S B Tan Audit PAC
Public Accountants &
Chartered Accountants
Reg no. 201709525H
118 Aljunied Avenue 2 #06-104
Singapore 380118
Tel: 6844 8626 Fax: 6844 8627
E-mail: admin@sbtan.com
http://www.sbtan.com

Changi Sailing Club

Registration No. S88SS0020A

Registered office: 32 Netheravon Road
Changi Singapore 508508

Annual Report for the Year Ended 31 March 2026

Contents **Page(s)**

Report of the Management Committee	1
Independent Auditor's Report	2 – 4
Statement of Financial Position	5
Statements of Comprehensive Income	6
Statements of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 24

REPORT OF THE MANAGEMENT COMMITTEE

We, the undersigned Management Committee submits this annual report to the members together with the audited financial statements of Changi Sailing Club (the "Club") for the financial year ended 31 March 2026.

Management Committee

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

Ms Deborah Barker	-	Commodore
Mr Jeffrey Leow	-	Vice Commodore
Mr Andrew Willett	-	Honorary Secretary
Mr James Sharpe	-	Honorary Treasurer
Mr Justin Lean	-	Rear Commodore (Sailing)
Mr Luke Doherty	-	Rear Commodore (House and Grounds)
Mr Adriaan Smit	-	Social Secretary

Auditor

S B Tan Audit PAC has expressed its willingness to accept re-appointment as auditor.

Statement by Management Committee

The Management Committee of **Changi Sailing Club** is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act and Singapore Financial Reporting Standards ("FRS"). This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Club as at 31 March 2026, and of the results, changes in funds and cash flows of the Club for the year ended on that date in accordance with the provisions of the Acts and FRS.

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

On behalf of the Management Committee

Ms Deborah Barker
Commodore

Mr James Sharpe
Honorary Treasurer

Singapore
21 MAY 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGI SAILING CLUB

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **Changi Sailing Club** (the "Club"), which comprises the statement of financial position as at 31 March 2026, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act and Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Club as at 31 March 2026 and of the financial performance, changes in funds and cash flows of the Club 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Club in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGI SAILING CLUB

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club'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 Club to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANGI SAILING CLUB

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Club have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yong Seet Lee.

S B TAN AUDIT PAC
Public Accountants and
Chartered Accountants
Singapore
21 MAY 2026

Statement of Financial Position
As at 31 March 2026

	Note	2026 $	2025 $
Non-Current Asset			
Property, plant and equipment	3	751,851	214,134
		751,851	214,134
Current Assets			
Inventories		5,735	7,000
Trade and other receivables	4	236,054	303,717
Prepayments		16,299	16,439
Cash and cash equivalents	5	2,357,344	2,458,691
		2,615,432	2,785,847
Current Liabilities			
Trade and other payables	6	294,093	329,227
Lease liabilities	7	285,324	77,661
Provision for taxation		33,241	38,033
		612,658	444,921
Net Current Assets		2,002,774	2,340,926
Non-Current Liabilities			
Lease liabilities	7	379,847	-
Net Assets		2,374,778	2,555,060
Representing:			
Development Fund	8	3,540,048	3,655,041
Accumulated Fund		(1,165,270)	(1,099,981)
		2,374,778	2,555,060

The accompanying notes form part of the financial statements

Statement of Comprehensive Income
For the year ended 31 March 2026

	Note	2026 $	2025 $
Income	9	2,024,148	2,093,710
Interest income		47,453	67,269
Allowance for credit losses written back		18,803	14,383
Other income		29,980	22,932
		2,120,384	2,198,294
Less Expenditure			
Administration maintenance		38,252	38,113
Chalet maintenance		67,600	79,154
Clubhouse maintenance		132,059	139,533
Depreciation of property, plant and equipment	3	77,805	75,063
Depreciation of right-of-use asset	3	292,560	300,708
Grounds maintenance		90,792	85,780
Credit losses on trade receivables	4	28,054	105,116
Lease interest expenses		29,992	11,331
License fee		21,996	18,252
Loss on disposal of property, plant and equipment		1,283	805
Mooring expenses		36,616	34,842
Petrol for boats		37,173	36,319
Key management staff costs - CPF contributions		15,504	13,566
- Salaries		94,800	82,800
Staff costs - CPF contributions		65,069	62,859
- Salaries		709,533	672,442
Racing expenses		133,295	148,739
Slipway expenses		13,039	21,976
Social and marketing		13,054	10,180
Support boats maintenance		38,886	36,160
Training courses		73,733	106,915
Water and electricity		62,246	80,283
Other operating expenses		95,841	75,665
		(2,169,182)	(2,236,601)
Deficit before taxation		(48,798)	(38,307)
Taxation	10	(16,491)	(16,749)
Deficit after taxation		(65,289)	(55,056)
Other comprehensive income		-	-
Total comprehensive expense for the year		(65,289)	(55,056)

