

**2. Summary of significant accounting policies (cont'd)**

**2.13 Property, plant and equipment**

Property, plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Work-in-progress consists of construction costs and consultancy expenses incurred during the period of construction.

Depreciation is charged so as to write-off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land	- the period of the lease from 15 to 101 years
Buildings	- the period of the lease from 3 to 40 years
Furniture, equipment and other fixed assets	- 3 to 10 years

Depreciation is not provided on work-in-progress until completion of work and the asset is available for use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income and expenditure.

**2.14 Impairment of non-financial assets**

At the end of each reporting period, SportSG reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, SportSG estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income and expenditure.

**2. Summary of significant accounting policies (cont'd)**

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure.

**2.15 Provisions**

Provisions are recognised when SportSG has a present obligation (legal or constructive) as a result of a past event, it is probable that SportSG will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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 of the receivable can be measured reliably.

**2.16 Income recognition**

Income is measured at the fair value of the consideration received or receivable. Income is reduced for estimated rebates and other similar allowances. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. Utilised ActiveSG\$ is treated as discount and offset against revenue (2020: \$5,259,000; 2019: \$6,362,000). Income, other than donations and contributions, is accounted for on an accrual basis. SportSG recognise revenue when it transfers control of the goods or services to a customer.

Income from services is recognised at a point in time as and when services are performed. Revenue from ticketing sales are recognised at point in time upon sales of tickets to customers.

Car park revenue, which is collected by the Urban Redevelopment Authority ("URA") on behalf of SportSG, is recognised in income and expenditure of the General Funds based on amounts estimated by URA at point in time. The estimated car park revenue is subject to adjustments by URA based on car park occupancy surveys.

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established.

Revenue from sponsorship is from sponsors for the promotion, development and advancement of events. Value-in-kind sponsorships are recognised at point in time upon delivery of the goods or acceptance of the services. Value-in-kind sponsorships are measured at the fair value of the goods and services received.

**2. Summary of significant accounting policies (cont'd)**

Rental income arising from operating leases on property, plant and equipment is accounted for on a straight line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

SportSG has applied the practical expedient not to disclose the related unsatisfied performance obligations as the performance obligation of SportSG is part of a contract that has an original expected duration of 12 months.

**2.17 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed when incurred.

**2.18 Cyclical maintenance of properties**

Expenses incurred on the cyclical maintenance of properties are not capitalised but are charged to income and expenditure statement as normal maintenance expenses.

**2.19 Employee benefits**

**(a) Retirement benefit costs**

Payments to defined contribution retirement plans are charged as an expense as they fall due. Payments made to state-managed retirement schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where SportSG's obligations under the plans are equivalent to those arising in a defined contribution retirement plan.

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**2.20 Contribution to consolidated fund**

Under Section 13(1) (e) of the Income Tax Act (Cap. 134, 2004 Revised Edition), the income of SportSG is exempt from income tax.

SportSG is required to make a contribution to the consolidated fund in accordance with the section 3(a) of the Statutory Corporation (Contribution to Consolidated Fund) Act (Cap. 319A). The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of SportSG for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided on an accrual basis.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of SportSG's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***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. SportSG 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 SportSG. Such changes are reflected in the assumptions when they occur.

***Impairment of property, plant and equipment and right-of-use assets***

Management performs periodic assessment of SportSG's property, plant and equipment to determine if any of these assets are impaired. Management has evaluated the carrying amount of the property, plant and equipment included in the statement of financial position as at 31 March 2020 of \$1,656,843,000 (2019 : \$1,666,449,000).

***Fair value of derivative financial instruments***

SportSG uses interest rate swaps to manage its exposure to interest rate movements on its bank loans (Note 15) by swapping the loans from floating rates to fixed rates. As described in Note 15, the fair values of the two swaps entered in the financial year are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The carrying amount of the derivative financial instruments at end of the reporting period is approximately \$8,252,000 (2019 : \$5,459,000).

***Fair value of financial assets at FVTPL***

The investments through quoted fund offer SportSG the opportunity for returns through fair value gains. As disclosed in Note 10, the fair value of the quoted fund is based on closing quoted market prices on the last market day of the financial year provided by the fund manager. The carrying amount of the financial assets at FVTPL at end of the reporting period is approximately \$722,437,000 (2019 : \$709,970,000).

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 4. Financial instruments, financial risks and capital management

##### (a) Categories and fair value of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Note	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Financial assets at FVTPL (Level 2)	10	722,437	709,970
Receivables	12	1,112,523	1,163,827
Cash and cash equivalents	14	318,621	253,051
Finance lease receivables		1,325	-
Long-term loan	11	14,367	15,557
Financial assets at amortised cost		1,446,836	1,432,435
<b>Financial liabilities</b>			
Derivative financial instruments (Level 2)	15	8,252	5,459
Payables and accrued liabilities	16	127,617	145,508
Finance lease	20	997,413	1,029,915
Lease liabilities	21	51,064	-
Bank loans	17	48,600	54,978
Refundable deposits		3,209	3,374
Financial liabilities at amortised cost		1,227,903	1,233,775

SportSG classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements (Note 2.1).

