

SINGAPORE MOTOR SPORTS ASSOCIATION

FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

Audit Alliance LLP

Public Accountants and Chartered Accountants Singapore

SINGAPORE MOTOR SPORTS ASSOCIATION

FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT BY MANAGEMENT COMMITTEE

For the financial year ended 31 March 2016

In the opinion of the Management Committee,

The Management Committee members duly authorised by Singapore Motor Sports Association, hereby state that in our opinion, the financial statements of the Association set out on pages 4 to 24 are properly drawn up in accordance with the provision of the Singapore Societies Act, Cap.311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of Singapore Motor Sports Association as at 31 March 2016 and of the results, changes in accumulated funds and cash flow of the Association for the financial year then ended; and 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 Management Committee,



Leslie Chang
PRESIDENT



Karl Daruwalla
TREASURER

Singapore, **25 MAY 2016**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MOTOR SPORTS ASSOCIATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Motor Sports Association (the "Association") set out on pages from 4 to 24 which comprise the statement of financial position as at 31 March 2016, and statement of comprehensive income, the statement of changes in accumulated fund and the statement of cash flows for the financial year ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act, Cap.311 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and statement of financial position and to maintain accountability of assets.

Independent Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

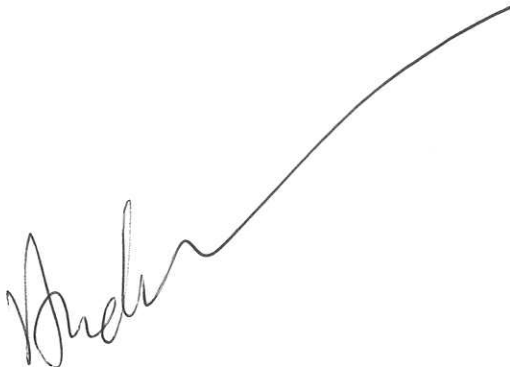
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MOTOR SPORTS ASSOCIATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

Opinion

In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2016 and of the results, changes in funds and cash flows of the Association for the financial year ended on that date.

Reporting on other legal and regulatory requirements

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



AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore, **2 5 MAY 2016**

SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

	Note	2016 S\$	2015 S\$
INCOME			
Revenue	4	266,236	75,407
Other income	5	60,155	51,621
		<u>326,391</u>	<u>127,028</u>
ADD: OTHER OPERATING INCOME			
SSC grant	6	150,212	164,613
Interest income		408	432
		<u>477,011</u>	<u>292,073</u>
LESS: EXPENSES			
Depreciation of property, plant and equipment	14	8,702	9,199
Employment benefits	7	104,108	106,220
Rental expense		48,376	54,115
Event related supplies		21,573	56,704
Other operating expenses		274,573	110,288
		<u>457,332</u>	<u>336,526</u>
Total Surplus/(Deficit)		19,679	(44,453)
Other comprehensive income		-	-
Total comprehensive income for the year ended		<u>19,679</u>	<u>(44,453)</u>

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

SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

<u>THE GENERAL FUND</u>	Note	2016 S\$	2015 S\$
ASSETS			
Non-current assets			
At cost	14	316,881	316,881
Less: Accumulated depreciation	14	(271,735)	(263,033)
		45,146	53,848
Current assets			
Trade and other receivables	11	354,680	303,241
Cash and cash equivalents	12	114,090	165,635
		468,770	468,876
TOTAL ASSETS		513,917	522,724
Current Liabilities			
Trade payables	13	282,197	280,824
Other payables	13	10,203	39,663
		292,400	320,487
NET ASSETS		221,517	202,237
Less: Balance due to Trustee Fund (by transfer)		146,291	146,690
		146,291	146,690
		75,226	55,547
Representing:			
The General Fund			
Capital General Fund	2.15	100,000	100,000
Less: Retained Deficit		(24,774)	(44,453)
		75,226	55,547