The accompanying notes form part of the financial statements

Statement of Changes in Funds
For the year ended 31 March 2026

	Note	2026 $	2025 $
Development Fund			
Balance at beginning of year		3,655,041	3,749,878
Contributions for the year		184,670	181,200
Utilisation for the year		(299,663)	(276,037)
Balance at end of year	8	3,540,048	3,655,041
Accumulated Fund			
Balance brought forward		(1,099,981)	(1,044,925)
Total comprehensive expense for the year		(65,289)	(55,056)
Balance carried forward		(1,165,270)	(1,099,981)
		2,374,778	2,555,060

The accompanying notes form part of the financial statements

Statement of Cash Flows
For the year ended 31 March 2026

	Note	2026 $	2025 $
Cash Flows From Operating Activities:			
Deficit before taxation		(48,798)	(38,307)
Adjustments for:			
Depreciation of property, plant and equipment	3	77,805	75,063
Depreciation of right-of-use asset	3	292,560	300,708
Loss on disposal of property, plant and equipment		1,283	805
Interest expense on lease liabilities		29,992	11,331
Allowance for credit losses written back		(18,803)	(14,383)
Credit losses on trade receivables		28,054	105,116
Interest income		(47,453)	(67,269)
		363,438	411,371
Operating cash flow before working capital changes		314,640	373,064
Change in operating assets and liabilities:			
Inventories		1,265	456
Trade and other receivables		58,412	(24,653)
Prepayments		140	2,516
Trade and other payables		(39,926)	11,237
Cash generated from operations		334,531	362,620
Interest received		47,453	67,269
Tax paid		(16,491)	(13,784)
Net cash generated from operating activities		365,493	416,105
Cash Flows From Investing Activities:			
Purchase of property, plant and equipment	3	(39,847)	(107,183)
Net cash used in investing activities		(39,847)	(107,183)
Cash Flows From Financing Activities:			
Payment of principal portion of lease liability		(282,008)	(300,669)
Interest expense on lease liabilities		(29,992)	(11,331)
New members' entrance fee (Development fund)		184,670	181,200
Development expenses (Development fund)		(299,263)	(271,137)
Membership referral fee		(400)	(4,900)
Net cash used in financing activities		(426,993)	(406,837)
Net decrease in cash and cash equivalents		(101,347)	(97,915)
Cash and cash equivalents at beginning of year		2,458,691	2,556,606
Cash and cash equivalents at end of year		2,357,344	2,458,691

The accompanying notes form part of the financial statements

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

1 General

Changi Sailing Club (the "Club") is registered in the Republic of Singapore and has its registered office and principal place of operations at 32 Netheravon Road, Changi, Singapore 508508.

The principal activities of the Club are the promotion of sailing, yacht racing, social activities; and the provision of clubhouse and boatyard facilities.

The financial statements were authorised for issue by the Management Committee on 21 May 2026.

2 Significant Accounting Policies

2.1 *Basis of Preparation*

The financial statements of the Club have been drawn up in accordance with the Societies Act and Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars which is the Club's functional currency.

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Club has adopted all the new and amended standards which are relevant to the Club and are effective for annual financial periods beginning on or after 1 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Club.

2.3 *Standards Issued But Not Yet Effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.4 *Revenue Recognition*

Revenue is measured based on the consideration to which the Club expects to be entitled in exchange for transferring promised services to a third party, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Club satisfies a performance obligation by transferring a promised service to the third parties, which is when the third parties obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) **Service income**

Revenue is recognised based on club activities and services rendered conducted during the year.

(b) **Rental income**

Rental income from operating leases are recognised on a straight-line basis over the lease term.

(c) **Interest income**

Interest income is recognised using the effective interest method.

2.5 ***Foreign Currency Transactions and Balances***

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

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

2.6 ***Property, Plant and Equipment***

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

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	Number of years
Equipment and fittings	3 to 10
Right-of-use assets (land)	3

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

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

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

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

2.7 ***Employee Benefits***

(a) Defined contribution plans

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

(b) Short-term employee benefits

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

2.8 ***Inventories***

Inventories comprising mainly burgees, T-shirts and other souvenirs, are stated at the lower of cost (determined on a first-in, first-out basis) and net realisable value. Cost includes materials, all direct expenses and an attributable proportion of overheads. Provision is made for deteriorated or obsolete inventories.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 ***Impairment of Non-Financial Assets***

The Club assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Club makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash- generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in comprehensive income statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in comprehensive income statement.

