

# FINANCIAL RECORDS

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **ANNUAL FINANCIAL STATEMENTS**

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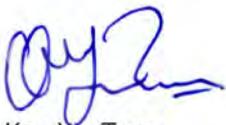
## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **STATEMENT BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

We, Mr Kon Yin Tong and Mr Alan Goh, being the Chairman and Chief Executive Officer of the Singapore Sports Council, also known as Sport Singapore ("SportSG"), do hereby state that, in the opinion of the Board members,

- (a) the accompanying financial statements of SportSG (the "Council") and its subsidiaries (the "Group") set out on pages 6 to 53 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Act"), the Singapore Sports Council Act 1973 (the "SSC Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Council as at 31 March 2023, and of the financial performance and changes in share capital, capital account, accumulated surplus and funds of the Group and the Council and cash flows of the Group for the year then ended and at the date of this statement, there are reasonable grounds to believe that the Group and the Council will be able to pay its debts as and when they fall due;
- (b) the accounting and other records required by the Act and SSC Act to be kept by the Council have been properly kept in accordance with the provisions of the Act and SSC Act;
- (c) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Council during the financial year have been in accordance with the provisions of the Act and SSC Act;
- (d) the use of the donation moneys is in accordance with the objectives of the Council as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (e) The Council has complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

On behalf of the Board:



Kon Yin Tong  
Chairman



Alan Goh  
Chief Executive Officer

20 September 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF SINGAPORE SPORTS COUNCIL (ALSO KNOWN AS SPORT SINGAPORE)**

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

#### **Opinion**

We have audited the financial statements of Singapore Sports Council (the "Council"), also known as Sport Singapore ("SportSG") and its subsidiaries (the "Group") which comprise the statement of financial position of the Group and the Council as at 31 March 2023, the income and expenditure statement, the statement of comprehensive income and statement of changes in share capital, capital account, accumulated surplus and funds of the Group and the Council and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 53.

In our opinion, the accompanying financial statements of the Group and the Council are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Act"), the Singapore Sports Council Act 1973 (the "SSC Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards in Singapore ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Council as at 31 March 2023 and the financial performance and changes in share capital, capital account, accumulated surplus and funds of the Group and the Council 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 Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Management is responsible for the other information. The other information comprises the statement by the Chairman and Chief Executive Officer set out on page 1, but does not include the financial statements and our auditor's 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF SINGAPORE SPORTS COUNCIL (ALSO KNOWN AS SPORT SINGAPORE)**

### **Responsibilities of Management's and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act, SSC Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group'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 there is intention to wind up the Group or to cease operations.

Those charged with governance are responsible for overseeing Group's financial reporting process.

### **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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF SINGAPORE SPORTS COUNCIL (ALSO KNOWN AS SPORT SINGAPORE)**

### **Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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**

#### **Charities Act**

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

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

1. The use of the donation moneys was not in accordance with the objectives of the Council as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
2. The Council has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

#### **Compliance Audit**

##### **Opinion**

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Group during the year are, in all material respects, in accordance with the provisions of the Act, SSC Act and the requirements of any other written law applicable to moneys of or managed by the Group; and
- (b) proper accounting and other records have been kept, including records of all assets of the Group whether purchased, donated or otherwise.

##### **Basis for Opinion**

We concluded our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our 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 on management's compliance.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF  
SINGAPORE SPORTS COUNCIL (ALSO KNOWN AS SPORT SINGAPORE)**

**Responsibilities of Management for Compliance with Legal and Regulatory Requirements**

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, SSC Act and the requirements of any other written law applicable to moneys of or managed by the Group. This responsibility includes monitoring related compliance requirements relevant to the Group, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

**Auditor's Responsibility for Compliance Audit**

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act, the SSC Act and the requirements of any other written law applicable to moneys of or managed by the Group.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

*Deloitte & Touche LLP.*

Public Accountants and  
Chartered Accountants  
Singapore

20 September 2023

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**  
**31 March 2023**

	Note	The Group		The Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Share capital</b>	6a	1,445,124	1,335,543	1,445,124	1,335,543
<b>Capital account</b>		295	295	295	295
<b>Accumulated surplus</b>					
General funds		168,083	172,528	153,093	172,528
Restricted funds		30,808	31,452	30,808	31,452
		198,891	203,980	183,901	203,980
<b>Hedging reserve</b>	14	(990)	(3,571)	(990)	(3,571)
		1,643,320	1,536,247	1,628,330	1,536,247

Represented by:

**Non-current assets:**

Property, plant and equipment	7	1,919,877	1,865,509	1,918,263	1,865,509
Associate	8	3,614	3,028	3,614	3,028
Investments in subsidiaries	9	-	-	57,400	-
Long-term loan	10	-	7,140	-	7,140
Receivables and prepayments	11	2,032	946,854	2,032	946,854
Right-of-use assets	12	47,615	39,947	47,615	39,947
Finance lease receivables		87	321	87	321
		1,973,225	2,862,799	2,029,011	2,862,799

**Current assets:**

Receivables and prepayments	11	71,369	61,779	70,140	61,779
Finance lease receivables		917	836	917	836
Cash and cash equivalents	13	1,041,261	914,663	942,393	914,663
		1,113,547	977,278	1,013,450	977,278

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (cont'd)  
31 March 2023**

	Note	The Group		The Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current liabilities:</b>					
Derivative financial instruments	14	99	324	99	324
Payables and accrued liabilities	15	194,374	126,531	174,822	126,531
Bank loans	16	3,600	3,600	3,600	3,600
Deferred revenue	17	10,902	3,804	4,382	3,804
Grants received in advance	18	132,484	41,341	132,484	41,341
Refundable deposits		7,250	2,174	4,001	2,174
Finance lease	19	-	40,930	-	40,930
Advances	19	-	2,842	-	2,842
Lease liabilities <sup>(1)</sup>	20	9,235	5,015	9,235	5,015
		357,944	226,561	328,623	226,561
<b>Net current assets</b>		755,603	750,717	684,827	750,717
<b>Non-current liabilities:</b>					
Derivative financial instruments	14	891	3,247	891	3,247
Bank loans	16	34,200	37,800	34,200	37,800
Deferred revenue	17	79	395	79	395
Finance lease	19	-	883,483	-	883,483
Advances	19	-	61,339	-	61,339
Lease liabilities <sup>(1)</sup>	20	39,805	35,018	39,805	35,018
Deferred capital grants:					
- Government	21	997,735	1,041,149	997,735	1,041,149
- Non-Government	22	12,798	14,838	12,798	14,838
		1,085,508	2,077,269	1,085,508	2,077,269
		1,643,320	1,536,247	1,628,330	1,536,247

(1) Lease liabilities exclude finance lease for Sports Hub which is disclosed separately.