There were no transfers between the levels of the fair value hierarchy during the financial year.

(i) *Fair value of financial assets and financial liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of cash and cash equivalents, receivables, payables, and refundable deposits, finance lease and long-term loan approximate their respective fair values due to the relatively short-term maturity of these financial instruments or they are re-priced to interest rates approximate to current market level.

(ii) *Fair value of financial assets and financial liabilities that are carried at fair value*

The fair value of financial assets at FVTPL and derivative financial instruments is calculated using quoted prices. More details are disclosed in Notes 10 and 15 to the financial statements.

**4. Financial instruments, financial risks and capital management (cont'd)**

*(b) Financial risk management policies and objectives*

SportSG's overall financial risk management seeks to minimise potential adverse effects on the financial performance of SportSG.

*(i) Credit risk*

SportSG's principal financial assets are cash and cash equivalents and receivables.

The credit risk on liquid funds and derivative financial instrument is limited because the counterparts have high credit rating. SportSG has policies in place to ensure that the rendering of services is made to customers with appropriate credit history.

SportSG has significant receivables due from the Government amounting to \$1,098,613,000 (2019 : \$1,136,101,000) (Note 12), representing 98% (2019 : 97%) of total receivables balance as at the year end. Such credit risk is deemed minimal by the management. Loss allowance for finance lease receivables has been measured at amount equal to lifetime ECL. SportSG has assessed that credit risk associated with finance lease receivables is mitigated because they are secured over the leased asset.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents SportSG's maximum exposure to credit risk.

*(ii) Interest rate risk*

Interest bearing financial assets and liabilities of SportSG are mainly cash and cash equivalent, bank loans, long-term loans to Premier Park Foundation ("PPF") and finance lease. The interest rates for Cash with Accountant-General's Department ("AGD") are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements. SportSG has long-term bank loans at variable rates and uses interest rate swaps as cash flow hedge of future interest payments, which has the economic effect of converting borrowings from floating rates and swap them into fixed rates that are lower than those available if SportSG borrowed at fixed rates directly. Under the interest rate swap, SportSG agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating interest amounts calculated by reference to the agreed notional principal amount. With the interest rate swaps arrangement in place and the repayment of the bank loans including the interest is funded by the Government, management determined that there is no significant interest rate risk. Further details of the interest rate swaps can be found in Note 15.

The fixed deposits are short-term in nature and at market interest level. Any future variations in interest rates will not have a material impact on the results of SportSG.

The finance lease and long-term loan extended to PPF bears interest at fixed interest rates and interest-free respectively. Any future variations in interest rates will not have a material impact on the results of SportSG. Further details on the long-term loans, finance lease and lease liabilities can be found in Notes 11, 20 and 21 respectively.

Accordingly, no interest rate sensitivity analysis is presented.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2020**
**4. Financial instruments, financial risks and capital management (cont'd)**
**(b) Financial risk management policies and objectives (cont'd)**
**(iii) Foreign exchange risk**

SportSG has no significant foreign currency risk as its financial assets and liabilities are substantially denominated in Singapore dollar.

Accordingly, no foreign exchange sensitivity analysis is presented.

**(iv) Liquidity risk**

SportSG has minimal exposure to liquidity risk as its operations are generally funded by Government, which include funding for payments of the instalments (principal and interest) of SportSG's bank loans (Note 17), finance lease (Note 20) and lease liabilities (Note 21). SportSG ensures that sufficient liquidity through highly liquid assets in the form of cash and short-term demand deposits are maintained to meet its financial obligations.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of SportSG's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2020				2019			
	\$'000				\$'000			
	Less than one year	One to five years	Over five years	Total	Less than one year	One to five years	Over five years	Total
<b>Financial assets:</b>								
Financial assets at FVTPL	-	-	722,437	722,437	-	-	709,970	709,970
Financial assets at amortised cost	544,507	443,104	1,153,915	2,141,526	497,739	443,104	1,264,690	2,205,533
Finance lease receivables	1,047	299	-	1,346	-	-	-	-
Long term loan	6,177	4,000	4,190	14,367	680	17,805	-	18,485
<b>Total undiscounted financial assets</b>	<b>551,731</b>	<b>447,403</b>	<b>1,880,542</b>	<b>2,879,676</b>	<b>498,419</b>	<b>460,909</b>	<b>1,974,660</b>	<b>2,933,988</b>
<b>Financial liabilities:</b>								
Trade and other payables	130,826	-	-	130,826	148,882	-	-	148,882
Finance lease	110,776	443,104	1,153,915	1,707,795	110,776	443,104	1,264,690	1,818,570
Lease liabilities	10,646	13,320	43,429	67,395	-	-	-	-
Bank loan	4,480	17,024	32,776	54,280	7,299	17,219	36,878	61,396
Derivative financial instruments	633	2,534	5,085	8,252	406	1,551	3,502	5,459
<b>Total undiscounted financial liabilities</b>	<b>257,361</b>	<b>475,982</b>	<b>1,235,205</b>	<b>1,968,548</b>	<b>267,363</b>	<b>461,874</b>	<b>1,305,070</b>	<b>2,034,307</b>
<b>Total net undiscounted financial assets / (liabilities)</b>	<b>294,370</b>	<b>(28,579)</b>	<b>645,337</b>	<b>911,128</b>	<b>231,056</b>	<b>(965)</b>	<b>669,590</b>	<b>899,681</b>