2.10 ***Financial instruments***

a) Financial assets

i) Initial recognition and measurement

Financial assets are recognised on the Club's statement of financial position when the Club becomes a party to the contractual provisions of the instrument.

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

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

2.10 ***Financial instruments***

a) Financial assets

ii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Club's business model for managing the asset and contractual cash flow characteristic of the asset. The three measurement categories for classification of debt instruments are amortised at cost, fair value through other comprehensive income (FVOCI) and FVPL. The Club only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

iii) Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

b) Financial Liabilities

i) Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

ii) Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in comprehensive income when the liabilities are derecognised, and through the amortisation process. Liabilities of short duration are not discounted.

iii) Derecognition

The Club derecognises financial liabilities when, and only when, the Club’s obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised to comprehensive income statement.

2.11 ***Impairment of Financial Assets***

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

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

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

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

The Club considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Club may also consider a financial asset to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 ***Cash and Cash Equivalents***

Cash and cash equivalents comprise cash and bank deposits which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.13 ***Leases***

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

(a) **As lessee**

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

Right-of-use assets

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

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

The accounting policy for impairment is disclosed in Note 2.9.

2.13 ***Leases (Cont'd)***

Lease liabilities

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

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

The Club's lease liabilities are disclosed in Note 7.

(b) As intermediate lessor

In classifying a sublease, the Club as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as an operating lease, the Club recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the club allocates the consideration based on a relative stand-alone selling price basis.

2.14 ***Provisions***

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 ***Tax***

Current Income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:
- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.
The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3 Property, Plant and Equipment

	Equipment and fittings	Right-of-use asset	Total
	$	$	$
Cost:			
At 1 April 2024	981,500	1,285,730	2,267,230
Additions	107,183	-	107,183
Disposal	(69,273)	(834,662)	(903,935)
At 31 March 2025 and 1 April 2025	1,019,410	451,068	1,470,478
Additions	39,847	869,518	909,365
At 31 March 2026	1,059,257	1,320,586	2,379,843
Accumulated Depreciation:			
At 1 April 2024	873,864	909,839	1,783,703
Charge for the financial year	75,063	300,708	375,771
Disposal	(68,468)	(834,662)	(903,130)
At 31 March 2025 and 1 April 2025	880,459	375,885	1,256,344
Charge for the financial year	77,805	292,560	370,365
Disposal	1,283	-	1,283
At 31 March 2026	959,547	668,445	1,627,992
Net Book Value:			
At 31 March 2026	99,710	652,141	751,851
At 31 March 2025	138,951	75,183	214,134

4 Trade and Other Receivables

	2026	2025
	$	$
Trade receivables:		
Receivable from members	118,495	148,282
Less: Allowance for expected credit losses	(15,620)	(23,960)
	102,875	124,322

Trade receivables are generally on 30 days' terms.

Other receivables:		
Receivables from non-members	25,753	128,031
Less: Allowance for expected credit losses	(12,270)	(81,053)
	13,483	46,978
Deposits	104,613	104,613
Fixed deposit Interest receivable	12,287	26,304
Staff loan - interest free	2,796	1,500
	133,179	179,395
	236,054	303,717

4 **Trade and Other Receivables (cont'd)**

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2026	2025
	$	$
Balance at beginning of year	105,013	41,867
Provision	27,890	105,013
Write-back	(18,803)	(14,383)
Write-off	(86,210)	(27,484)
Balance at end of year	27,890	105,013

5 **Cash and Cash Equivalents**

	2026	2025
	$	$
Fixed deposits	2,076,518	2,138,158
Cash and bank balances	280,826	320,533
	2,357,344	2,458,691

Standard Chartered bank, DBS bank and The Bank of East Asia are the banks of the Club.

The rate of interest for the cash on interest earning accounts is between 1.18% to 1.55% per annum (2025: 2.50% and 3.20%).

6 **Trade and Other Payables**

	2026	2025
	$	$
Trade payables:		
Members' deposits	114,681	113,774
Advance billings	30,477	28,497
GST payable	11,098	24,784
Refundable deposits	92,035	99,038
	248,291	266,093
Other payables:		
Other creditors	8,815	14,042
Deferred Income - advertising and promotional fund	17,300	32,300
Accrued liabilities	19,687	16,792
	45,802	63,134
	294,093	329,227

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

7 Lease Liabilities

	2026	2025
	$	$
Lease liabilities instalments:		
- payable within 1 year	285,324	77,661
- payable after 1 year	379,847	-
	665,171	77,661

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

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

	2026	2025
	$	$
At beginning of the year	77,661	378,330
Addition of lease liabilities	869,518	-
Payment of lease liabilities	(312,000)	(312,000)
Interest expense on lease liabilities	29,992	11,331
At end of the year	665,171	77,661

8 Development Fund

This represents entrance fees received from new members and is used for the development of the Club's facilities.