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**INCOME AND EXPENDITURE STATEMENTS**

Year ended 31 March 2023

	The Group			The Council					
	Note	Capital and General Funds		Restricted Funds		Total		2022 \$'000	2023 \$'000
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000		
<b>Operating income:</b>									
Admission fees		8,926	4,825	8,926	4,825	-	-	8,926	4,825
Hiring of facilities		11,333	11,029	11,333	11,029	-	-	11,333	11,029
Program fees		10,296	6,167	10,296	6,167	-	-	10,296	6,167
Car park charges		6,171	5,157	5,311	5,157	-	-	5,311	5,157
Rental income		34,060	21,958	85,824	21,958	-	-	85,824	21,958
Miscellaneous income		3,026	2,171	2,734	2,171	2	-	2,736	2,171
Donations	28	174	22	-	-	174	22	174	22
Sponsorship		548	941	548	941	-	-	548	941
Events		6,980	-	-	-	-	-	-	-
Hospitality and advertising revenue		1,703	-	-	-	-	-	-	-
Food & beverage ("F&B") revenue		2,029	-	-	-	-	-	-	-
		85,246	52,270	124,972	52,248	176	22	125,148	52,270
<b>Operating expenditure:</b>									
Depreciation	7, 12	90,232	93,141	90,054	93,131	-	10	90,054	93,141
General and administrative expenses		1,259	817	1,067	817	-	-	1,067	817
Minor works, repairs and maintenance of properties		22,357	20,124	20,882	20,124	-	-	20,882	20,124
Operating expenses	23	343,262	326,265	405,210	321,121	6,325	5,144	411,535	326,265
Employee benefits expense	24	122,122	105,658	111,393	105,658	37	-	111,430	105,658
Finance costs	26	54,999	80,487	54,996	80,487	1	-	54,997	80,487
Other expenses	25	22,856	15,105	21,945	15,034	69	71	22,014	15,105
		657,087	641,597	705,547	636,372	6,432	5,225	711,979	641,597
<b>Operating deficit</b>		(571,841)	(589,327)	(580,575)	(584,124)	(6,256)	(5,203)	(586,831)	(589,327)



**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**  
Year ended 31 March 2023

	The Group			The Council					
	Note	2022		2023		2022		Total	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Net (deficit) surplus for the year</b>		(5,089)	(12,470)	(19,435)	(13,046)	(644)	576	(20,079)	(12,470)
<b>Other comprehensive income</b>									
<b>Items that may be reclassified subsequently to income and expenditure</b>									
Gain on cash flow hedge		2,581	2,780	2,581	2,780	-	-	2,581	2,780
Other comprehensive income for the year, net of tax		2,581	2,780	2,581	2,780	-	-	2,581	2,780
Total comprehensive (loss) income for the year		(2,508)	(9,690)	(16,854)	(10,266)	(644)	576	(17,498)	(9,690)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHARE CAPITAL, CAPITAL ACCOUNT, ACCUMULATED SURPLUS AND FUNDS**  
**Year ended 31 March 2023**

	Share capital \$'000	Capital account \$'000	Accumulated surplus			Total \$'000
			General funds \$'000	Restricted funds \$'000	Hedging reserve \$'000	
<b>The Group</b>						
<b>2022</b>						
Balance as at 1 April 2021	1,251,263	295	185,574	30,876	(6,351)	1,461,657
Issue of share capital (Note 6a)	84,280	-	-	-	-	84,280
<i>Total comprehensive income</i>	-	-	(13,046)	576	-	(12,470)
Net (deficit) surplus for the year	-	-	-	-	2,780	2,780
Other comprehensive income for the year	-	-	(13,046)	576	2,780	(9,690)
Balance as at 31 March 2022	1,335,543	295	172,528	31,452	(3,571)	1,536,247
<b>2023</b>						
Balance as at 1 April 2022	1,335,543	295	172,528	31,452	(3,571)	1,536,247
Issue of share capital (Note 6a)	109,581	-	-	-	-	109,581
<i>Total comprehensive income</i>	-	-	(4,445)	(644)	-	(5,089)
Net deficit for the year	-	-	-	-	2,581	2,581
Other comprehensive income for the year	-	-	(4,445)	(644)	2,581	(2,508)
Balance as at 31 March 2023	1,445,124	295	168,083	30,808	(990)	1,643,320

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHARE CAPITAL, CAPITAL ACCOUNT, ACCUMULATED SURPLUS AND FUNDS (cont'd)**  
**Year ended 31 March 2023**

	Share capital \$'000	Capital account \$'000	Accumulated surplus			Hedging reserve \$'000	Total \$'000
			General funds \$'000	Restricted funds \$'000			
<b>The Council</b>							
<b>2022</b>							
Balance as at 1 April 2021	1,251,263	295	185,574	30,876	(6,351)	1,461,657	
Issue of share capital (Note 6a)	84,280	-	-	-	-	84,280	
<i>Total comprehensive income</i>	-	-	(13,046)	576	-	(12,470)	
Net (deficit) surplus for the year	-	-	-	-	2,780	2,780	
Other comprehensive income for the year	-	-	(13,046)	576	2,780	(9,960)	
Balance as at 31 March 2022	1,335,543	295	172,528	31,452	(3,571)	1,536,247	
<b>2023</b>							
Balance as at 1 April 2022	1,335,543	295	172,528	31,452	(3,571)	1,536,247	
Issue of share capital (Note 6a)	109,581	-	-	-	-	109,581	
<i>Total comprehensive income</i>	-	-	(19,435)	(644)	-	(20,079)	
Net deficit for the year	-	-	-	-	2,581	2,581	
Other comprehensive income for the year	-	-	(19,435)	(644)	2,581	(17,498)	
Balance as at 31 March 2023	1,445,124	295	153,093	30,808	(990)	1,628,330	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year ended 31 March 2023**

	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b>Operating activities</b>		
Deficit before grants	(1,005,579)	(512,800)
Adjustments for:		
Depreciation	90,232	93,141
Loss on property, plant and equipment written-off	16	369
Amortisation of deferred revenue	-	(2,341)
Interest expense on bank loans and lease liabilities	3,220	2,554
Interest income	(3,590)	(2,564)
Share of losses of associate	2,844	4,000
Termination cost	486,263	-
Interest expense on finance lease	51,779	77,933
Finance income	(51,779)	(77,933)
	<b>31</b>	
<b>Operating cash flow before movements in working capital</b>	<b>(426,594)</b>	<b>(417,641)</b>
Receivables and prepayments	(36,823)	8,948
Payables and accrued liabilities	62,731	9,501
Refundable deposits	5,076	25
Deferred revenue	6,782	2,733
<b>Cash used in operations</b>	<b>(388,828)</b>	<b>(396,434)</b>
Interest paid on finance lease	(51,779)	(77,933)
Interest paid on bank loans and lease liabilities	(3,220)	(2,554)
Contribution to consolidated fund/tax	-	(2,024)
<b>Net cash used in operating activities</b>	<b>(443,827)</b>	<b>(478,945)</b>
<b>Investing activities</b>		
Additions of property, plant and equipment (Note A)	(133,801)	(161,270)
Investment in associate	(3,430)	(4,338)
Interest received	3,590	2,564
<b>Net cash used in investing activities</b>	<b>(133,641)</b>	<b>(163,044)</b>
<b>Financing activities</b>		
Cessation payment	(1,366,237)	-
Receipt of long-term loan receivable	7,140	1,000
Repayment of bank loans	(3,600)	(3,600)
Proceeds on issue of shares	109,581	84,280
Government grants received (Note B)	1,993,992	577,370
Repayment of obligations under finance lease	(27,830)	(37,902)
Repayment of lease liabilities	(8,980)	(9,408)
	<b>31</b>	
<b>Net cash from financing activities</b>	<b>704,066</b>	<b>611,740</b>
Net increase (decrease) in cash and cash equivalents	126,598	(30,249)
Cash and cash equivalents at the beginning of financial year	914,663	944,912
<b>Cash and cash equivalents at the end of financial year</b>	<b>1,041,261</b>	<b>914,663</b>

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**  
**Year ended 31 March 2023**

Note A

During the year, additions of \$134,297,000 includes fixed assets transferred to the Group arising from termination of PPP (Note 31) for no consideration amounting to \$496,000.

