

SINGAPORE AMATEUR CYCLING ASSOCIATION

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

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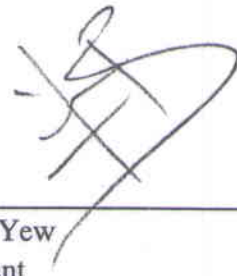
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SINGAPORE AMATEUR CYCLING ASSOCIATION

STATEMENT BY THE COUNCIL MEMBERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

In the opinion of the Council Members, the financial statements of Singapore Amateur Cycling Association (the "Association") set out on pages 4 to 14 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 2007 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



Victor Yew
President



Tay Chek Hee
Hon. Secretary



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

We were engaged to audit the accompanying financial statements of Singapore Amateur Cycling Association ("the Association") set out on pages 4 to 14, which comprise the balance sheet as at 31 March 2007, 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

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

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\$14,381 during the financial year ended 31 March 2007 and as of that date, the Association's total liabilities exceeded its total assets by S\$21,400. As at 31 March 2007, 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 2007 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

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SINGAPORE AMATEUR CYCLING ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2007

	NOTE	2007 S\$	2006 S\$
Current asset			
Cash and cash equivalents	3	<u>2,604</u>	<u>11,657</u>
Current liability			
Other payables and accruals	4	<u>24,004</u>	<u>18,676</u>
Net (liability)		<u>(21,400)</u>	<u>(7,019)</u>
Funds			
Accumulated fund		<u>(21,400)</u>	<u>(7,019)</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 2007

	2007 S\$	2006 S\$
INCOME	129,620	172,975
LESS: EXPENDITURE		
Accountancy fee	1,000	1,000
Audit fee	1,200	1,200
Bank charges	30	230
Bank overdraft interest	-	10
BMX, trial bike expenses	898	181
CPF contribution	3,900	4,950
Entertainment	405	392
Events expense	50,900	32,872
Fine	166	276
General expenses	140	2,599
IT expense	155	385
Postage, printing and stationery	1,034	493
Medical fee	-	752
MTB race expenses	14,899	10,170
National team training expenses	23,420	51,865
Rental of equipment	375	-
Rental of office	3,000	900
Rental of store	1,450	1,181
Road race expense	3,863	18,159
Repair & servicing-equipment	58	-
Salaries and allowances	30,000	36,000
Special events	1,296	-
Spextag grant	300	17,100
Subaru mountain bike race expenses	-	15,920
Telephone charges	1,191	2,174
Temporary service	1,690	800
Travelling expense	1,744	-
Upkeep of motor vehicle	887	101
	144,001	199,710
(Deficit) for the year, transferred to accumulated fund	(14,381)	(26,735)

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



Victor Yew
President



Tay Chek Hee
Honorary Secretary



Ng Tchi Mun
Honorary Treasurer

SINGAPORE AMATEUR CYCLING ASSOCIATION

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	Accumulated fund S\$	Total S\$
Balance at 1 April 2006	(7,019)	(7,019)
Net (deficit) for the financial year	<u>(14,381)</u>	<u>(14,381)</u>
Balance at 31 March 2007	<u>(21,400)</u>	<u>(21,400)</u>
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>

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



Victor Yew
President



Tay Chek Hee



Ng Tchi Mun

SINGAPORE AMATEUR CYCLING ASSOCIATION

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007

	2007 S\$	2006 S\$
Cash flows from operating activities		
(Deficit) from ordinary activities before taxation	(14,381)	(26,735)
Operating (deficit) before working capital changes	<u>(14,381)</u>	<u>(26,735)</u>
Changes in working capital		
Other payables and accruals	5,328	15,721
Cash (used in) operations	<u>(9,053)</u>	<u>(11,014)</u>
Income tax paid	-	-
Net cash (used in) from operating activities	<u>(9,053)</u>	<u>(11,014)</u>
Net (decrease) in cash and cash equivalents	(9,053)	(11,014)
Cash and cash equivalents at beginning of the financial year	11,657	22,671
Cash and cash equivalents at end of the financial year (Note 3)	<u>2,604</u>	<u>11,657</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 2007

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 2007 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 have been prepared on a historical cost basis except as disclosed in the accounting policies below.

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

Adoption of new and revised standards

In the current financial year, the Association has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Association's accounting policies and has no material effect on the amounts reported for the current or prior years.

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(a) Basis of preparation - (Continued)

Future changes in accounting policies

At the date of authorisation of these financial statements, the following FRSs and INT FRSs that are relevant to the Association were issued but not yet effective:

FRS 23 - Borrowing Costs (Revised)

Consequential amendments were also made to various other standards as a result of these new/revised standards.

The Council Members anticipate that the adoption of the above new FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Association in the period of their initial adoption.

Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

(b) Going Concern

The Association incurred a net deficit of S\$14,381 during the financial year ended 31 March 2007 and as of that date, the Association's total liabilities exceeded its total assets by S\$21,400.

(c) Cash and cash equivalents

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

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(d) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) where, 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 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 taxes

Current tax

Current 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the income statement except that tax relating to items recognised directly in equity is recognised directly in equity.

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(g) Income taxes - (Continued)

Deferred tax

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

Deferred tax assets and liabilities are recognised for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Association and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 at the balance sheet date.

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(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 are recognised on the balance sheet when, and only when, the Association becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(i) Financial liabilities - (Continued)

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the profit and loss account when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

3. CASH AND CASH EQUIVALENTS

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

	2007 S\$	2006 S\$
Cash at bank	<u>2,604</u>	<u>11,657</u>

4. OTHER PAYABLES AND ACCRUALS

	2007 S\$	2006 S\$
Amount owing to council members	15,374	10,281
Accrued operating expenses	<u>8,630</u>	<u>8,395</u>
	<u>24,004</u>	<u>18,676</u>

The amounts due to council members are unsecured, interest free and repayable on demand.

5. TAXATION

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

SINGAPORE AMATEUR CYCLING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007 - (Continued)

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

Credit risk arises from exposure to a few major customers.

The Association has policies in place to ensure that sales of its products are made to customers with adequate financial standing and appropriate credit history.

Credit risk concentration profile

Since the Association trades only with recognised and credit worthy third parties, there is no requirement for collateral. There is no significant concentration of credit risk within the Association.

(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.