

SINGAPORE AMATEUR CYCLING ASSOCIATION
AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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(Registration Number: 0205/1957)**

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CERTIFIED PUBLIC ACCOUNTANTS
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SINGAPORE AMATEUR CYCLING ASSOCIATION
AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

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Singapore, 09 May 2009

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

STATEMENT BY THE COUNCIL MEMBERS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

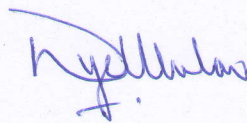
We state that, in the opinion of the council members,-

- (a) the accompanying financial statements of Singapore Amateur Cycling Association (the "Association") together with the notes thereon are drawn up in accordance with the provisions of the Societies Act, Cap. 311 and the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2009 and of the results, changes in funds and cash flows of the Association for the financial year ended on that date;
- (b) 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;
- (c) the accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act; and
- (d) the register of members of the Association has been properly kept.

On behalf of the Council Members



Victor Yew
President



Low Wye Mun
Hon. Secretary



Roger Krempf
Hon. Treasurer

Singapore, 09 NOV 2009

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

We have audited the accompanying financial statements of Singapore Amateur Cycling Association (the "Association"), which comprise the balance sheet as at 31 March 2009 and the income statement, statement of changes in funds 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Singapore Societies Act (the "Act"), and 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 statement and balance sheet 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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The financial statements for the year ended 31 March 2008 were audited by another firm of auditors whose report dated 29 June 2009 expressed a qualified opinion on those financial statements. The basis of qualification is set out below.

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 the revenue was correctly recorded;
- (e) Revenue – no evidence of review and reconciliation;
- (f) Payment made without original documentary support.

In view of the above, the prior year auditors 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;
- (c) ascertain whether proper procedures existed in identifying related parties and transaction 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 loss of S\$19,580 during the financial year ended 31 March 2008 and as of that date, the Association's total liabilities exceeded its total assets by S\$40,980. As at 31 March 2008, 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 management.

In performing the audit for the year, we draw our attention to the matters noted by the prior year auditor. It showed that the basis of qualification for the year ended 31 March 2008 is still existing as of 31 March 2009. In this regard, we were also unable to:

- (a) evaluate whether the Association operated within appropriate internal control frameworks;
- (b) ascertain whether the revenue of S\$2,770 in the Income Statement as of 31 March 2009 is complete;
- (c) ascertain the authenticity and accuracy of travelling expenses of S\$6,000 in the Income Statement as of 31 March 2009 due to lack of original documentary support;
- (d) ascertain whether proper procedures existed in identifying related parties and transaction with such parties; and
- (e) ascertain whether disclosures made in the financial statements are complete and accurate.

Cont'd

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Basis for Qualified Opinion (cont'd)

The financial statements have been prepared on a going concern basis. The Association incurred a net loss of S\$12,855 during the year ended 31 March 2009. As of that date, the Association's total liabilities exceeded its total assets by S\$53,835. The validity of the going concern assumption on which the financial statements are prepared depends on the continuing financial support from the management. If the association were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet.

Qualified Opinion

In our opinion, except for the effects, if any, on the financial statements of the matters referred to in the preceding paragraphs,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2009 and the results, changes in fund and cash flows of the Association for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provision of the Act.



KONG, LIM & PARTNERS
Certified Public Accountants
Name of Partner: Lim Yeong Seng

Singapore, 09 NOV 2009

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

BALANCE SHEET AS AT 31 MARCH 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
		<u>S\$</u>	<u>S\$</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and bank balances	3	1,755	1,283
<u>Current Liabilities</u>			
Other payables and accruals	4	<u>55,590</u>	<u>42,263</u>
Net (Liability)		<u><u>(53,835)</u></u>	<u><u>(40,980)</u></u>
<u>FUNDS</u>			
Accumulated funds		<u><u>(53,835)</u></u>	<u><u>(40,980)</u></u>