Note B

During the year, government grant receipts include \$1,366,237,000 grant received for the purposes of cessation payment (Note 31).

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

#### **1. General**

Singapore Sports Council (the "Council"), also known as Sport Singapore ("SportSG"), a statutory board established under the Singapore Sports Council Act 1973 is under the purview of the Ministry of Culture, Community and Youth ("MCCY"). The address of the Council's registered office and principal place of business is 3 Stadium Drive, Singapore 397630.

The principal activities of the Council are to plan for and promote recreational and competitive sports and to develop, manage and maintain public sports facilities.

The principal activities of the subsidiaries are set out in Note 9.

Vision 2030 Fund (the "Fund") was set up on 9 September 2014, to enable donors to contribute in support of Vision 2030. The Fund was registered as a charity and approved as an Institution of Public Character ("IPC") under the Charities Act.

The Group financial statements for the year ended 31 March 2023 were authorised for issue by the Board of the Council on 20 September 2023.

#### **2. Summary of significant accounting policies**

##### **2.1 Basis of accounting**

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (the "Act"), the Singapore Sports Council Act 1973 (the "SSC Act"), the Charities Act 1994 (the "Charities Act") and Statutory Board Financial Reporting Standards ("SB-FRS").

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SB-FRS 36 *Impairment of Assets*.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

### **2.1 Basis of accounting (cont'd)**

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

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

All values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

### **2.2 Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year. On 1 April 2022, the Group has adopted all the new and revised standards that are relevant to its operations and the adoption of these standards does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

Management anticipates that the adoption of the new or revised standards in future periods at the date of authorisation of the financial statements, will not have a material impact on the financial statements in the period of their initial adoption.

### **2.3 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Council and entities (including structured entities) controlled by the Council and its subsidiary. Control is achieved when the Council:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Council reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

### **2.3 Basis of consolidation (cont'd)**

When the Council has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Council considers all relevant facts and circumstances in assessing whether or not the Council's voting rights in an investee are sufficient to give it power, including:

- The size of the Council's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Council, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Council has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Council obtains control over the subsidiary and ceases when the Council loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the income and expenditure statement from the date the Council gains control until the date when the Council ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

In the Council's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

### **2.4 Associates**

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.4 Associates (cont'd)

Under the equity method, the investment in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The income and expenditure reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the The Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in income and expenditure.

The financial statements of the associates are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### 2.5 *Financial instruments*

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

#### (a) *Financial assets*

##### Classification of financial assets

These comprise mainly cash and bank balances, trade and other receivables and long-term loan and interest receivable that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.5 *Financial instruments (cont'd)*

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables and finance lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applied the simplified approach permitted by SB-FRS 109 and recognises lifetime ECL for trade receivables and finance lease receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

##### 2.5 *Financial instruments (cont'd)*

###### Impairment of financial assets (cont'd)

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### (b) *Financial liabilities and equity instruments*

###### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

###### Financial liabilities

Financial liabilities are initially measured at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. 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.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.5 *Financial instruments (cont'd)*

#### Financial liabilities (cont'd)

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.20).

#### De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. An existing financial liability that is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified such as through 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 income and expenditure.

#### Derivative financial instruments

The Group uses interest rate swaps to hedge its risk associated with interest rates when appropriate. The significant interest rate risk arises from the Group's borrowings.

The use of financial derivatives by the Group is approved by the Council members who ensure that the use of financial derivatives is consistent with the Council's risk management strategy. The Council does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in income and expenditure immediately unless the derivatives is designated and effective as a hedging instrument, in which event the timing of the recognition in income and expenditure depends on the nature of the hedging relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### Hedge accounting

The Group designates interest rate swaps as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions and whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Note 14 contains details of the fair value of derivative instrument used for hedging purpose. Movements in the hedging reserve in equity are detailed in the statement of changes in share capital, capital account, accumulated surplus and funds.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in income and expenditure, as part of other gains and losses.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.5 *Financial instruments (cont'd)*

#### Hedge accounting (cont'd)

Amounts deferred in equity are recycled in income and expenditure in the periods when the hedged item is recognised in income and expenditure. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in income and expenditure. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in income and expenditure.

### 2.6 *Share capital*

Pursuant to the Capital Management Framework FCM M26/2008 which builds on Debt-Equity Framework FCM M8/2007, equity injections from Ministry of Finance ("MOF") are recorded as share capital.

### 2.7 *Government grants*

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants received prior to the application of FCM M26/2008 on capital management framework issued by MOF for the purchase of depreciable assets are taken to the Deferred Capital Grants Account. Fund injections received after the application are treated as equity and recorded as share capital.

Non-monetary contributions are taken to property, plant and equipment and the deferred capital grants accounts at fair value.

Deferred capital grants are recognised in income and expenditure over the periods necessary to match the depreciation of the assets with the related grants. On disposal of property, plant and equipment, the balance of related grants is recognised in income and expenditure to match the carrying amounts of the property, plant and equipment disposed.

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 as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in income and expenditure in the period in which they become receivable.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

##### **2.8 *Non-government grants***

Contributions from other organisations for the purpose of depreciable assets are taken to the Deferred Capital Grant - Non-Government in the statement of financial position and transferred to income and expenditure on a systematic and rational basis over the useful lives of the related assets.

##### **2.9 *Deferred revenue***

Income from leasing of lettable areas and facilities received in advance is stated at initial amount less accumulated amortisation. Amortisation is calculated on a straight-line basis to reduce the initial amount over the lease term and is recognised in income and expenditure.

##### **2.10 *Funds***

In view of the limitations and restrictions placed on the use of certain funds, resources for various purposes are classified for accounting and reporting purposes into separate funds in accordance with the activities or objectives specified for the use of those funds.

In the financial statements of the Group and the Council, three main groups of funds are distinguished: the Capital Fund, the General Fund and the Restricted Funds.

###### *(i) Capital Fund*

Equity injections, capital grants and contributions for the establishment of the Council and for its major capital expenditure, other than in respect of the Singapore Indoor Stadium ("SIS"), are accounted for in the Capital Fund.

###### *(ii) General Fund*

Income and expenditure relating to the main activities of the Council are accounted for in the General Fund.

The General Fund was set up to fund for the Council's activities, maintenance and operations of sports facilities.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

##### (iii) Restricted Funds

Income and expenditure relating to specific activities are accounted for directly in the funds to which they relate. The Restricted Funds were set up for the following specific projects/purposes:

<b>Name of Fund</b>	<b>Projects/Purpose</b>
Runme Shaw Centre for Sports Medicine and Research	To fund sports medical research and the purchase of related sports medicine and research equipment.
Sports Aid Fund	To provide financial assistance to athletes and selected sports and training facilities.
Vision 2030 Fund	A trust fund set up for donors to contribute in support of Vision 2030 initiatives. It is a registered charity and has been granted IPC status.