**4. Financial instruments, financial risks and capital risks management (cont'd)****(c) Capital management policies and objectives**

SportSG manages its capital to ensure that SportSG will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of SportSG consists of debt, which includes the borrowings disclosed in Note 17, and share capital, capital account, accumulated surplus and funds. SportSG's overall strategy remains unchanged from last financial year.

**5. Related party transactions**

Some of SportSG's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

SportSG had the following significant transactions with other related parties during the year other than those disclosed elsewhere in the financial statements:

	<b>2020</b> \$'000	<b>2019</b> \$'000
<b><i>Ministries and statutory boards</i></b>		
Grants disbursed	4,710	4,830

***Compensation of key management personnel***

The remuneration of members of key management during the financial year was as follows:

	<b>2020</b> \$'000	<b>2019</b> \$'000
Short-term employment benefits	3,124	3,362
Post-employment benefits	147	143
	<u>3,271</u>	<u>3,505</u>

**SPORT SINGAPORE****NOTES TO THE FINANCIAL STATEMENTS  
31 March 2020****6. Share capital and dividend****(a) Share capital**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	No. of shares '000	No. of shares '000	\$'000	\$'000
Issued and paid up:				
As at beginning of the year	1,070,727	998,815	1,070,727	998,815
Shares issued	127,276	71,912	127,276	71,912
As at financial year end	<u>1,198,003</u>	<u>1,070,727</u>	<u>1,198,003</u>	<u>1,070,727</u>

The shares carry neither voting rights nor par value.

Additions pertain to the equity injection from Ministry of Finance ("MOF") recognised as share capital under Capital Management Framework ("CMF") for Statutory Board under FCM M26/2008.

**(b) Dividend**

During the financial year ended 31 March 2019, SportSG declared total dividends of \$1,627,000 on the share capital issued to the MOF in respect of the financial year ended 31 March 2018.

Subsequent to year end, SportSG declared total dividends of \$17,373,000 on the share capital issued to the MOF in respect of the financial year ended 31 March 2019.

**SPORT SINGAPORE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2020**

**7. Property, plant and equipment**

	Capital and General Funds										
	Sports Hub					Other Sports Facilities					Restricted Funds
	Leasehold land \$'000	Buildings \$'000	Furniture, equipment and other fixed assets \$'000	Leasehold land \$'000	Buildings \$'000	Furniture, equipment and other fixed assets \$'000	Work-in-progress \$'000	Sub-total \$'000	Furniture, equipment and other fixed assets \$'000	Grand total \$'000	
<b>Cost:</b>											
At 1 April 2018	261,481	1,238,143	45,305	259,079	808,112	49,801	15,797	2,677,718	475	2,678,193	
Additions	-	-	-	-	410	944	124,529	125,883	-	125,883	
Transfers	-	-	-	-	870	4,098	(4,968)	-	-	-	
Written off	-	-	-	(375)	(20,374)	(729)	(2,576)	(24,054)	-	(24,054)	
At 31 March 2019	261,481	1,238,143	45,305	258,704	789,018	54,114	132,782	2,779,547	475	2,780,022	
Additions	-	-	-	-	4,457	2,962	70,277	77,696	-	77,696	
Transfers	-	-	-	64,125	22,212	5,048	(91,385)	-	-	-	
Written off	-	-	-	(2,908)	(24,497)	(2,368)	(2,000)	(31,773)	(93)	(31,866)	
At 31 March 2020	261,481	1,238,143	45,305	319,921	791,190	59,756	109,674	2,825,470	382	2,825,852	
<b>Accumulated depreciation:</b>											
At 1 April 2018	45,879	185,830	32,358	191,760	547,211	41,814	-	1,044,852	436	1,045,288	
Charge for the financial year	3,918	32,034	7,087	8,046	31,209	4,336	-	86,630	10	86,640	
Written off	-	-	-	(345)	(18,331)	(719)	-	(19,395)	-	(19,395)	
At 31 March 2019	49,797	217,864	39,445	199,461	560,089	45,431	-	1,112,087	446	1,112,533	
Charge for the financial year	3,919	32,060	2,795	10,698	31,739	4,157	-	85,368	10	85,378	
Written off	-	-	-	(2,901)	(23,514)	(2,394)	-	(28,909)	(93)	(28,902)	
At 31 March 2020	53,716	249,924	42,240	207,258	568,314	47,194	-	1,168,546	363	1,169,009	
<b>Impairment:</b>											
At 1 April 2018	-	-	-	-	3,392	-	-	3,392	-	3,392	
Written off	-	-	-	-	(2,352)	-	-	(2,352)	-	(2,352)	
At 31 March 2019	-	-	-	-	1,040	-	-	1,040	-	1,040	
Written off	-	-	-	-	(1,040)	-	-	(1,040)	-	(1,040)	
At 31 March 2020	-	-	-	-	-	-	-	-	-	-	
<b>Carrying amount:</b>											
At 31 March 2020	207,765	988,219	3,065	112,663	222,876	12,562	109,674	1,656,924	19	1,656,943	
At 31 March 2019	211,684	1,020,279	5,860	59,243	227,889	8,683	132,782	1,666,420	29	1,666,449	

Sports Hub includes Singapore Indoor Stadium ("SIS").