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

SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	2016 S\$	2015 S\$
<u>THE TRUSTEE FUND</u>			
Balance at the beginning of the financial year		792,758	792,758
Add: Transfer from/(to) General Fund – Rule 28A (I)		-	-
		<u>792,758</u>	<u>792,758</u>
These were represented by:-			
FIXED DEPOSITS	12	159,608	159,210
CASH AT BANK	12	486,859	486,858
Add:			
Balance due from General Fund		146,291	146,690
TRUSTEE FUND ACCOUNTED FOR	2.16	<u>792,758</u>	<u>792,758</u>

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



SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 March 2016

	<u>General</u> <u>Fund</u> S\$	<u>Retained</u> <u>(Deficit)/Surplus</u> S\$	<u>Total</u> S\$
2016			
Beginning of financial year	100,000	(44,453)	55,547
Total comprehensive income for the financial year	-	19,679	19,679
End of financial year	100,000	(24,774)	75,226
2015			
Beginning of financial year	100,000	-	-
Total comprehensive income for the financial year	-	(44,453)	(44,453)
End of financial year	100,000	(44,453)	55,547

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



SINGAPORE MOTOR SPORTS ASSOCIATION

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

	Note	2016 S\$	2015 S\$
Operating activities			
Total surplus for the year		19,679	(44,453)
Adjustments for:			
Depreciation of property, plant and equipment	14	8,702	9,199
Interest income		(408)	(432)
Operating cash flows before changes in working capital		27,973	(35,686)
Changes in working capital:			
Trade and other receivables		(51,440)	(291,909)
Trade and other payables		(28,087)	301,950
Cash generated from operations		(51,554)	(25,645)
Interest received		408	432
Net cash used in operating activities		(51,146)	(25,213)
Investing activities			
Purchases of plant and equipment	14	-	(1,940)
Net cash used in investing activities		-	(1,940)
Net decrease in cash and cash equivalents		(51,146)	(27,153)
Cash and cash equivalents at beginning of the financial year		811,703	838,856
Cash and cash equivalents at end of the financial year	12	760,557	811,703

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

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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

1. General

Singapore Motor Sports Association (the "Association") is registered in the Republic of Singapore under the Singapore Societies Act, Cap 311 and has its registered office at 20 Maxwell Road, #05-15, Singapore 069113.

The principal activities of the Association are to promote, encourage and develop motor sports in Singapore as well as to administer and/or govern motor sports in Singapore in its capacity as the National Sports Association for motor sports and, where applicable, in accordance with the sporting powers bestowed upon its international governing bodies.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) except when otherwise indicated.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Association has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial statements.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Association's activities. Revenue is presented, net of value-added tax, rebates and discounts. Revenue is recognised as follows:

- (i) Subscription from members
Subscriptions from members are recognised when the Association has received it.
- (ii) Interest income
Interest income is recognised on a time proportion basis, using the effective interest rate.
- (iii) Rental income
Rental income from operating lease on leasehold property is recognised on a straight line basis over the lease term.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Computer	1 year
Computer software	1 year
Furniture and fittings	5 years
Leasehold property	30 years
Motor vehicles	3 years
Office equipments	5 years
Renovations	5 years

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition up to the month before disposal respectively. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

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

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

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

2.5 Leases

(a) As lessee

Finance leases which transfer to the Association substantially all the risk and rewards incidental to ownership of leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.5 Leases (continued)

(b) As lessor

Leases where the Association retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. 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. The accounting policy for rental income is set out in Note 2.3. Contingent rents are recognised as revenue in the period in which they are earned.

2.6 Impairment of non-financial assets

All non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Association's functional currency. Each entity determines its own functional currency and item included in the financial statements of each entity are measured using the functional currency.

a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Association and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss

2.8 Taxes

The Association is a registered charity. With effect from the Year of Assessment 2008, all registered charities will enjoy automatic income tax exemption without having to meet the 80% spending rule. The Association is not required to file income tax returns effective from the Year of Assessment 2008 under Section 13(U) of Singapore Income Tax Act Cap 134.

2.9 Employee benefits

Defined contribution plans

The Association participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore societies make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant related to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.11 Financial assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Loans and receivables

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

ii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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 is recognised in profit or loss.