#### 2.11 Leases

##### *The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.11 Leases (cont'd)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the relate right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in "Impairment of Non-Financial Assets" below.

As a practical expedient, SB-FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease component.

#### *The Group as lessor*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

##### **2.11 Leases (cont'd)**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SB-FRS 115 to allocate the consideration under the contract to each component.

The Council leased the premises of Singapore Sports Hub to its subsidiary and have committed to provide rental subvention to the subsidiary for the full lease amount. Accordingly, the Council does not expect to receive any operating lease payments from its subsidiary. For the purpose of disclosure in the financial statements, both the rental income and grant expense for the rental subvention are presented on a gross basis in the income and expenditure statement of the Council to reflect more accurately the existence of the lease with its subsidiary and the rental subvention provided.

##### **2.12 Prepaid land premium**

Prepaid land premium comprises premium paid for leasehold land and is charged to income and expenditure on a straight-line basis over the lease term of 20 years.

##### **2.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

##### **2.14 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.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

##### **2.14 Property, plant and equipment (cont'd)**

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.

##### **2.15 Impairment of non-financial assets**

At the end of each reporting period, the Group 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, the Group 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.

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.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

### 2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

### 2.17 Income recognition

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

#### (a) Events income

Revenue from events held at the Singapore Indoor Stadium and the Singapore Sports Hub facility, such as artistic performances, sports and other special events is recognised when the event takes place. When a subscription to a number of events is sold, the fee is allocated to each event on a basis which reflects the extent to which services are performed at each event.

#### (b) Rental income

##### (i) *Rental income from lease of commercial and retail space.*

Rental income is derived from the lease of commercial and retail space at the Kallang Wave Mall, Singapore Indoor Stadium, Sports Information and Resource Centre and Water Sports Centre. Rental income is recognised over time and is accounted for on a straight-line basis over the lease term. 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.

##### (ii) *Rental income from operating leases on PPE*

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.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

##### 2.17 *Income recognition (cont'd)*

(c) Hospitality and advertising income

Hospitality and advertising income is derived from naming rights income, sponsorship fees and license fees on executive suites, premium seats and premium plus seats. Revenue is recognised over time, on a straight-line basis over the contract term or based on the terms of the agreement as applicable.

(d) F&B income

Revenue from concession sales, and provision of catering services is recognised based on consideration specified in contracts with customers.

(e) Program fees

Program fees income is derived from ActiveSG programs conducted. Program fees income is recognised over time and is accounted for on a straight-line basis over the program duration.

(f) Car park revenue

Car park revenue, which is collected by the Urban Redevelopment Authority ("URA") on behalf of the Council, 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.

(g) Dividend & Interest income

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.

(h) Sponsorship revenue

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.

(i) Admission fee

Income from admission fees are largely from sales of admission tickets to customers and are recognised at point in time upon sales of tickets to customers.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

### **2.18 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.

### **2.19 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.

### **2.20 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 the Group'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.

### **2.21 Income Tax**

The Council is exempted from income tax under Section 13(1)(e) of the Income Tax Act 1947.

In respect of the subsidiary, income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in income and expenditure because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax base used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

## **SPORT SINGAPORE AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is charged or credited to income and expenditure except when it relates to items charged or credited either in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised either in other comprehensive income or directly in equity, respectively.

#### **2.22 Contribution to consolidated fund**

The Council is required to make a contribution to the consolidated fund in accordance with the section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act 1989. The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of the Council 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 the Group'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.

##### ***Critical judgements in applying the Group's accounting policies***

In the process of applying the Group's accounting policies which are described in Note 2, management is of the opinion that any judgement made is not expected to have a significant effect on the amounts recognised in the financial statements.

##### ***Key sources of estimation uncertainty***

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**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	The Group		The Council	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>					
Receivables	11	48,290	1,000,250	49,495	1,000,250
Cash and cash equivalents	13	1,041,261	914,663	942,393	914,663
Finance lease receivables		1,004	1,157	1,004	1,157
Long-term loan	10	-	7,140	-	7,140
Financial assets at amortised cost		<u>1,090,555</u>	<u>1,923,210</u>	<u>992,892</u>	<u>1,923,210</u>
<b>Financial liabilities</b>					
Derivative financial instruments (Level 2)	14	<u>990</u>	<u>3,571</u>	<u>990</u>	<u>3,571</u>
Payables and accrued liabilities	15	194,374	114,445	174,822	114,445
Finance lease Lease liabilities	19 20	- 49,040	924,413 40,033	- 49,040	924,413 40,033
Bank loans	16	37,800	41,400	37,800	41,400
Refundable deposits		7,250	2,174	4,001	2,174
Financial liabilities at amortised cost		<u>288,464</u>	<u>1,122,465</u>	<u>265,663</u>	<u>1,122,465</u>

The Group 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 bank loans 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 except for lease liabilities as disclosed in Note 20 to the financial statements.

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

The fair value of derivative financial instruments is calculated using quoted prices. More details are disclosed in Note 14 to the financial statements.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

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

##### (b) *Financial risk management policies and objectives*

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

##### (i) *Credit risk*

The Group's and Council'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. The Group has policies in place to ensure that the rendering of services is made to customers with appropriate credit history.

The Group and Council have significant receivables due from the Government amounting to \$15,761,000 (2022 : \$988,594,000) (Note 11), representing 22% (2022 : 98%) 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. The Group and Council have 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 the Group's and Council's maximum exposure to credit risk.

##### (ii) *Interest rate risk*

Interest bearing financial assets and liabilities of the Group are mainly cash and cash equivalent, bank loans, 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. The Group 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 the Group borrowed at fixed rates directly. Under the interest rate swap, the Group 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 14.

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 the Group.

The lease liabilities bears interest at fixed interest rates. Any future variations in interest rates will not have a material impact on the results of the Group and the Council. Further details on the lease liabilities can be found in Note 20.

Accordingly, no interest rate sensitivity analysis is presented.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

**(b) Financial risk management policies and objectives (cont'd)**

*(iii) Foreign exchange risk*

The Group and Council have 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*

The Group and Council have 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 the Group's bank loans (Note 16) and lease liabilities (Note 20). The Group and Council ensure 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 the Group's and Council's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

The Group:

	2023 \$'000				2022 \$'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 amortised cost	1,087,519	2,032	-	1,089,551	1,035,063	443,104	934,396	2,412,563
Finance lease receivables	917	87	-	1,004	852	324	-	1,176
Long term loan	-	-	-	-	1,000	6,140	-	7,140
Total undiscounted financial assets	1,088,436	2,119	-	1,090,555	1,036,915	449,568	934,396	2,420,879
<b>Financial liabilities:</b>								
Trade and other payables	178,822	-	-	178,822	116,619	-	-	116,619
Finance lease	-	-	-	-	110,776	443,104	932,363	1,486,243
Lease liabilities	10,153	13,638	40,122	63,913	5,834	8,126	40,687	54,647
Bank loan	5,003	18,708	25,554	49,265	4,273	16,467	24,622	45,362
Total undiscounted financial liabilities	193,978	32,346	65,676	292,000	237,502	467,697	997,672	1,702,871
Total net undiscounted financial assets / (liabilities)	894,458	(30,227)	(65,676)	798,555	799,413	(18,129)	(63,276)	718,008

