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**SINGAPORE XIANGQI GENERAL ASSOCIATION**

Unique Entity No. S61SS0078H  
(Incorporated in Singapore)

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**SINGAPORE XIANGQI GENERAL ASSOCIATION  
STATEMENT BY THE MANAGEMENT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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We are pleased to present this annual report to the members of Singapore Xiangqi General Association (the “Association”) together with the financial statements of the Association for the financial year ended 31 March 2019.

**OPINION OF THE MANAGEMENT COMMITTEES**

In the opinion of the management committees:

- (i) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Association as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Association for the year ended on that date in accordance with the provisions of the Society Act, Chapter 311, and the Charities Act, Chapter 37, (the “Acts”) and Singapore Financial Reporting Standards; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

**MANAGEMENT COMMITTEE**

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

Lim Kwan How	President
Huang Xiaohua	Vice President
Au Bok Soon	Vice President
Zhuo Ziyao	Treasurer
Ryan Leong Mun Kit	Deputy Treasurer/ Deputy Chairman Tournament
Chan Mau Yin	General Secretary
Chee Nai Long	Deputy General Secretary
Tan Thiam Guan Alvin	Deputy General Secretary
Fiona Tan Min Fang	Chairman Qualification
Chen Lukai	Chairman Tournament
Lim Pheok Hong	Chairman Publication
Ong Boon Leong	Chairman Study
Kng Ter yong	Committee Member
Lim Gay Huang	Committee Member
Woo Kum Seng	Committee Member
Chee Say Ngew	Committee Member

**SINGAPORE XIANGQI GENERAL ASSOCIATION  
STATEMENT BY THE MANAGEMENT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**CONFLICT OF INTEREST**

**Statement of purpose and authority**

Pursuant to “Code of Governance for Charities and Institutions of a Public Character” issued by the Charity Council, the Management Committee has established a policy on the avoidance of conflict of interest for the Association.

The Association’s basic policy on avoidance of conflict of interest rests on three premises:

- a. Definition of “Conflict of Interest”;
- b. Declaration of “Conflict of Interest”; and
- c. Abstention from decision making where “Conflict of Interest” has been declared or exists.

a. Definition of “Conflict of Interest”

An operational definition of conflict of interest is when an individual is aware of “any interest in a transaction or arrangement that will affect his/her professional judgement to obtain the best value for the Association or to protect the interests of the Association”.

Some of the more obvious conflict of interests relates to:

- i) Procurement of goods or services (Contract with vendors);
- ii) Vested interest in other organisations that have dealings or relationship with the Association;
- iii) Interest in joint ventures;
- iv) Hiring and personnel management pertaining to close relationship with current Management Committee or decision makers;
- v) Remuneration of Management Committee members, volunteers and staff members; and
- vi) Roles and responsibilities of staff members holding positions in the Management Committee.

b. Declaration of “Conflict of Interest”

Management Committee members, staff members or volunteers must acknowledge that they understand the definition of “Conflict of Interest” as mentioned above and are required to sign the “Conflict of Interest Policy and Declaration Form” to declare any disclosure with related parties.

c. Abstention from decision making

Whenever an individual is aware of the existence of a conflict of interest, he/she must abstain from the decision making process pertaining to the possible conflict of interest. This means the individual should not influence the decision process. This does not necessarily prevent the individual from providing relevant and expert knowledge on the issue or participate in the discussion but he/she should only do so with wisdom so as not to influence the decision.

**SINGAPORE XIANGQI GENERAL ASSOCIATION  
STATEMENT BY THE MANAGEMENT COMMITTEE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**RESERVE POLICY**

The Association's primary objectives are:

- a. to promote Xiangqi activities;
- b. to foster friendship among Xiangqi enthusiasts and to promote research on Xiangqi activities;
- c. to organise national and international Xiangqi competitions so as to raise the standard of the skill of the game of Xiangqi; and
- d. to internationalise the game of Xiangqi.

Pursuant to the Code of Governance for Charities and IPCs Guideline 6.4.1, the Management Committee has established a reserve policy ("Reserve Policy") for the Association. In setting the Reserve Policy, the Management Committee intends to review its reserve policy annually and to maintain a reserve not more than three years of its annual operating expenditure.