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 7. Property, plant and equipment (cont'd)

The lease term for the leasehold land ranges from 15 years to 101 years.

On 2 July 2014, SportSG acquired building and furniture, equipment and other fixed assets with an aggregate cost of \$1.23 billion by means of finance leases.

SportSG has building and furniture, equipment and other fixed assets where it makes periodic lease payments, which is used for the purpose of SportSG's operations is included in property, plant and equipment amounted to \$0.96 billion (2019 : \$0.98 billion) and \$0.01 billion (2019 : \$0.01 billion) respectively.

These assets are pledged as security for the related finance lease liabilities.

#### Impairment of assets

The carrying amount of the impairment loss for the year is \$Nil (2019 : \$1.04 million).

#### 8. Prepaid land premium

	2020 \$'000	2019 \$'000
Prepaid land premium	1,659	1,659
Less: Current portion	-	(316)
Less: Adoption of SB-FRS 116 (Note 2(d))	(1,659)	-
Non-current portion	<u>-</u>	<u>1,343</u>

#### 9. Associate

	2020 \$'000	2019 \$'000
Cost of investment	11,692	11,692
Share of post-acquisition results, net of dividend received	(3,624)	(1,365)
Impairment loss	(1,795)	-
	<u>6,273</u>	<u>10,327</u>

Details of SportSG's associate as at end of the reporting period are as follows:

Name of associate	Country of incorporation and operation	Proportion of ownership and voting power held		Principal activity
		31 March 2020 %	31 March 2019 %	
<b>Held by SportSG</b>				
SISTIC.COM Pte Ltd	Singapore	49	49	Ticketing services

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 9. Associate (cont'd)

For the year ended 31 March 2020, SportSG recorded impairment loss of \$1,795,000 (2019 : \$Nil) arising from estimated recoverable amounts based on fair value less costs to sell of the investment.

The summarised financial information in respect of the associate, based on its financial statements and a reconciliation with the carrying amount of the investment in the financial statements are as follows:

	2020 \$'000	2019 \$'000
Current assets	11,378	19,795
Non-current assets	5,977	6,360
Current liabilities	(7,092)	(11,924)
Non-current liabilities	(700)	(893)
<b>Net assets</b>	<b>9,563</b>	<b>13,338</b>
SportSG's share of assets	4,686	6,536
Fair value uplift on identifiable assets (net of amortisation)	1,229	1,638
Goodwill on acquisition	2,153	2,153
Carrying amount of the investment	<b>8,068</b>	<b>10,327</b>

Summarised statement of comprehensive income:

Sales	10,748	13,723
Cost of sales	(2,935)	(3,506)
<b>Gross profit</b>	<b>7,813</b>	<b>10,217</b>
Other income	365	316
Other gains	45	14
Expenses	(12,504)	(10,748)
<b>Loss before income tax</b>	<b>(4,281)</b>	<b>(201)</b>
Income tax expense	506	(135)
<b>Loss after tax and total comprehensive loss</b>	<b>(3,775)</b>	<b>(336)</b>

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 10. Financial assets at fair value through profit or loss

	2020 \$'000	2019 \$'000
Quoted investment fund at fair value	722,437	709,970
Carrying amount:		
As at 1 April	709,970	698,655
Fair value changes taken to profit or loss	12,467	11,315
As at 31 March	722,437	709,970

The investments through quoted fund offer SportSG the opportunity for returns through fair value gains. The fair value of the quoted fund is based on closing quoted market prices on the last market day of the financial year provided by the fund manager. The investments are managed under the Accountant-General's Department ("AGD") fund management scheme.

Subsequent to year end, SportSG fully liquidated the investments.

#### 11. Long-term loan

	2020 \$'000	2019 \$'000
Loans	14,367	14,367
Interest receivable	-	1,190
	14,367	15,557

Under the Project Agreement ("PA") with Sportshub Pte Ltd ("SHPL"), SHPL is required to set up a Premier Park Foundation ("PPF") Fund to fund the enhancement of existing facilities, development of new facilities and development and operation of sports, cultural and community events at the Sports Hub. SportSG approved loans of up to \$20 million to PPF to fund a major sports event from 2014 to 2019. The advances are to be repaid over 10 years at a margin of 2.5% on a fixed basis, pegged to the 10-year Singapore Dollars Interest Rate Swap ("IRS").