2.12 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. Association 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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

De-recognition

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

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and deposits with financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2. Significant accounting policies (continued)

2.14 Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes

- a) A person or a close member of that person's family if that person:
 - i) has control or joint control over the reporting entity
 - ii) has significant influence over the reporting entity
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

- b) An entity is related to the reporting entity if any of the following conditions apply:
 - i) The entity and the reporting entity 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 reporting entity or an entity related to the reporting entity
 - 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).

2.15 General Fund

This fund is used to account for general operations and activities of the Association.

2.16 Trustee Fund

This fund consists of the long term funds that are held and controlled separately by the appointed Trustees of the Association. Any amount in excess of S\$100,000 of the balance of the General Fund at the end of the financial year, is transferred to the Trustee's account in accordance with the Constitution of the Association.

2.17 Fair values of financial instruments

The carrying values of cash at bank, and amounts receivable and payable approximates fair value due to the relatively short-term maturity of these financial instruments.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

In the process of applying the Association's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

b) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight line basis over their useful life lives. The carrying amount of the Association's plant and equipment as at 31 March 2016 was \$45,146 (2015: \$53,848). 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.

c) Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of receivables from debtor. Allowances are applied to receivables from debtor where event or changes in circumstances indicate that the balances may not be collectible. Where the expected outcome is different from original estimate, such difference will impact carrying value of receivables from debtor and doubtful debt expenses in the period in which such estimate has been changed.

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur. There are no key sources of estimation uncertainty to be disclosed as at 31 March 2016 and 31 March 2015.

4. Revenue

	2016 S\$	2015 S\$
Subscriptions from members	79,350	20,800
Income from members for issue of competition license	28,590	18,185
Rental income	18,600	18,600
Entrance fees	43,650	-
Calender fees	1,546	-
Fine	1,200	-
Event organisation	7,850	4,011
Course fee income	16,800	10,800
Sanctioning fee	29,250	1,011
Sponsorship	39,400	2,000
	<u>266,236</u>	<u>75,407</u>

5. Other income

	2016 S\$	2015 S\$
Affiliation fees	900	300
ASN fee	10,887	10,000
Admin fee	13,010	12,830
Appeal fee	4,990	2,000
Inscription fee	200	100
Inspection fee	300	-
Off-road bike inspection	640	320
Off-road car inspection	7,810	3,840
PCCA Fines	-	1,520
SMSA annual dinner	665	1,525
SMSA drive away	-	8,700
Transfer ownership	1,850	800
Others	18,903	9,686
	<u>60,155</u>	<u>51,621</u>

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

6. SSC Grant

The operating grants taken to the Statement of Comprehensive Income are as shown below:

	2016 S\$	2015 S\$
SSC Grant	<u>150,212</u>	<u>164,613</u>

The grants received from the Singapore Sports Council (SSC) are mainly used to subsidise the cost of the Secretariat which provides administrative and logistics support of the Association's strategic objectives and activities.

7. Employee benefits

	2016 S\$	2015 S\$
Wages and salaries	88,979	91,317
CPF contributions	15,129	14,903
	<u>104,108</u>	<u>106,220</u>

8. Income tax expense

The income of the Association is exempted from tax under Section 11 of the Income Tax Cap. 134, with effect from 9 December 2008.

9. Related party transactions

Related parties are entities with common direct or indirect shareholders and / or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. Significant transactions between the Association and its related party during the financial year were as follow:

(a) Big Rallye Pte Ltd

	2016 S\$	2015 S\$
Event related supplies	<u>-</u>	<u>550</u>

These were reimbursements made to Big Rallye Pte Ltd for expenses incurred during events organised, which were categorised under event related supplies. The owner of Big Rallye Pte Ltd is the President of the Association.

10. Operating lease commitments

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

a) Operating lease commitment - where the Association is a lessee,

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

	2016 S\$	2015 S\$
Payable:		
- Not later than 1 year	31,900	37,200
- Later than 1 year but not later than five years	34,800	-
	<u>66,700</u>	<u>37,200</u>

b) Operating lease commitment - where the Association is a lessor,

	2016 S\$	2015 S\$
Not later than 1 year	18,600	18,600
Later than 1 year but not later than five years	18,600	-
	<u>37,200</u>	<u>18,600</u>

11. Trade and other receivables

	2016 S\$	2015 S\$
Trade receivables	335,984	286,664
Interest receivable	161	155
Deposits	10,480	2,480
Prepayment	1,855	7,742
Other receivables	6,200	6,200
	<u>354,680</u>	<u>303,241</u>

Trade receivables are non-interest bearing and are generally on 30 to days' term.
The carrying amount of trade and other receivables approximates their fair value.