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2023**

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

**(b) Financial risk management policies and objectives (cont'd)**

The Council:

	2023 \$'000				2022 \$'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 amortised cost	989,856	2,032	-	991,888	1,035,063	443,104	934,396	2,412,563
Finance lease receivables	917	87	-	1,004	852	324	-	1,176
Long term loan	-	-	-	-	1,000	6,140	-	7,140
<b>Total undiscounted financial assets</b>	<b>990,773</b>	<b>2,119</b>	<b>-</b>	<b>992,892</b>	<b>1,036,915</b>	<b>449,568</b>	<b>934,396</b>	<b>2,420,879</b>
<b>Financial liabilities:</b>								
Trade and other payables	174,822	-	-	174,822	116,619	-	-	116,619
Finance lease	-	-	-	-	110,776	443,104	932,363	1,486,243
Lease liabilities	10,153	13,638	40,122	63,913	5,834	8,126	40,687	54,647
Bank loan	5,003	18,708	25,554	49,265	4,273	16,467	24,622	45,362
<b>Total undiscounted financial liabilities</b>	<b>189,978</b>	<b>32,346</b>	<b>65,676</b>	<b>288,000</b>	<b>237,502</b>	<b>467,697</b>	<b>997,672</b>	<b>1,702,871</b>
<b>Total net undiscounted financial assets / (liabilities)</b>	<b>800,795</b>	<b>(30,227)</b>	<b>(65,676)</b>	<b>704,892</b>	<b>799,413</b>	<b>(18,129)</b>	<b>(63,276)</b>	<b>718,008</b>

**(c) Capital management policies and objectives**

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 16, and share capital, capital account, accumulated surplus and funds. The Group's overall strategy remains unchanged from last financial year.

**5. Related party transactions**

For the purposes of these financial statements, related parties refer to subsidiaries, Ministries, Organs of State, other Statutory Boards and key management personnel. The transactions with Government-related entities (other than Ministries, Organs of State and other Statutory Boards) are not disclosed unless there are circumstances to indicate that these transactions are of interest to the readers of the financial statements.

Some of the Council'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.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**5. Related party transactions (cont'd)**

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

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
<b><i>Ministries and statutory boards</i></b>		
Grants disbursed	4,053	3,207

***Compensation of key management personnel***

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

	<b>The Group</b>		<b>The Council</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
Short-term employment benefits	5,170	3,966	4,304	3,966
Post-employment benefits	294	212	246	212
	<u>5,464</u>	<u>4,178</u>	<u>4,550</u>	<u>4,178</u>

**6. Share capital and dividend**

(a) ***Share capital***

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Issued and paid up:		
As at beginning of the year	1,335,543	1,251,263
Shares issued	109,581	84,280
As at financial year end	<u>1,445,124</u>	<u>1,335,543</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 years ended 31 March 2023 and 2022, the Council did not declare dividends on the share capital issued to the MOF in respect of the financial years ended 31 March 2022 and 2021 respectively.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**7. Property, plant and equipment**

	Capital and General Funds										Restricted Funds	Others
	Sports Hub					Other Sports Facilities						
	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	Furniture, equipment and other fixed assets \$'000	Grand total \$'000	
<b>Cost:</b>												
At 1 April 2021	261,481	1,238,143	45,305	445,679	794,251	60,840	188,938	3,034,637	382	-	3,035,019	
Additions	-	-	-	65,232	1,478	1,505	93,055	161,270	-	-	161,270	
Transfers	-	-	-	-	-	116	(116)	-	-	-	-	
Written off	-	-	-	-	(1,258)	(3,791)	(307)	(5,356)	(36)	-	-	
Reclassification	-	-	-	-	11	(11)	-	-	-	-	(5,392)	
At 31 March 2022	261,481	1,238,143	45,305	510,911	794,482	58,659	281,570	3,190,551	346	-	3,190,897	
Additions	-	-	320	-	2,007	750	129,428	132,505	-	1,792	134,297	
Transfers	-	-	667	-	31,231	-	(31,898)	-	-	-	-	
Written off	-	-	-	-	(33)	(322)	-	(355)	-	-	(355)	
At 31 March 2023	261,481	1,238,143	46,292	510,911	827,687	59,087	379,100	3,322,701	346	1,792	3,324,839	
<b>Accumulated depreciation:</b>												
At 1 April 2021	57,635	281,948	43,604	222,082	591,419	49,980	-	1,246,668	372	-	1,247,040	
Charge for the financial year	3,918	31,629	1,363	19,728	22,334	4,389	-	83,361	10	-	83,371	
Written off	-	-	-	-	(1,242)	(3,745)	-	(4,987)	(36)	-	(5,023)	
Transfers	-	-	-	-	4	(4)	-	-	-	-	-	
At 31 March 2022	61,553	313,577	44,967	241,810	612,515	50,620	-	1,325,042	346	-	1,325,388	
Charge for the financial year	3,875	31,505	536	20,244	19,626	3,949	-	79,735	-	178	79,913	
Written off	-	-	-	-	(21)	(318)	-	(339)	-	-	(339)	
At 31 March 2023	65,428	345,082	45,503	262,054	632,120	54,251	-	1,404,438	346	178	1,404,962	
<b>Carrying amount:</b>												
At 31 March 2022	196,053	893,061	789	248,857	195,567	4,836	379,100	1,918,263	-	1,614	1,919,877	
At 31 March 2023	199,928	924,566	338	269,101	181,967	8,039	281,570	1,865,509	-	-	1,865,509	

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

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

	The Council										
	Capital and General Funds					Restricted Funds					
	Sports Hub		Other Sports Facilities			Sports Hub		Other Sports Facilities			
	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 2021	261,481	1,238,143	45,305	445,679	794,251	60,840	188,938	3,034,637	382	3,035,019	
Additions	-	-	-	65,232	1,478	1,505	93,055	161,270	-	161,270	
Transfers	-	-	-	-	-	116	(116)	-	-	-	
Written off	-	-	-	-	(1,258)	(3,791)	(307)	(5,356)	(36)	(5,392)	
Reclassification	-	-	-	-	11	(11)	-	-	-	-	
At 31 March 2022	261,481	1,238,143	45,305	510,911	794,482	58,659	281,570	3,190,551	346	3,190,897	
Additions	-	-	320	-	2,007	750	129,428	132,505	-	132,505	
Transfers	-	-	667	-	31,231	-	(31,898)	-	-	-	
Written off	-	-	-	-	(33)	(322)	-	(355)	-	(355)	
At 31 March 2023	261,481	1,238,143	46,292	510,911	827,687	59,087	379,100	3,322,701	346	3,323,047	
<b>Accumulated depreciation:</b>											
At 1 April 2021	57,635	281,948	43,604	222,082	591,419	49,980	-	1,246,668	372	1,247,040	
Change for the financial year	3,918	31,629	1,363	19,728	22,334	4,389	-	83,371	10	83,371	
Written off	-	-	-	-	(1,242)	(3,745)	-	(4,987)	(36)	(5,023)	
Transfers	-	-	-	-	4	(4)	-	-	-	-	
At 31 March 2022	61,553	313,577	44,967	241,810	612,515	50,620	-	1,325,042	346	1,325,388	
Change for the financial year	3,875	31,505	536	20,244	19,626	3,949	-	79,735	-	79,735	
Written off	-	-	-	-	(21)	(318)	-	(339)	-	(339)	
At 31 March 2023	65,428	345,082	45,503	262,054	632,120	54,251	-	1,404,438	346	1,404,784	
<b>Carrying amount:</b>											
At 31 March 2022	196,053	893,061	789	248,857	195,567	4,836	379,100	1,918,263	-	1,918,263	
At 31 March 2023	199,928	924,566	338	269,101	181,967	8,039	281,570	1,865,509	-	1,865,509	