The 4 tranches of \$4 million advances each were released over 4 years. The all-in fixed interest rate is 4.31% and is determined by the 10-year Singapore Dollars IRS of 1.81% as at value date 10 May 2013, plus margin of 2.50%.

During the year, SportSG had agreed with SHPL that interest on the receivables will be waived effective from 1 April 2019. SportSG and SHPL had also agreed on a fixed repayment plan over the period of 2020 to 2025.

**SPORT SINGAPORE****NOTES TO THE FINANCIAL STATEMENTS  
31 March 2020****12. Receivables and prepayments**

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
<b>Non-current:</b>		
Receivable from Government	1,029,127	1,066,663
<b>Current:</b>		
Receivable from Government	69,486	69,438
Trade receivables	7,974	12,514
Other debtors	5,936	15,212
Receivables	83,396	97,164
Prepayments	8,859	5,693
Receivables and prepayments	92,255	102,857

The average credit period is 30 days (2019 : 30 days) except for receivable from Government which has no credit terms. No interest is charged on the amounts over-due.

Included in receivables from Government was an amount of \$1,056,645,000 (2019 : \$1,101,421,000) related to the matching of grants receivable from Government to the expected repayment of finance lease for the Public Private Partnership arrangement between Sports Hub Pte Ltd and SportSG (Note 20).

Loss allowance for trade receivables has been measured at an amount equal to lifetime ECL. The ECL on receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate. Management expects credit losses on trade receivables to be immaterial.

Ageing of trade receivables that are past due but not impaired:

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
30 to 90 days	272	753
More than 90 days	3,755	8,075
	4,027	8,828

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 13. Right-of-use assets

Apart from amounts disclosed in property, plant and equipment, SportSG's also has right-of-use assets leases of several leasehold land and buildings and equipment. The average lease term is 3 years.

	Leasehold land \$'000	Buildings \$'000	Equipment \$'000	Total \$'000
<b>Cost:</b>				
At 1 April 2019	22,554	36,604	2,756	61,914
Additions	328	-	158	486
At 31 March 2020	<u>22,882</u>	<u>36,604</u>	<u>2,914</u>	<u>62,400</u>
<b>Accumulated depreciation:</b>				
At 1 April 2019	-	-	-	-
Depreciation	8,693	1,525	997	11,215
At 31 March 2020	<u>8,693</u>	<u>1,525</u>	<u>997</u>	<u>11,215</u>
<b>Carrying amount:</b>				
At 31 March 2020	<u>13,873</u>	<u>35,079</u>	<u>1,917</u>	<u>51,185</u>

#### 14. Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash at bank and held under CLM	<u>318,621</u>	<u>253,051</u>

Cash on hand and bank mainly consists of cash with AGD which is held under the Centralised Liquidity Management ("CLM") scheme as set out in the Accountant-General's Circular No. 4/2009 CLM for Statutory Boards and Ministries. The cash under CLM scheme are available upon request.

#### 15. Derivative financial instruments

	2020 \$'000	2019 \$'000
Interest rate swaps	8,252	5,459
Less: Current portion	(633)	(406)
Non-current portion	<u>7,619</u>	<u>5,053</u>

SportSG uses interest rate swaps to manage its exposure to interest rate movements on its bank loans (Note 17) by swapping the loans from floating rates to fixed rates.

The first contract with notional value of \$90 million has fixed interest payments at 3.63% per annum for a tenure of 25 years and has floating interest receipts based on six-month Singapore Swap Offer Rate plus credit margin, which approximates an average interest rate of 1.96% (2019 : 1.90%) per annum.

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 15. Derivative financial instruments (cont'd)

The fair value of swap entered into on 7 April 2008 is estimated at \$8,252,000 (2019 : \$5,441,000) as at 31 March 2020, measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The interest rate swap is designated and effective as cash flow hedge and the fair value thereof has been deferred in equity. An amount of \$977,000 (2019 : \$1,007,000) has been offset against hedged interest payment made.

The second contract with notional value of \$25 million has fixed interest payments at 2.82% per annum for a tenure of 10 years and has floating interest receipts based on six-month Singapore Swap Offer Rate plus credit margin, which approximates an average interest rate of 3.23% (2019 : 3.01%) per annum.

As at 31 March 2019, the fair value of swap entered into on 16 March 2010 is estimated at \$18,000. The second contract has lapsed during the year. The interest rate swap is designated and effective as cash flow hedge and the fair value thereof has been deferred in equity. An amount of \$68,000 (2019 : \$146,000) has been offset against hedged interest payment made.

The interest rate swaps are settled on a six-monthly basis. SportSG settles the difference between the fixed and floating interest rates on a net basis.

#### 16. Payables and accrued liabilities

	2020 \$'000	2019 \$'000
Account payables	27,491	35,726
Accrued liabilities	100,126	109,782
	<u>127,617</u>	<u>145,508</u>

These amounts are non-interest bearing. Account payables are normally settled on 30 days term.

