractual payment greater than an acceptable number of days past due based on historical collection trends. Where receivables have been written off, the Association continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The following table provides information about the Association's credit risk exposure in relation to trade receivables from customers as at the reporting date:

	2024	2023
	S\$	S\$
Current (not past due)	34,557	11,426
1 – 30 days past due	27,394	7,933
31 – 60 days past due	(29)	6,553
61 – 90 days past due	19,289	-
More than 90 days past due	14,721	16,597
	<u>95,932</u>	<u>42,509</u>

Offsetting financial assets and financial liabilities

The financial instruments of the Association are not subject to any enforceable master netting arrangements or similar agreements.

SINGAPORE DRAGON BOAT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

18. FINANCIAL INSTRUMENTS BY CATEGORY

The following table sets out the financial instruments as at the reporting date:

	2024	2023
	S\$	S\$
Financial assets		
<i>Amortised cost</i>		
Trade and other receivables	117,890	64,171
Cash and cash equivalents	1,112,402	926,458
	<hr/>	<hr/>
Financial liabilities		
<i>Amortised cost</i>		
Lease liability	24,059	93,939
Trade and other payables	264,277	132,090
	<hr/>	<hr/>

19. FUND MANAGEMENT

The primary objective of the Association's fund management policy is to ensure that it maintains strong and healthy capital ratios in order to support its operations and potential initiatives.

The Association targets to maintain an optimum level of accumulated fund. This excludes restricted funds. The Association regularly reviews and manages its fund to ensure optimal capital structure, taking into consideration the future capital requirements of the Association and capital efficiency, projected income and operating cash flows.

The Board closely monitors the funds of the Association. The Board provides strategic direction on the long term financial and assets development of the Association.

The Association is not subject to externally imposed capital requirements.

The Association did not breach any gearing covenants during the financial year ended 31 March 2024. In the same period, no significant changes were made in the objectives, policies or processes relating to the management of the Association's capital structure.

20. FRS ISSUED BUT NOT YET EFFECTIVE

At the reporting date, the Association has not adopted the following standards that are relevant to the Association's operations:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 1: <i>Non-current liabilities with Covenants</i>	1 January 2024

The Board expects that the adoption of the standards listed above will not have a material impact to the financial position and financial performance of the Association in the period of initial application.