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**8. Associate**

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Cost of investment	19,042	15,612
Deemed investment	418	418
Share of post-acquisition results, net of dividend received	(14,051)	(11,207)
Impairment loss	(1,795)	(1,795)
	<b>3,614</b>	<b>3,028</b>

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

<b>Name of associate</b>	<b>Country of incorporation and operation</b>	<b>Proportion of ownership and voting power held</b>		<b>Principal activity</b>
		<b>2023</b>	<b>2022</b>	
		%	%	
SISTIC.COM Pte Ltd	Singapore	49	49	Ticketing services

As at 31 March 2023, the Council assessed that there is no additional impairment arising from estimated recoverable amounts based on value-in-use 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:

	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Current assets	20,049	9,768
Non-current assets	7,979	7,264
Current liabilities	(15,092)	(5,843)
Non-current liabilities	(5,987)	(6,273)
<b>Net assets</b>	<b>6,949</b>	<b>4,916</b>
Council's share of assets	3,405	2,409
Fair value uplift on identifiable assets (net of amortisation)	-	261
Goodwill on acquisition	2,153	2,153
Impairment loss	(1,795)	(1,795)
Others	(149)	-
<b>Carrying amount of the investment</b>	<b>3,614</b>	<b>3,028</b>

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**8. Associate (cont'd)**

	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Summarised statement of comprehensive income:		
Sales	11,366	4,910
Cost of sales	(3,878)	(1,296)
<b>Gross profit</b>	<u>7,488</u>	<u>3,614</u>
Other income	723	826
Other losses	(54)	(743)
Expenses	(13,125)	(11,024)
<b>Loss before income tax</b>	<u>(4,968)</u>	<u>(7,327)</u>
Income tax	-	-
<b>Loss after tax, representing total comprehensive loss</b>	<u>(4,968)</u>	<u>(7,327)</u>

**9. Investments in subsidiaries**

	<b>The Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Unquoted equity shares, at cost	<u>57,400</u>	-

Details of the Council's subsidiaries as at end of the reporting period are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership and voting power held		Principal activity
		2023	2022	
		%	%	
<b>Held by the Council</b>				
Kallang Alive Holding Co Pte Ltd ("KAHC")*	Singapore	100	-	Investment holding
<b>Subsidiary of Kallang Alive Holding Co Pte Ltd</b>				
Kallang Alive Sport Management Pte Ltd ("KASM")*	Singapore	100	-	Operation and maintenance of Singapore Sports Hub

\* KAHC and KASM were incorporated during the year. KASM was incorporated during the year for the purposes of operating the Sports Hub.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 10. Long-term loan

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Loans	-	<u>7,140</u>

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. The Council 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%.

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

Pursuant to the Mutual Cessation Agreement ("MCA") signed with SHPL in 2022, the advances have been fully repaid (Note 31).

#### 11. Receivables and prepayments

	<b>The Group</b>		<b>The Council</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
<b>Non-current:</b>				
Receivable from Government	-	944,822	-	944,822
Loan to associate	2,032	2,032	2,032	2,032
	<u>2,032</u>	<u>946,854</u>	<u>2,032</u>	<u>946,854</u>
<b>Current:</b>				
Receivable from Government	15,761	43,772	15,761	43,772
Receivable from subsidiary	-	-	11,743	-
Trade receivables	15,459	4,282	8,493	4,282
Other debtors	15,038	5,342	11,466	5,342
Receivables	<u>46,258</u>	<u>53,396</u>	<u>47,463</u>	<u>53,396</u>
Prepayments	25,111	8,383	22,677	8,383
Receivables and prepayments	<u>71,369</u>	<u>61,779</u>	<u>70,140</u>	<u>61,779</u>

As at 1 April 2021, trade receivables from contract customers amounted to \$4,282,000.

The average credit period is 30 days (2022 : 30 days) except for receivable from Government which has no credit terms. No interest is charged on the amounts over-due.

The loan to associate is interest-free for two years from first drawdown, subsequently bears interest of 1.5% per annum from third year onwards, unsecured and repayable 10 years from the first drawdown.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 11. Receivables and prepayments (cont'd)

The receivable from subsidiary is repayable on demand and non-interest bearing.

As at 31 March 2023, there is \$15,761,000 Receivable from Government (2022 : \$988,594,000). This makes up 22% of total receivables and prepayments. The amount in 2022 related to the matching of grants receivable from Government to the expected repayment of finance lease for the Public Private Partnership arrangement (Note 19). The receivable were fully received during the year in the form of a grant for the cessation payment (Note 31).

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:

	The Group		The Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
30 to 90 days	1,294	450	1,053	450
More than 90 days	3,116	2,136	2,661	2,136
	<u>4,410</u>	<u>2,586</u>	<u>3,714</u>	<u>2,586</u>

#### 12. Right-of-use assets

Apart from amounts disclosed in property, plant and equipment, the Group also has right-of-use assets leases of several leasehold land and buildings and equipment. The average lease term is 3.58 years (2022 : 3 years).

	The Group and Council			
	Leasehold land	Buildings	Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Cost:</b>				
At 1 April 2021	25,589	36,553	4,995	67,137
Additions	2,413	593	1,065	4,071
End of leases	(4,180)	-	-	(4,180)
At 31 March 2022	<u>23,822</u>	<u>37,146</u>	<u>6,060</u>	<u>67,028</u>
Additions	17,562	257	168	17,987
At 31 March 2023	<u>41,384</u>	<u>37,403</u>	<u>6,228</u>	<u>85,015</u>
<b>Accumulated depreciation:</b>				
At 1 April 2021	16,435	2,985	1,934	21,354
Depreciation	7,034	1,493	1,243	9,770
End of leases	(4,043)	-	-	(4,043)
At 31 March 2022	<u>19,426</u>	<u>4,478</u>	<u>3,177</u>	<u>27,081</u>
Depreciation	7,666	1,506	1,147	10,319
At 31 March 2023	<u>27,092</u>	<u>5,984</u>	<u>4,324</u>	<u>37,400</u>

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2023

#### 12. Right-of-use assets (cont'd)

	<b>The Group and Council</b>			
	<b>Leasehold land</b> \$'000	<b>Buildings</b> \$'000	<b>Equipment</b> \$'000	<b>Total</b> \$'000
<b>Carrying amount:</b>				
At 31 March 2023	14,292	31,419	1,904	47,615
At 31 March 2022	4,396	32,668	2,883	39,947

#### 13. Cash and cash equivalents

	<b>The Group</b>		<b>The Council</b>	
	<b>2023</b> \$'000	<b>2022</b> \$'000	<b>2023</b> \$'000	<b>2022</b> \$'000
Cash held under CLM	942,347	909,603	942,350	909,603
Cash at bank and on hand	98,914	5,060	43	5,060
	<u>1,041,261</u>	<u>914,663</u>	<u>942,393</u>	<u>914,663</u>

Cash held under CLM refers to Council's 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.