#### 17. Bank loans

	2020 \$'000	2019 \$'000
Term loans - unsecured	48,600	54,978
Less: Amount due for settlement within 12 months (current liabilities)	<u>(3,600)</u>	<u>(6,378)</u>
Amount due for settlement after 12 months (non-current liabilities)	<u>45,000</u>	<u>48,600</u>

##### \$90 million loan

A term loan with an initial amount of \$90 million was converted from the bridging loan on 7 April 2008 and will mature on 7 April 2033. It bears interest based on six-month Swap Offer Rate which approximates an average interest rate of 1.96% (2019 : 1.90%) per annum.

SportSG uses interest rate swap to hedge the fluctuation in interest rates (Note 15). The loan is repayable over 50 six-monthly instalments.

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### \$25 million loan

SportSG had drawn down a \$16 million loan on 16 March 2010 with tenure of ten years. An additional loan of \$4 million was drawn on 16 June 2010 and \$5 million was drawn down on 16 March 2011. The total loan drawn down amounted to \$25 million and is repayable over 18 six-monthly instalments, commencing 16 September 2011. The loan had been fully repaid during the year. The term loan bears interest based on six-month Swap Offer Rate which approximates an average interest rate of 3.23% (2019 : 3.01%) per annum. SportSG uses interest rate swap to hedge the fluctuation in interest rates (Note 15).

Management is of the opinion that the fair values of SportSG's bank loans approximate their carrying values as the interest rates are at the current market level.

The table below details changes in SportSG's liability 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 SportSG's statement of cash flows from financing activities.

	<u>Non-cash changes</u>				31 March 2020
	1 April 2019	Financing cash flows	Fair value adjustments	Other changes <sup>(1)</sup>	
	\$'000	\$'000	\$'000	\$'000	
Bank loans (Note 17)	54,978	(6,378)	-	-	48,600
Finance lease (Note 20)	1,029,915	(32,502)	-	-	997,413
Lease liabilities <sup>(2)</sup> (Note 21)	62,844	(12,266)	-	486	51,064
Derivative financial liabilities (Note 15)	5,459	-	2,793	-	8,252
	<u>1,153,196</u>	<u>(51,146)</u>	<u>2,793</u>	<u>486</u>	<u>1,105,329</u>

	<u>Non-cash changes</u>				31 March 2019
	1 April 2018	Financing cash flows	Fair value adjustments	Other changes <sup>(1)</sup>	
	\$'000	\$'000	\$'000	\$'000	
Bank loans (Note 17)	61,356	(6,378)	-	-	54,978
Finance lease (Note 20)	1,060,013	(30,098)	-	-	1,029,915
Derivative financial liabilities (Note 15)	5,166	-	293	-	5,459
	<u>1,126,535</u>	<u>(36,476)</u>	<u>293</u>	<u>-</u>	<u>1,090,352</u>

(1) Other changes include new leases entered during the year.

(2) Amount on 1 April 2019 is subsequent to adoption of SB-FRS 116 (Note 2(d)).

**SPORT SINGAPORE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2020**

**18. Deferred revenue**

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Balance at the beginning of year	4,606	4,714
Addition during the year	9,606	6,914
Less: Transfer to income	(10,058)	(7,022)
	<u>4,154</u>	<u>4,606</u>
Less: Current portion	(3,127)	(3,263)
Non-current portion	<u>1,027</u>	<u>1,343</u>

Deferred revenue relates to rental of land and spaces received in advance.

**19. Grants received in advance**

	<u>Operating grants</u>		<u>Development grants</u>		<u>Total</u>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	9,675	28,864	11	11	9,686	28,875
Add: Government grants received	373,567	354,152	-	-	373,567	354,152
Less: Transfer to income and expenditure statement	(358,734)	(373,341)	-	-	(358,734)	(373,341)
Balance at end of year	<u>24,508</u>	<u>9,675</u>	<u>11</u>	<u>11</u>	<u>24,519</u>	<u>9,686</u>

**20. Finance lease**

Under the Public-Private-Partnership arrangement between Sports Hub Pte Ltd ("SHPL") and SportSG, SportSG is required to make monthly unitary payments to SHPL for building, financing, maintaining and operating the Sports Hub. The building and operations of the Sports Hub will be returned to SportSG after 25 years from date of Project Agreement (25 August 2010). Thus, this arrangement is treated as a finance lease.

The Sports Hub project was refinanced on 7 December 2015 and has been accounted for as a lease modification with a corresponding advance recognised in the financial year ended 31 March 2016. At 31 March 2020, the carrying amount of the advance is \$69,249,000 (2019 : \$71,507,000) of which \$2,437,000 (2019 : \$2,257,000) is classified as "Current Liabilities" on the statement of financial position.