	2026	2025
	$	$
Development Fund		
Balance at beginning of year	3,655,041	3,749,878
New members' entrance fees	184,670	181,200
Development expenses	(299,263)	(271,137)
Membership referral fee	(400)	(4,900)
Movements during the year	(114,993)	(94,837)
Balance at end of year	3,540,048	3,655,041

9 **Income**

Income mainly represents subscription, mooring, boat storage, rental fees, sailing, yacht racing, social activities conducted during the year.

	2026	2025
	$	$
Members' subscription	553,980	558,845
Mooring fees	363,722	415,428
Boat storage fees	197,143	183,918
Boat charter	24,594	24,045
Race entry and sponsorship fees	131,540	152,439
Course fees	236,969	255,591
Rental income	483,046	465,257
Car park collections	33,154	38,187
	2,024,148	2,093,710

10 **Taxation**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

	2026	2025
	$	$
Current year's taxation	16,491	16,749
	16,491	16,749

The income of the Club is exempted from tax under Section 11 of the Income Tax Act Cap. 134, except for rental income from non-members and interest income.

A reconciliation between the tax expense and that derived by applying statutory tax rate on book surplus is as follows:

	2026	2025
	$	$
Interest and rental income	209,671	201,026
Income tax expense at statutory rate	35,644	34,174
Income not subject to tax	(17,425)	(17,425)
Others	(1,728)	-
	16,491	16,749

11 **Leases**

Club as a lessee

The Club has lease contracts for land.

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

Land	**2026**	**2025**
	$	**$**
Balance at 1 April	75,183	375,891
Addition during the year	869,518	-
Depreciation	(292,560)	(300,708)
At 31 March	652,141	75,183

b) Lease liabilities

The carrying amounts of lease liabilities is disclosed in Note 7 and the maturity analysis of lease liabilities is disclosed in Note 7.

c) Amount recognised in profit or loss

	2026	**2025**
	$	**$**
Depreciation of right-of-use assets	292,560	300,708
Interest expense on lease liabilities	29,992	11,331
Total amount recognised in profit or loss	322,552	312,039

d) Total cash outflow

The club had total cash outflows for leases of $ 312,000 in 2026 (2025: $312,000).

Club as an intermediate lessor

The Club acts as an intermediate lessor under arrangement in which it sub-leases out chalets and shops to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as an operating leases.

Income from subleasing the chalets and shops recognised during the financial year 2026 was $465,776 (2025: $450,020).

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2026	**2025**
	$	**$**
Receivable:		
- within one year	243,856	301,047
- within 2 to 5 years	6,000	237,006
	249,856	538,053

12 **Financial Risk Management Objectives and Policies**

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

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Club. The Club's exposure to credit risk arises primarily from trade receivables to third parties. The Club minimises credit risk by dealing exclusively with high credit rating counterparties. The Club performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

To minimise credit risk, the Club has developed and maintained the Club's credit risk gradings to categorise exposures according to their degree of risk of default.

The Club's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Club's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	12-month or lifetime ECL	Category	Gross carrying amount $	Loss allowance $	Net carrying amount $
31 March 2026					
Trade receivables	Lifetime ECL (simplified)	Note 1	118,495	(15,620)	102,875
Other receivables	12-month ECL	I	25,753	(12,270)	13,483
				(27,890)	
31 March 2025					
Trade receivables	Lifetime ECL (simplified)	Note 1	148,282	(23,960)	124,322
Other receivables	12-month ECL	I	128,031	(81,053)	46,978
				(105,013)	

12 **Financial Risk Management Objectives and Policies (cont'd)**

Trade receivables (Note 1)

For trade receivables, the Club has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Club determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Receivables that are past due but not impaired

The age analysis of trade receivables past due but not impaired is as follows:

	2026	2025
Days past due:	$	$
31 - 60 days	24,982	15,344
61 - 90 days	6,679	12,283
More than 90 days	60,090	88,502
	91,751	116,129

There were no trade receivables at year-end of the Club that were impaired. There were no adjustments upon initial adoption of FRS 109 as the impact was not material.

(b) Liquidity risk

The Club's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the Club's operations. To manage liquidity risk, the Club monitors and maintains a level of cash and cash equivalents to finance the Club's operations and mitigate the effects of fluctuation in cash flows.