11. Trade and other receivables (continued)

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

Trade and other receivables are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollars	77,745	303,241
Euro	276,935	-
	<u>354,680</u>	<u>303,241</u>

12. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash at bank	600,567	652,357
Cash on hand	381	136
Fixed deposits	159,608	159,210
	<u>760,556</u>	<u>811,703</u>

The rate of interest for the cash on interest earning accounts is 0.25% per annum (2014: 0.10% to 0.25%) per annum.

The carrying amount of cash and cash equivalents approximate their fair value.

Cash and cash equivalents is composed of the following:

	2016 S\$	2015 S\$
<u>The General Fund</u>		
Cash at bank	113,709	165,499
Cash on hand	381	136
	<u>114,090</u>	<u>165,635</u>
<u>The Trustee Fund</u>		
Cash at bank	486,859	486,858
Fixed deposits	159,608	159,210
	<u>646,467</u>	<u>646,068</u>
	<u>760,557</u>	<u>811,703</u>

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

12. Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollars	716,176	763,745
Euro	44,381	47,958
	<u>760,557</u>	<u>811,703</u>

13. Trade and other payables

	2016 S\$	2015 S\$
Trade payables	282,197	280,824
<u>Other payables</u>		
Accrual	7,103	36,563
Rental deposits	3,100	3,100
	<u>10,203</u>	<u>39,663</u>
	<u>292,400</u>	<u>320,487</u>

The carrying amounts of trade and other payables approximate their fair value.

Trade and other payables are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollars	10,203	39,663
Euro	282,197	280,824
	<u>292,400</u>	<u>320,487</u>

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

14. Property, plant and equipment

	Computer	Computer Software	Furniture and fittings	Leasehold property	Off-road vehicle	Office Equipment	Renovations	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<u>2016</u>								
<u>Cost</u>								
Beginning of financial year	5,620	633	120,342	159,988	16,800	6,196	7,304	316,881
Additions	-	-	-	-	-	-	-	-
End of financial year	5,620	633	120,342	159,988	16,800	6,196	7,304	316,881
<u>Accumulated depreciation</u>								
Beginning of financial year	5,620	633	117,781	113,326	16,800	4,756	4,118	263,033
Charge for the year	-	-	1,316	5,333	-	592	1,461	8,702
End of financial year	5,620	633	119,097	118,659	16,800	5,348	5,578	271,735
<u>Net book value</u>								
End of financial year	-	-	1,244	41,329	-	848	1,726	45,146

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
For the financial year ended 31 March 2016

14. Property, plant and equipment (continued)

	Computer Software	Furniture and fittings	Leasehold property	Off-road vehicle	Office Equipment	Renovations	Total
2015 Cost	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Beginning of financial year	5,620	120,342	159,988	16,800	5,144	6,414	314,941
Additions	-	-	-	-	1,050	890	1,940
End of financial year	5,620	120,342	159,988	16,800	6,194	7,304	316,881
<i>Accumulated depreciation</i>							
Beginning of financial year	5,620	116,466	107,993	16,800	3,665	2,657	253,834
Charge for the year	-	1,316	5,333	-	1,089	1,461	9,199
End of financial year	5,620	117,782	113,326	16,800	4,754	4,118	263,033
<i>Net book value</i>							
End of financial year	-	2,560	46,662	-	1,440	3,186	53,848

SINGAPORE MOTOR SPORTS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

15. Financial risk management

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

Liquidity risk

The Association's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the operations. Advance from Singapore Sports Council and sponsorship ensure continuity of funding.

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 Association's maximum exposure to credit risk in relation to financial assets. The Association 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.