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

On behalf of the Association,



Lim Kwan How  
President



Zhuo Ziyao  
Treasurer

Singapore  
20 May 2019

**YWL & CO**

Chartered Accountants

(Registration number: T12PF0017L)

531 Upper Cross Street, #03-50 Hong Lim Complex, Singapore 050531

Website: [www.ywl.com.sg](http://www.ywl.com.sg)

Telephone: (65) 6913 9756

**INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF  
SINGAPORE XIANGQI GENERAL ASSOCIATION****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Singapore Xiangqi General Association (the "Association"), which comprise the statement of financial position as at 31 March 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year ended on that date, 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 provisions of the Society Act, Chapter 311, and the Charities Act, Chapter 37, (the "Acts") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Association as at 31 March 2019 and of the financial performance, changes in funds and cash flows of the Association for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management Committee for the Financial Statements**

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

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

The Management Committee's responsibilities include overseeing the Association'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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## **Report on Other Legal and Regulatory Requirements**

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



**YWL & CO**  
**PUBLIC ACCOUNTANTS AND**  
**CHARTERED ACCOUNTANTS**

Singapore  
20 May 2019

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	<b>Note</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>Fund</b>			
General fund		<u>75,584</u>	<u>34,088</u>
Represented by:			
<b>Assets less liability</b>			
<b>Current assets</b>			
Other receivables	3	181	-
Cash and cash equivalents	4	<u>77,203</u>	<u>35,888</u>
		<u>77,384</u>	<u>35,888</u>
<b>Less: Current liability</b>			
Other payables	5	<u>1,800</u>	<u>1,800</u>
<b>Net assets</b>		<u>75,584</u>	<u>34,088</u>

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

**SINGAPORE XIANGQI GENERAL ASSOCIATION  
INCOME AND EXPENDITURE STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 \$	2018 \$
<b>Income from charitable activities</b>			
Annual donation and admission fee		3,481	3,784
Chess class		(1,778)	8,347
Donation		63,625	19,630
Sale of chess books, rental of chess, referee fee		227	(601)
Singapore Sports Council funding		64,035	11,000
Tournament fee		5,724	36,470
<b>Total income from charitable activities</b>		<b>135,314</b>	<b>78,630</b>
<b>Other income</b>			
Government grant		-	145
Sundry income		-	2,543
<b>Total other income</b>		<b>-</b>	<b>2,688</b>
<b>Cost of charitable activities</b>			
Administrative payroll		8,532	7,356
Chess/ chess book		8,220	3,201
Donation		-	200
Fundraising dinner expense/ dinner		730	500
Memberships		355	1,945
National team training		400	-
Oversea competition expense		17,106	-
Seminar		50	200
Tournament expense		33,309	73,130
<b>Total cost of charitable activities</b>		<b>(68,702)</b>	<b>(86,532)</b>
<b>Other expenditure</b>			
Audit fee		1,800	1,800
Copier rental		1,070	1,812
Festive activities		1,655	896
General expense		-	11,631
Insurance		352	391
Meeting expenses		10,368	-
Printing and stationery		4,046	2,816
Utilities		5,825	7,584
<b>Total other expenditure</b>		<b>(25,116)</b>	<b>(26,930)</b>
<b>Surplus/(deficit) for the financial year</b>		<b>41,496</b>	<b>(32,144)</b>

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



**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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	<b>General fund \$</b>
At 1 April 2017	66,232
Deficit for the financial year	<u>(32,144)</u>
At 31 March 2018	<u>34,088</u>
At 1 April 2018	34,088
Surplus for the financial year	<u>41,496</u>
At 31 March 2019	<u>75,584</u>

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

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Surplus/(deficit) before income tax	41,496	(32,144)
Changes in working capital:		
Other receivables	(181)	12,191
Other payables	-	1,520
<b>Net cash generated from/(used in) operating activities</b>	<u>41,315</u>	<u>(18,433)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	41,315	(18,433)
Cash and cash equivalents at beginning of year	<u>35,888</u>	<u>54,321</u>
<b>Cash and cash equivalents at end of year</b>	<u>77,203</u>	<u>35,888</u>

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

**SINGAPORE XIANGQI GENERAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements. These financial statements have been authorised for issue by the Management Committee on 20 May 2019.