#### 14. Derivative financial instruments

	<b>The Group and Council</b>	
	<b>2023</b> \$'000	<b>2022</b> \$'000
Interest rate swaps	990	3,571
Less: Current portion	(99)	(324)
Non-current portion	<u>891</u>	<u>3,247</u>

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank loans (Note 16) by swapping the loans from floating rates to fixed rates.

The contract with current notional value of \$37.8 million (2022 : \$41.4 million) has fixed interest payments at 3.63% (2022 : 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 2.71% (2022 : 0.51%) per annum.

The fair value of swap entered into on 7 April 2008 is estimated at \$990,000 (2022 : \$3,571,000) as at 31 March 2023, 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 \$1,040,000 (2022 : \$216,000) has been offset against hedged interest payment made.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2023**

**14. Derivative financial instruments (cont'd)**

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

**15. Payables and accrued liabilities**

	<b>The Group</b>		<b>The Council</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
Account payables	56,094	1,126	35,607	1,126
Amount payable to subsidiary	-	-	50,895	-
Accrued liabilities	138,280	113,319	88,320	113,319
Advances	-	12,086	-	12,086
	<u>194,374</u>	<u>126,531</u>	<u>174,822</u>	<u>126,531</u>

These amounts are non-interest bearing. Account payables are normally settled on 30 days (2022 : 30 days) term.

The amount payable to subsidiary is repayable on demand and non-interest bearing.

**16. Bank loan**

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Term loans – unsecured	37,800	41,400
Less: Amount due for settlement within 12 months (current liabilities)	<u>(3,600)</u>	<u>(3,600)</u>
Amount due for settlement after 12 months (non-current liabilities)	<u>34,200</u>	<u>37,800</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 2.71% (2022 : 0.51%) per annum.

The Council uses interest rate swap to hedge the fluctuation in interest rates (Note 14). The loan is repayable over 50 six-monthly instalments.

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

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 16. Bank loan (cont'd)

The table below details changes in the Group'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 the Group's consolidated statement of cash flows from financing activities.

	1 April 2022	Financing cash flows	<u>Non-cash changes</u> Other changes <sup>(2)</sup>	31 March 2023
	\$'000	\$'000	\$'000	\$'000
Bank loans (Note 16)	41,400	(3,600)	-	37,800
Finance lease (Note 19)	924,413	(924,413) <sup>(1)</sup>	-	-
Lease liabilities (Note 20)	40,033	(8,980)	17,987	49,040
	<u>1,005,846</u>	<u>(936,993)</u>	<u>17,987</u>	<u>86,840</u>

	1 April 2021	Financing cash flows	<u>Non-cash changes</u> Other changes <sup>(2)</sup>	31 March 2022
	\$'000	\$'000	\$'000	\$'000
Bank loans (Note 16)	45,000	(3,600)	-	41,400
Finance lease (Note 19)	962,315	(37,902)	-	924,413
Lease liabilities (Note 20)	45,507	(9,408)	3,934	40,033
	<u>1,052,822</u>	<u>(50,910)</u>	<u>3,934</u>	<u>1,005,846</u>

(1) Amount includes repayment of \$896,583,000 as part of cessation payment.

(2) Other changes include new leases entered and termination during the year.

#### 17. Deferred revenue

	The Group		The Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of year	4,199	3,807	4,199	3,807
Addition during the year	10,150	2,733	3,630	2,733
Less: Transfer to income	(3,368)	(2,341)	(3,368)	(2,341)
	<u>10,981</u>	<u>4,199</u>	<u>4,461</u>	<u>4,199</u>
Less: Current portion	(10,902)	(3,804)	(4,382)	(3,804)
Non-current portion	<u>79</u>	<u>395</u>	<u>79</u>	<u>395</u>

Deferred revenue relates to rental of land and spaces received in advance and the amount is amortised to the income and expenditure statement in accordance with the policy of the Group.

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2023**

**18. Grants received in advance**

**The Group and Council**

	<u>Operating grants</u>		<u>Development grants</u>		<u>Total</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	41,330	51,853	11	11	41,341	51,864
Add: Government grants received (excluding grant received for cessation payment)	552,343	433,687	-	-	552,343	433,687
Less: Transfer to income and expenditure statement	(461,200)	(444,210)	-	-	(461,200)	(444,210)
Balance at end of year	<u>132,473</u>	<u>41,330</u>	<u>11</u>	<u>11</u>	<u>132,484</u>	<u>41,341</u>

**19. Finance lease**

Under the Public-Private-Partnership ("PPP") arrangement between the Council and Sports Hub Pte Ltd ("SHPL"), the Council 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 the Council 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.

From 9 December 2022, the Council has terminated its PPP arrangement with SHPL and the finance lease as part of the cessation payment (Note 31).

*Disclosure required under SB-FRS 116*

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'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	-	932,363
	-	<u>1,486,243</u>
	-	<u>(561,830)</u>
	-	<u>924,413</u>
Analysed as:		
Current	-	40,930
Non-current	-	883,483
	-	<u>924,413</u>

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2023

#### 20. Lease liabilities

*Disclosure required under SB-FRS 116*

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Maturity Analysis:		
Year 1	10,153	5,834
Year 2	8,006	3,385
Year 3	2,934	1,947
Year 4	1,349	1,445
Year 5	1,349	1,349
Year 6 onwards	40,122	40,687
	<u>63,913</u>	<u>54,647</u>
Less: Unearned interest	<u>(14,873)</u>	<u>(14,614)</u>
	<u>49,040</u>	<u>40,033</u>
Analysed as:		
Current	9,235	5,015
Non-current	39,805	35,018
	<u>49,040</u>	<u>40,033</u>

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

#### 21. Deferred capital grants – government

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of year	1,041,149	1,087,062
Grants drawn down during the year	2,045	2,471
	<u>1,043,194</u>	<u>1,089,533</u>
Less: Grants taken to the income and expenditure statement:		
(i) To match property, plant and equipment written off	(5)	(27)
(ii) To match depreciation	(45,454)	(48,357)
Balance at the end of year	<u>997,735</u>	<u>1,041,149</u>

**SPORT SINGAPORE AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2023**

**22. Deferred capital grants - non-government**

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Balance at the beginning of year	14,838	16,611
Donated assets during the year	-	277
Less: Grants taken to the income and expenditure statement:		
(i) To match depreciation	(2,040)	(2,050)
Balance at the end of year	12,798	14,838

**23. 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>The Group</b>		<b>The Council</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
Grant expenses*^	103,682	94,469	204,702	94,469
Program/event expenses	58,981	28,363	45,239	28,363
Utilities	25,712	14,607	23,034	14,607
Property tax	20,973	18,614	15,100	18,614
Rental expenses	16,175	11,037	19,388	11,037
Unitary expenses#	67,110	103,790	67,110	103,790
Loss on property, plant and equipment written-off	16	369	16	369

\* Grant expenses at the Group mainly comprise of the disbursements made to the various National Sports Associations.