Foreign currency risk

The Association generates revenue and incurs certain operating costs in foreign currencies which give rise to foreign exchange risk. The Association's exposures to foreign currencies are primarily managed by natural hedges of matching assets and liabilities denominated in foreign currencies.

Interest rate risk

The Association's exposure to changes in market interest rates relate primarily to its bank balances placed with financial institutions. The Association does not have any significant exposure to interest rate risk.

16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with Paragraph 10 (c) and 14 of the Constitution of the **Singapore Motor Sports Association** on **25 MAY 2016**

SINGAPORE MOTOR SPORTS ASSOCIATION

Registration Number: S69SS0025B

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2016

	2016	2015
	S\$	S\$
<u>Income</u>		
Subscriptions from members	79,350	20,800
Income from members for issue of competition license	28,590	18,185
Rental income	18,600	18,600
Entrance fees	43,650	-
Fine	1,200	-
Calendar fee	1,546	-
Event organisation	7,850	4,011
Course fee income	16,800	10,800
Sanctioning fee	29,250	1,011
Sponsorship	39,400	2,000
Other income	60,155	51,621
	<u>326,391</u>	<u>127,028</u>
<u>Add: Other operating income</u>		
SSC grant	150,212	164,613
Interest income	408	432
	<u>150,620</u>	<u>165,045</u>
<u>Less: Expenditure</u>		
Accounting	8,400	8,500
Admin fee	20	-
AGM expenses	-	1,573
Allowance and FB for officials	11,290	600
Audit fees	4,928	1,806
Bank service charges	786	(43)
CDAC fund	26	24
Courier charges	720	559
Course fee	300	-
CPF	15,129	14,903
Depreciation	8,702	9,199
Equipment rental	32,120	-
Exchange difference	(1,959)	8,967
Event Related Supplies	21,573	56,704
Balance carried forward	<u>102,035</u>	<u>102,792</u>

This page does not form part of the audited financial statements.

SINGAPORE MOTOR SPORTS ASSOCIATION

Registration Number: S69SS0025B

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2016

Balance brought forward	102,035	102,792
Gifts and donations	109	699
General expense	266	-
Insurance	14,961	2,694
Licenses and permits	66,285	-
Management fund	1,974	2,099
Manpower	4,818	300
Medical Fees	564	581
Office supplies	143	38
Postage and delivery	472	781
Printing and stationary	11,629	4,229
Prize giving dinner	-	9,516
Prize money	5,206	1,203
Programme expense	-	2,423
Professional fees	2,200	-
Property tax	1,390	1,236
Refreshments	23,962	4,974
Rental expenses	37,200	37,200
Rental – container / carpark space	70	-
Rental and services charges	11,176	16,915
Repairs	898	318
Salary	88,979	91,317
SDL	193	217
Sponsorship	1,372	4,800
Subscriptions	11,660	7,700
T-shirt	4,910	4,439
Telephone	2,592	3,041
Third Party Provider	12,808	11,764
Trainer fees	5,000	3,700
Transport	1,200	2,407
Travelling	33,275	15,777
Balance carried forward	447,347	333,160

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SINGAPORE MOTOR SPORTS ASSOCIATION

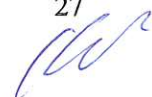
Registration Number: S69SS0025B

DETAILED INCOME STATEMENT

For the financial year ended 31 March 2016

Balance brought forward	447,347	333,160
Trophies and plaque	9,013	1,151
Utilities	522	553
Web maintenance	-	900
Wreath/condolences	450	762
	457,332	336,526
Surplus / (Deficit) for the year before taxation	19,679	(44,453)

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SINGAPORE MOTOR SPORTS ASSOCIATION

Registration Number: S69SS0025B

CORPORATE DATA

For the financial year ended 31 March 2016

SINGAPORE MOTOR SPORTS ASSOCIATION

Registration number: S69SS0025B

PRESIDENT

Leslie Chang

TREASURER

Karl Daruwalla

Auditor

Audit Alliance LLP

Public Accountants and Chartered Accountants

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Auditor-In-Charge : Chiew Shang Hui

Registered Office

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Telephone : (65) 6227 7889

SECRETARY:

Name: Ms. Janette Tan

Designation: General Secretary

Address:

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