**1. DOMICILE AND ACTIVITIES**

Singapore Xiangqi General Association (the “Association”) is registered in Singapore under the Society Act, Chapter 311, and domiciled in the Republic of Singapore. It is also subject to the provision of the Charities Act, Chapter 37. The registered address of the Association is at 51 Bishan Street 13, #01-01 Bishan Community Club, Singapore 579799.

The Association is conferred the Institution of Public Character status. Accordingly, qualifying donors are granted tax deduction for the donations made to the Association.

The principal activities of the Association are to promote Xiangqi classes, to train national players in preparation for regional and international tournaments and to operate and run the Association as accordance to Singapore Sports Council’s guidelines. There have been no significant changes in the principal activities during the financial year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

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

The financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies set out below. The financial statements are presented in Singapore dollar (S\$) except as indicated otherwise.

**2.2 Interpretations and amendments to published standards effective in financial year 2019**

On 1 April 2018, the Association adopted the new FRS and Interpretation to FRS (“INT FRS”) which are effective for the financial year ended 31 March 2019. The adoption of the new FRS and INT FRS did not have a significant impact to the financial statements of the Association.

The Association has not adopted the standards and interpretations that have been issued but not yet effective. The initial application of those standards and interpretations are not expected to have any material impact on the financial statements. The Association has not considered the impact of accounting standards issued after the reporting date.

**2.3 Financial assets**

**Initial recognition and measurement**

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

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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

**Subsequent measurement**

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

*Loans and receivables*

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

**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 is recognised in profit or loss.

**2.4 Impairment of financial assets**

The Association assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

*Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Association first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

*Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank. The carrying amounts of these assets approximate their fair value.

**2.6 Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

*Government grants related to income*

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "other income". Alternatively, they are deducted in reporting the related expenses.

**SINGAPORE XIANGQI GENERAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2.7 Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

*Financial liabilities*

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

**Derecognition**

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

**2.8 Income recognition**

Incoming resources is recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured and when the specific criteria for each of the Association's activities are met as follows:

*Donations*

Donations represents both tax and non-tax deductible donations received from general public or members. Donations are recognised on receipt basis.

*Charitable activities*

Revenue from charitable activities is recognised when services are rendered.

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**2.9 Income tax**

The Association is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1) of the Singapore Income Tax Act.

**2.10 Significant accounting judgements and estimates**

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

**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

*Impairment of loans and receivables*

The Association assesses at the end of each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Association's loans and receivables at the end of each reporting date are disclosed in Note 3 to the financial statements.

**3. OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Other receivables	<u>181</u>	<u>-</u>

**SINGAPORE XIANGQI GENERAL ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**4. CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	76,918	35,653
Cash in hand	285	235
	<u>77,203</u>	<u>35,888</u>

**5. OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accrued operating expenses	<u>1,800</u>	<u>1,800</u>

**6. GENERAL FUND**

This fund is available to the Association and can be used in accordance with charitable objectives of the Association at the discretion of the Management Committee.

**7. TAX DEDUCTIBLE DONATIONS**

The Association is approved as an Institution of a Public Character (“IPC”) under the provision of the Income Tax Act. Donors to the Association are granted tax exemption.

**8. FINANCIAL RISKS MANAGEMENT**

Risk management is integral to the whole business of the Association. The Association has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Management Committee continually monitors the Association’s risk management process to ensure that an appropriate balance between risk and control is achieved.

***Liquidity risk***

The Association monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Association’s operations and to mitigate the effects of fluctuations in cash flows.

***Credit risk***

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in a loss to the Association. The Association has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Association performs on-going credit evaluation of its counter parties’ financial condition and generally do not require collateral.

The Association does not have any significant credit exposure to any single counter party or counter parties having similar characteristics.



**SINGAPORE XIANGQI GENERAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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The Association's financial assets are not secured by any collateral or credit enhancements.

***Interest rate risk***

The Association has no significant exposure to interest rate risk.

***Fund management***

The Association's objectives when managing fund are to safeguard the Association's ability to continue as a going concern.

The capital management of the Association is monitored by the Management Committee on an ongoing basis.

***Fair values***

The carrying amounts of the financial assets and liabilities approximate their fair values as at reporting dates due to the short period to maturity.

The Association does not hold financial assets nor derivative asset or liabilities carried at fair value or at valuation. Accordingly, the disclosure requirement of the fair value hierarchy (levels 1, 2 and 3) under FRS 107 *Financial Instruments Disclosures* does not apply.