

**SINGAPORE AMATEUR CYCLING ASSOCIATION**

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006**

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# SINGAPORE AMATEUR CYCLING ASSOCIATION

## STATEMENT BY THE COUNCIL MEMBERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

In the opinion of the Council Members, the financial statements of Singapore Amateur Cycling Association (the "Association") set out on pages 4 to 12 are properly drawn up in accordance with Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Association as at 31 March 2006 and the results of the operations, and changes in funds and cash flows of the Association for the financial year then ended.

On behalf of the Council Members



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Victor Yew  
President



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Tay Chek Hee  
Hon. Secretary



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Ng Tchi Mun  
Hon. Treasurer

# 劉進發會計師事務所

特許會計師

## LAU CHIN HUAT & CO

Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF SINGAPORE AMATEUR CYCLING ASSOCIATION

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We were engaged to audit the accompanying financial statements of Singapore Amateur Cycling Association ("the Association") set out on pages 4 to 12, which comprise the balance sheet as at 31 March 2006, and the income and expenditure statement, statement of changes in fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

The Association's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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 income and expenditure statement and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association's Council Members, as well as evaluating the overall presentation of the financial statements.

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

# 劉進發會計師事務所

特許會計師

## LAU CHIN HUAT & CO

Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF SINGAPORE AMATEUR CYCLING ASSOCIATION - (CONTINUED)

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#### *Internal Controls and Accounting Records*

- (a) Certain Key Management personnel of the Association were changed;
- (b) No Evidence of Periodic Review of Internal Controls and Processes;
- (c) No Regular Submission of Monthly Accounts to the Council;
- (d) No Checks To Ensure That Revenue Was Correctly Recorded;
- (e) Revenue - No Evidence of Review and Reconciliation; and
- (f) Payment Made Without Original Documentary Support.

In view of the above, we were unable to:

- (a) Evaluate whether the Association operated within appropriate internal control frameworks;
- (b) Ascertain whether the accounting records maintained by the Association were reliable, complete and accurate and the consequential impact on the financial statements;
- (c) Ascertain whether proper procedures existed in identifying related parties and transactions with such parties, and
- (d) Ascertain whether disclosures made in the financial statements are complete and accurate.

The financial statements have been prepared on a going concern basis. The Association incurred a net deficit of S\$26,735 during the financial year ended 31 March 2006 and as of that date, the Association's total liabilities exceeded its total assets by S\$7,019. As at 31 March 2006, the ability of the Association to meet its financial obligations and to continue as a going concern is therefore principally dependent upon the continued availability of financial support from the Council Members.

In our opinion, except for the effects, if any, on the financial statements of the matters referred to in the preceding paragraphs, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of Singapore Amateur Cycling Association ("the Association") as at 31 March 2006 and the results, statement of changes in funds and cash flow statement of the Association for the year ended on that date.

**LAU CHIN HUAT & CO.**  
Public Accountants and  
Certified Public Accountants

# SINGAPORE AMATEUR CYCLING ASSOCIATION

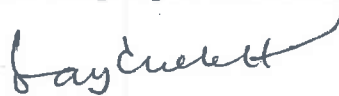
## BALANCE SHEET AS AT 31 MARCH 2006

	NOTE	2006 S\$	2005 S\$
<b>Current asset</b>			
Cash and cash equivalents	3	<u>11,657</u>	<u>22,671</u>
<b>Current liability</b>			
Other payables and accruals	4	<u>18,676</u>	<u>2,955</u>
<b>Net (liability)/asset</b>		<u>(7,019)</u>	<u>19,716</u>
<b>Funds</b>			
Accumulated fund		<u>(7,019)</u>	<u>19,716</u>

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



Victor Yew



Tay Chek Hee



Ng Tchi Mun

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	2006 S\$	2005 S\$
<b>INCOME</b>	<b>172,975</b>	<b>191,741</b>
<b>LESS: EXPENDITURE</b>		
Accountancy fee	1,000	2,445
Audit fee	1,200	1,200
Bank charges	230	-
Bank overdraft interest	10	-
BMX, trial bike expenses	181	2,717
CPF contribution	4,950	4,320
Donations	-	500
Entertainment	392	-
Events expense	32,872	20,664
Fine	276	-
General expenses	2,599	21,554
IT expense	385	-
Postage, printing and stationery	493	-
Medical fee	752	-
MTB race expenses	10,170	11,011
National team training expenses	51,865	30,170
Rental of office	900	-
Rental of store	1,181	948
Road race expense	18,159	15,179
Salaries and allowances	36,000	27,000
Spextag grant	17,100	6,600
Subaru mountain bike race expenses	15,920	30,882
Telephone charges	2,174	-
Temporary service	800	-
Upkeep of motor vehicle	101	-
	<b>199,710</b>	<b>175,190</b>
<b>(Deficit)/surplus for the year, transferred to accumulated fund</b>	<b>(26,735)</b>	<b>16,551</b>