**SPORT SINGAPORE**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2020**

**20. Finance lease (cont'd)**

*Disclosure required under SB-FRS 116*

	<b>2020</b> \$'000
Maturity Analysis:	
Year 1	110,776
Year 2	110,776
Year 3	110,776
Year 4	110,776
Year 5	110,776
Year 6 onwards	1,153,915
	<u>1,707,795</u>
Less: Unearned interest	<u>(710,382)</u>
	<u>997,413</u>
Analysed as:	
Current	35,098
Non-current	962,315
	<u>997,413</u>

*Disclosure required under SB-FRS 17*

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	<b>2019</b>	
	<b>Minimum lease payments</b> \$'000	<b>Present value of payments</b> \$'000
Not later than one year	110,776	32,502
Later than one year but not later than five years	443,104	158,130
Later than five years	1,264,690	839,283
Total minimum lease payments	<u>1,818,570</u>	<u>1,029,915</u>
Less: Amounts representing finance charges	<u>(788,655)</u>	-
Present value of minimum lease payments	<u>1,029,915</u>	<u>1,029,915</u>

Obligations under finance lease

This obligation is secured by a charge over the leased assets (Note 7). The average discount rate implicit in the leases is 7.71% p.a. (2019 : 7.71%).

**SPORT SINGAPORE****NOTES TO THE FINANCIAL STATEMENTS  
31 March 2020****21. Lease liabilities***Disclosure required under SB-FRS 116*

	<b>2020</b> \$'000
Maturity Analysis:	
Year 1	10,646
Year 2	8,092
Year 3	2,411
Year 4	1,453
Year 5	1,364
Year 6 onwards	43,429
	<u>67,395</u>
Less: Unearned interest	<u>(16,331)</u>
	<u>51,064</u>
Analysed as:	
Current	9,630
Non-current	41,434
	<u>51,064</u>

SportSG does not face a significant liquidity risk with regards to its lease liabilities.

**22. Deferred capital grants - government**

	<b>2020</b> \$'000	<b>2019</b> \$'000
Balance at the beginning of year	1,188,151	1,261,201
Grants drawn down during the year	5,499	3,973
	<u>1,193,650</u>	<u>1,265,174</u>
Less: Grants taken to the income and expenditure statement:		
(i) To match property, plant and equipment written off	(293)	(782)
(ii) To match depreciation	(58,481)	(76,241)
Balance at the end of year	<u>1,134,876</u>	<u>1,188,151</u>

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 23. Deferred capital grants - non-government

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Balance at the beginning of year	21,154	23,496
Less: Grants taken to the income and expenditure statement:		
(i) To match depreciation	(2,459)	(2,342)
Balance at the end of year	<u>18,695</u>	<u>21,154</u>

#### 24. Operating expenses

Operating expenses comprise mainly expenditure on sports facilities, grants disbursements, program and event expenditures. Included in operating expenses are mainly the following:

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
Grant expenses*	90,352	85,132
Program/event expenses	22,286	25,690
Utilities	13,834	18,079
Property tax	20,833	22,445
Rental expenses	8,289	12,283
Unitary expenses#	102,487	99,417
Loss on property, plant and equipment written-off	1,924	2,307
Impairment loss on investment in associate (Note 9)	<u>1,795</u>	<u>-</u>

\* Grant expenses mainly pertain to the disbursements made to the various National Sports Associations.

# Unitary expenses pertain to payments for Sports Hub project.

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 25. Employee benefits expense

Employee benefit expense comprises the following:

	2020 \$'000	2019 \$'000
Salaries and bonuses	72,660	76,045
Cost of defined contribution plans	12,326	12,086
Staff training and welfare	1,534	1,864
Other employee benefits	9,143	7,643
	<u>95,663</u>	<u>97,638</u>

#### 26. Other expenses

Other expenses comprise the following:

	2020 \$'000	2019 \$'000
Board Members' allowances	225	245
Transport and travelling	2,302	1,406
Consultancy costs	4,887	2,622
Security services	548	535
Logistics	499	366
Prizes and souvenirs	794	1,215
Catering services	428	508
Uniform and clothing	347	276
Insurance	207	165
Fire alarm and security system	283	250
Assets expensed off	3,800	1,849
Miscellaneous expenses	4,050	2,584
	<u>18,370</u>	<u>12,021</u>

Included in miscellaneous expenses was \$444 (2019 : \$4,000) relating to Restricted Funds.

#### 27. Finance costs

	2020 \$'000	2019 \$'000
Interest expense:		
Finance leases	83,708	86,280
Bank charges	1,984	2,234
Lease liabilities	1,256	-
	<u>86,948</u>	<u>88,514</u>

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### 28. Other income

Other income comprises the following:

	Capital and General Funds		Restricted Funds		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest income	2,498	2,799	358	230	2,856	3,029
Finance income	83,708	86,280	-	-	83,708	86,280
	<u>86,206</u>	<u>89,079</u>	<u>358</u>	<u>230</u>	<u>86,564</u>	<u>89,309</u>

Finance income pertains to the unwinding of discount for receivables from Government.

#### 29. Contribution to consolidated fund

SportSG is required to make a contribution to the Consolidated Fund in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A) at the prevailing corporate tax rate of 17% for Year of Assessment 2021 (Year of Assessment 2020: 17%) of the surplus.