^ Grant expenses at the Council mainly comprise of the disbursements made to the various National Sports Associations and grants to its subsidiary amounting to \$101,020,000 (including an grant expense amount of \$60 million for rental subvention of Sportshub (Note 2.11).

# Unitary expenses pertain to payments for Sports Hub project up to 8 December 2022 (see Note 31).

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 24. Employee benefits expense

Employee benefit expense comprises the following:

	The Group		The Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	95,013	81,864	85,857	81,865
Cost of defined contribution plans	15,222	13,502	14,206	13,502
Other salary related expenses	11,887	10,292	11,367	10,292
	<u>122,122</u>	<u>105,658</u>	<u>111,430</u>	<u>105,658</u>

#### 25. Other expenses

Other expenses comprise the following:

	The Group		The Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Board Members' allowances	324	219	255	219
Ex-gratia payments to partners	631	1,665	631	1,665
Transport and travelling	1,682	296	1,581	296
Consultancy costs	7,874	6,048	7,845	6,048
Legal fees	8,577	2,784	8,425	2,784
Security services	748	142	748	142
Logistics	-	167	-	167
Prizes and souvenirs	321	315	321	315
Catering services	965	170	971	170
Uniform and clothing	140	122	140	122
Insurance	515	168	223	168
Fire alarm and security system	-	272	-	272
Assets expensed off	103	1,259	103	1,259
Miscellaneous expenses	976	1,478	771	1,478
	<u>22,856</u>	<u>15,105</u>	<u>22,014</u>	<u>15,105</u>

#### 26. Finance costs

	The Group		The Council	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense:				
Finance lease	51,779	77,933	51,779	77,933
Bank charges	2,126	1,621	2,124	1,621
Lease liabilities	1,094	933	1,094	933
	<u>54,999</u>	<u>80,487</u>	<u>54,997</u>	<u>80,487</u>

**SPORT SINGAPORE AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****31 March 2023****27. Other income**

Other income comprises the following:

	<b>The Group and Council</b>					
	<b>Capital and General Funds</b>		<b>Restricted Funds</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3,506	2,501	84	93	3,590	2,594
Finance income	51,779	77,933	-	-	51,779	77,933
	<u>55,285</u>	<u>80,434</u>	<u>84</u>	<u>93</u>	<u>55,369</u>	<u>80,527</u>

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

**28. Donation income**

The donations received by Vision 2030 Fund are tax-exempt donations as the Fund is registered as a charity and approved as an IPC under the Charities Act.

The tax-deductible donations collected during the year by Vision 2030 Fund are as follows:

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Tax deductible donations received	<u>174</u>	<u>22</u>

**29. (a) Contribution to consolidated fund**

The Council 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 1989 at the prevailing corporate tax rate of 17% for Year of Assessment 2023 (Year of Assessment 2022 : 17%) of the surplus. The Council is allowed to carry forward the accounting deficit from any financial year to offset against accounting surplus for following years.

**(b) Income tax**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Current tax	<u>-</u>	<u>-</u>

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 29. (b) Income tax (cont'd)

Domestic income tax of the Group is calculated at 17% of the estimated assessable income for the year. The income tax for the year can be reconciled to the accounting loss as follows:

	The Group	
	2023	2022
	\$'000	\$'000
Deficit of the Council before contribution to Consolidated Fund and taxation not subjected to tax	(5,404)	-
Income tax benefit calculated at 17% (2022 : 17%)	(919)	-
Non-deductible expenses	89	-
Tax effect of unrecognised and unused tax losses	830	-
	<u>-</u>	<u>-</u>

Subject to the agreement by the tax authority at the end of the reporting period, the Group has unutilised tax loss of \$4,881,000 available for offset against future profits. No deferred tax asset has been due to the unpredictability of future profit streams. The realisation of the future income tax benefits from tax losses carry forward are available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

#### 30. Capital commitments

	The Group and Council	
	2023	2022
	\$'000	\$'000
Capital expenditures approved by the Council and the Group but not provided for in the financial statements are:		
Amount approved but not contracted for	<u>259,284</u>	<u>95,446</u>

#### 31. Service concession arrangement and commitment and cessation

##### (a) Service concession arrangement and commitment

The Council has entered into a PA with SHPL. Pursuant to this PA, the Council granted a 25-year lease of land to SHPL commencing from 25 August 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 the Council, a Sports Information Resource Centre, Commercial Development/Retail Outlets and other ancillary facilities.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

#### 31. Service concession arrangement and commitment and cessation (cont'd)

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 the Council 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, the Council will pay SHPL Monthly Unitary Payment ("MUP") over the 25-year project term starting from 25 August 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 the Council.

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 the Council under pre-agreed sharing percentages set out in the PA.

The construction of Sports Hub had been completed and the Project Operations Date ("POD") was on 2 July 2014. The Council accounted for the Sports Hub assets in accordance with SB-FRS 16 *Property, Plant and Equipment* and SB-FRS 116 *Leases* as an asset (Note 7), and recorded certain amount of the MUP as finance lease obligations to SHPL.

	<b>The Group and Council</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital expenditures</b>		
Within one year	-	40,930
In the second to fifth years inclusive	-	199,134
More than five years	-	684,349
	-	<u>924,413</u>
<b>Service and interest cost</b>		
Within one year	-	173,934
In the second to fifth years inclusive	-	675,003
More than five years	-	1,237,227
	-	<u>2,086,164</u>

#### (b) Cessation

On 10 June 2022, the Council signed a Mutual Cessation Agreement ("MCA") with SHPL where both parties mutually agreed to terminate the PA dated 24 August 2010 between the Council and SHPL, such termination to be effective on 9 December 2022.

The Council made a payment of \$1.37 billion for the mutual termination of the PA. The payment was funded by a grant received from the Government. The payment amount was calculated in accordance with the contractual provisions contained in the PA dealing with the termination of the PA, and largely comprised SHPL's outstanding debt and related costs, and cost of terminating the PA including, compensation for the loss of income, redundancy payments and sub-contractors' breakage costs. The Council has full freedom as to how the Sports Hub is to be managed and operated, without regard to the PA.

## SPORT SINGAPORE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS 31 March 2023

#### 32. Operating lease arrangements

##### *The Council and the Group as lessor*

*Disclosure required by SB-FRS 116*

The Council and the Group rent out its office space, food and beverage outlets, carpark 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>The Group</b>		<b>The Council</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Year 1	19,530	14,143	14,068	14,143
Year 2	9,734	10,299	9,734	10,299
Year 3	530	2,821	530	2,821
Year 4	12	1,036	12	1,036
Year 5	12	300	12	300
Year 6 onwards	122	2,149	122	2,149
	<u>29,940</u>	<u>30,748</u>	<u>24,478</u>	<u>30,748</u>

#### 33. Comparative

In prior year, the Council only had an investment in associate which was equity accounted. In the current year, the Council incorporated subsidiaries which resulted in a Group which represents the Group's initial application of consolidation procedures. Hence, the comparative amounts for the Group for 31 March 2022 comprise of the Council and its associate which is the same as the comparative amounts of the Council.

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