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

  
Victor Yew

  
Tay Chek Hee

  
Ng Tchi Mun

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	Accumulated fund S\$	Total S\$
Balance at 1 April 2005	19,716	19,716
Net (deficit) for the financial year	<u>(26,735)</u>	<u>(26,735)</u>
Balance at 31 March 2006	<u>(7,019)</u>	<u>(7,019)</u>
Balance at 1 April 2004	3,165	3,165
Net surplus for the financial year	<u>16,551</u>	<u>16,551</u>
Balance at 31 March 2005	<u>19,716</u>	<u>19,716</u>

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

  
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Victor Yew  
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Tay Chek Hee  
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Ng Tchi Mun



# SINGAPORE AMATEUR CYCLING ASSOCIATION

## CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

	2006 S\$	2005 S\$
<b>Cash flows from operating activities</b>		
(Deficit)/surplus from ordinary activities before taxation	(26,735)	16,551
<b>Operating (deficit)/surplus before working capital changes</b>	<u>(26,735)</u>	<u>16,551</u>
<b>Changes in working capital</b>		
Other payables and accruals	15,721	(2,055)
<b>Cash (used in)/provided by operations</b>	<u>(11,014)</u>	<u>14,496</u>
Income tax paid	-	-
<b>Net cash (used in)/provided by from operating activities</b>	<u>(11,014)</u>	<u>14,496</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(11,014)	14,496
Cash and cash equivalents at beginning of the financial year	22,671	8,175
<b>Cash and cash equivalents at end of the financial year (Note 3)</b>	<u>11,657</u>	<u>22,671</u>

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



Victor Yew



Tay Chek Hee



Ng Tchi Mun



# SINGAPORE AMATEUR CYCLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006

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

### 1. GENERAL

The financial statements of Singapore Amateur Cycling Association (the "Association") for the financial year ended 31 March 2006 were authorised for issue in accordance with a resolution of the Council Members on the date as stated in the Statement By the Council Members.

It is registered in the Republic of Singapore under the Societies Act, Cap. 311.

The registered address of the Association's is at 27A Hamilton Road Singapore 209196.

The principal activity of the association are to encourage, organise, develop and control the art and past time of cycling in Singapore.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required.

The financial statements are presented in Singapore Dollars (SGD or S\$).

The accounting policies have been consistently applied by the Association and are consistent with those used in the previous financial year.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

There are no new or amended Standards and Interpretations effective in 2005 which are relevant to the Association.

#### (b) Going Concern

The Association incurred a net deficit of S\$26,735 during the financial year ended 31 March 2006 and as of that date, the Association's total liabilities exceeded its total assets by S\$7,019.

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006 - (Continued)

### 2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### (c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits less bank overdrafts.

#### (d) Provisions

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

#### (e) Income recognition

Income from subscriptions is accounted for on an accrual basis.

#### (f) Employee benefits

##### *Pension obligations*

As required by law, the Association makes contributions to the state pension scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

##### *Employee leave entitlement*

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

#### (g) Income tax

Income tax expense is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the balance sheet date between the carrying amounts of assets and liabilities and the amounts used for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006 - (Continued)

### 2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### (g) Income tax - (Continued)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

#### (h) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

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. The Association determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Association classifies the following financial assets as loans and receivables:  
cash and short term deposits; and

trade and other receivables, including amounts due from subsidiaries, associates, related companies and loans to related companies.

#### (i) Financial liabilities

Financial liabilities include payables and members' loans.

Financial liabilities are initially measured at fair value, and subsequently measured at

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006 - (Continued)

### 2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### (i) Financial liabilities - (Continued)

Financial liabilities include payables and members' loans. - (Continued)

Loans which are due to be settled within 12 months after the balance sheet date are included in current loans in the balance sheet even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other loans due to be settled more than 12 months after the balance sheet date are included in non-current loans in the balance sheet.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where 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 the income and expenditure account.

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balance. Cash and cash equivalents in the cash flow statement comprise the following balance sheet account:

	2006 S\$	2005 S\$
Cash at bank and on hand	<u>11,657</u>	<u>22,671</u>

### 4. OTHER PAYABLES AND ACCRUALS

	2006 S\$	2005 S\$
Amount owing to council members	10,281	-
Accrued operating expenses	<u>8,395</u>	<u>2,955</u>
	<u>18,676</u>	<u>2,955</u>

# SINGAPORE AMATEUR CYCLING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2006 - (Continued)

### 5. TAXATION

There is no taxable charge as the Association has not derived any taxable income.

### 6. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a variety of financial risks, including the effects of changes in interest rates and credit risk.

Risk management is carried out under policies approved by the Council Members. The Association provides guidelines for overall risk management as well as policies covering specific areas.

#### (i) Interest rate risk

Interest rate risk arises from interest bearing assets.

The Association monitors the interest rates on interest bearing assets closely to ensure that favourable rates are secured.

#### (ii) Credit risk

The Association has no significant concentrations of credit risk.

#### (iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. The Association maintains sufficient cash and bank balances for its operating requirements.

#### Fair value

The carrying amounts of the Association's financial assets and liabilities approximate to their fair value.