#### 30. Capital commitments

	2020 \$'000	2019 \$'000
Capital expenditures approved by SportSG but not provided for in the financial statements are:		
Amount approved but not contracted for	<u>77,262</u>	<u>40,117</u>

#### 31. Service concession arrangement and commitment

SportSG has entered into a PA with SHPL. Pursuant to this PA, SportSG granted a 25-year lease of land to SHPL commencing from August 25, 2010. SHPL will design, build, finance and operate a Sports Hub, comprising of a new 55,000-seat National Stadium with a retractable roof, the existing Singapore Indoor Stadium, a 3,000-seat Multi-Purpose Indoor Arena, a 6,000-seat Aquatic and Water Leisure Centre, a Water Sports Centre, office space for SportSG, a Sports Information Resource Centre, Commercial Development/Retail Outlets and other ancillary facilities.

Upon the completion of the construction of Sports Hub, SHPL is required to operate and maintain the Sports Hub in accordance with required service performance standards and to ensure that the facilities are available for use by SportSG and third parties for sports and entertainment events. SHPL will also provide venue marketing, event planning, catering, car park management and retail property management services. In return, SportSG will pay SHPL Monthly Unitary Payment ("MUP") over the 25-year project term starting from Aug 25, 2010. Payment to SHPL has been agreed upon based on SHPL making available of facilities according to agreed specifications. The MUP will be subject to deductions for any unavailability of facilities and / or if the service performance does not meet the standards stipulated in the PA. Upon conclusion of the project term and the lease, the rights to the facilities will be returned to SportSG.

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

SHPL will also generate Third Party Revenue ("TPR") from rental of Sports Hub facilities, such as rental from event promoters, revenue from events promoted by SHPL, corporate box sales, revenue from sale of naming rights, commercial/ retail rental, advertising revenue and car-park revenue. SHPL is obliged to share any TPR generated with SportSG under pre-agreed sharing percentages set out in the PA.

The construction of Sports Hub has been completed and the Project Operations Date ("POD") was on 2 July 2014. SportSG accounted for the Sports Hub assets in accordance with SB-FRS 16 *Property, Plant and Equipment* and SB-FRS 17 *Leases* as a finance lease asset, and recorded certain amount of the MUP as finance lease obligations to SHPL.

Future minimum lease payments under finance leases are as follows:

	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
<b>Capital expenditures</b>		
Within one year	35,098	32,502
In the second to fifth years inclusive	170,762	158,130
More than five years	791,553	839,283
	<u>997,413</u>	<u>1,029,915</u>
<b>Service and interest cost</b>		
Within one year	176,938	178,151
In the second to fifth years inclusive	691,631	698,521
More than five years	1,570,070	1,740,119
	<u>2,438,639</u>	<u>2,616,791</u>

### 32. Operating lease arrangements

#### **SportSG as lessee**

##### *Disclosure required by SB-FRS 17*

At the end of the reporting period, outstanding commitments under non-cancellable operating leases, which falls due as follows:

	<b>2019</b>
	\$'000
Within one year	6,952
In the second to fifth years inclusive	<u>16,000</u>
	<u>22,952</u>

Operating lease represents minimum lease payments for rental of office equipment, and office and data storage space. The leases are negotiated for terms of 2 to 4 years and are fixed for an average of 3 years.

## SPORT SINGAPORE

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2020

#### *SportSG as lessor*

##### *Disclosure required by SB-FRS 116*

Operating leases, in which SportSG is the lessor, office space, food and beverage outlets, carparks and golf courses, located at various sports and swimming complexes, sports halls and centres, stadiums and golf courses to third parties under operating leases. The lessee do not have an option to purchase the property at the expiry of the lease period. All of the properties leased have committed tenants for the next 1 to 20 years.

Maturity analysis of operating lease payments:

	<b>2020</b> \$'000
Year 1	16,061
Year 2	5,373
Year 3	1,817
Year 4	408
Year 5	322
Year 6 onwards	2,566
Total	<u>26,547</u>

##### *Disclosure required by SB-FRS 17*

SportSG rents out its office space, food and beverage outlets, carparks and golf courses, located at various sports and swimming complexes, sports halls and centres, stadiums and golf courses to third parties under operating leases.

All of the properties leased have committed tenants for the next 1 to 20 years.

At the end of the reporting period, SportSG has contracted with tenants for the following future minimum lease payments:

	<b>2019</b> \$'000
Within one year	17,818
In the second to fifth years inclusive	14,208
After five years	4,044
	<u>36,070</u>

**33. Subsequent event**

The COVID-19 outbreak has created a high level of uncertainty to the near-term global economic prospects and this has impacted SportSG's operations subsequent to the year end. With the implementation of the Circuit Breaker on 7 April 2020, all sport centres were closed during Phase 1 except for a few sports centres that were converted to temporary dormitories to house foreign workers.

SportSG leveraged on virtual platforms to engage citizens in sports participation. Rental rebates have also been extended to SportSG's tenants, in line with the government's initiatives to help businesses. SportSG will continue to be proactive in managing the corporate objectives despite the pandemic. Management has assessed that with the availability of funds from government grants, SportSG will be able to continue operations and maintain sufficient liquidity for the next 12 months from the end of the reporting period.

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