The maturity profile of the financial liabilities of the Club is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

31 March 2026

	Within 1 year	Within 2 - 5 years	Total
	$	$	$
Trade and other payables	235,218	-	235,218
Lease liabilities	285,324	379,847	665,171
	520,542	379,847	900,389

31 March 2025

	Within 1 year	Within 2 - 5 years	Total
	$	$	$
Trade and other payables	243,646	-	243,646
Lease liabilities	77,661	-	77,661
	321,307	-	321,307

13 **Fair Values of Financial Instruments**

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

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

Cash and cash equivalents, other receivables and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

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

Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2026 $	2025 $
Financial assets at amortised cost		
Trade and other receivables	116,358	171,300
Cash and cash equivalents	2,357,344	2,458,691
	2,473,702	2,629,991
Financial liabilities at amortised cost		
Trade and other payables	235,218	243,646
Lease liabilities	665,171	77,661
	900,389	321,307

Fair value hierarchy

The Club categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Club can access at the measurement date;

- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 : Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

14 **Accounting Estimates and Judgement in Applying Accounting Policies**

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

Key source of uncertainty in estimation

The key assumptions concerning the future and other key sources of uncertainty in estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of this property, plant and equipment to be within 3 to 10 years. The carrying amount of the Club's property, plant and equipment is stated in Note 3. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised and impact the profit in future years.

Income taxes

Significant judgement is required in determining the availability of tax losses for offset against taxable income, capital allowances, taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Provision for expected credit losses of trade receivables

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Club’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

The carrying amount of the trade receivables at the end of the reporting period is disclosed in Note 4 to the financial statements.

15 **Capital Management**

The Management regularly reviews the Club's capital structure and make adjustments to reflect economic conditions, strategies and future commitments.

The following detailed statement of comprehensive income is supplementary and does not form part of the audited accounts

Detailed Statement of Income and Expenditure by Activities
For the year ended 31 March 2026

	Mooring	Grounds	Chalet rental	Activities Organisation	Clubhouse and Other Income	Total
	$	$	$	$	$	$
Income	363,722	197,143	303,558	393,103	844,055	2,101,581
	363,722	197,143	303,558	393,103	844,055	2,101,581
Less Expenses						
Depreciation of property, plant and equipment	12,937	1,917	1,303	43,214	310,994	370,365
Credit losses on trade receivables	-	-	-	-	9,251	9,251
Insurance	1,150	-	-	7,105	69,534	77,789
Lease interest expenses	-	-	-	-	29,992	29,992
License fee	-	-	-	-	21,996	21,996
Loss on disposal of fixed assets	1	4	2	1,269	7	1,283
Maintenance	56,806	111,266	67,600	48,434	191,692	475,798
Racing expenses	-	-	-	133,295	-	133,295
Staff cost	165,822	184,048	26,423	288,062	230,276	894,631
Training courses	-	-	-	73,733	-	73,733
Utilities	-	31,123	-	-	31,123	62,246
	(236,716)	(328,358)	(95,328)	(595,112)	(894,865)	(2,150,379)
Surplus / (Deficit) for the year	127,006	(131,215)	208,230	(202,009)	(50,810)	(48,798)

The following detailed statement of comprehensive income is supplementary and does not form part of the audited accounts

Detailed Statement of Income and Expenditure by Activities
For the year ended 31 March 2025

	Mooring	Grounds	Chalet rental	Activities Organisation	Clubhouse and Admin	Total
	$	$	$	$	$	$
Income	415,428	183,918	315,139	432,075	837,351	2,183,911
	415,428	183,918	315,139	432,075	837,351	2,183,911
Less Expenses						
Depreciation of property, plant and equipment	4,290	2,104	1,286	43,516	324,577	375,773
Credit losses on trade receivables	-	-	-	-	90,733	90,733
Insurance	1,150	-	-	6,210	60,948	68,308
Lease interest expenses	-	-	-	-	11,331	11,331
License fee	-	-	-	-	18,252	18,252
Loss on disposal of fixed assets	-	4	-	29	772	805
Maintenance	52,299	115,019	79,154	47,759	195,182	489,413
Racing expenses	-	-	-	148,739	-	148,739
Staff cost	141,690	167,858	33,495	257,053	231,570	831,666
Training courses	-	-	-	106,915	-	106,915
Utilities	-	40,142	-	-	40,141	80,283
	(199,429)	(325,127)	(113,935)	(610,221)	(973,506)	(2,222,218)
Surplus / (Deficit) for the year	215,999	(141,209)	201,204	(178,146)	(136,155)	(38,307)