The accompanying notes to financial statements are an integral part of the financial statement.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
		S\$	S\$
Revenue	2.5	2,770	-
Cost and expenses			
Accountancy fees - current		(200)	(400)
- prior years		(2,400)	-
Advertisement - prior year		(2,435)	-
Audit fee		(2,000)	(1,200)
Bank charges		(270)	(250)
IT expenses		(155)	(155)
Legal fee		-	(536)
MTB race expenses		-	(2,672)
National team training expenses		-	(5,639)
Printing and Stationery		(10)	-
Rental of store - current		(976)	-
- prior year		(1,179)	-
Road Race expenses		-	(5,143)
Travelling expenses		(6,000)	(3,585)
(Loss) for the year, before income tax		(12,855)	(19,580)
Income tax	5	-	-
Net (Loss) for the year		(12,855)	(19,580)

The accompanying notes to financial statements are an integral part of the financial statements.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	Accumulated losses	Total
	S\$	S\$
Balance as at 01 April 2007	(21,400)	(21,400)
Net (loss) for the year	(19,580)	(19,580)
	<hr/>	<hr/>
Balance as at 31 March 2008	(40,980)	(40,980)
Net (loss) for the year	(12,855)	(12,855)
	<hr/>	<hr/>
Balance as at 31 March 2009	<u>(53,835)</u>	<u>(53,835)</u>

The accompanying notes to financial statements are an integral part of the financial statements.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

	<u>2009</u>	<u>2008</u>
	S\$	S\$
Cash flows from operating activities		
(Loss) for the year before income tax	(12,855)	(19,580)
Operating (loss) / income before working capital changes	(12,855)	(19,580)
Working capital changes:		
Other payables and accruals	13,327	18,259
Net cash inflows / (outflows) from operating activities	<u>472</u>	<u>(1,321)</u>
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalent	472	(1,321)
Cash and cash equivalent at beginning of year	1,283	2,604
Cash and cash equivalent at end of year	<u><u>1,755</u></u>	<u><u>1,283</u></u>

The accompanying notes to financial statements are an integral part of the financial statements.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

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

1. GENERAL

Singapore Amateur Cycling Association (the 'Association') is registered in the Republic of Singapore under Societies Act, Cap. 311. The address of the Association's registered office is 27A Hamilton Road Singapore 209196.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards (FRS) including related interpretations promulgated by the Accounting Standards Council and the disclosure of the Singapore Societies Act, Cap. 311.

The financial statements of the Association, stated in Singapore Dollars, are prepared under the historical cost convention, unless stated otherwise.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

On April 2008, the Association has adopted the new or revised FRS and Interpretations that are mandatory for application from that date. The adoption of the new or revised FRS has not resulted in substantial change to the Association's accounting policies and disclosures, except for the adoption of the following standards:

FRS107, Financial Instruments: Disclosures

This standard requires disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk, credit risk and market risk, as well as sensitivity analysis to market risk.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (Cont'd)

FRS107, Financial Instruments: Disclosures (cont'd)

It replaces the disclosure requirements in FRS 32, *Financial Instruments: Disclosure and Presentation*. Adoption of this standard resulted to the inclusion of additional disclosure for contractual maturity of financial liabilities for liquidity risk. The additional disclosures are included in Note 6, Financial Risk Management.

Amendments to FRS 1, Presentation of Financial Statements

This amendment requires the Association to make new disclosures to enable users of the financial statements to evaluate the Association's objectives, policies and processes for managing the funds. The additional disclosures are included in Note 6, Financial Risk Management

FRS and INT FRS Issued But Not Effective

Certain new and revised FRSs and INT FRSs have been published and they are mandatory for the Association's accounting periods beginning on 1 April 2009 or later periods which the Association has not early adopted.

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not effective:

FRS 1 Presentation of Financial Statements (effective 1 January 2009)

FRS 7 Cash Flow Statements (effective 1 January 2009)

FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective 1 January 2009)

FRS 34 Interim Financial Reporting (effective 1 January 2009)

The Directors do not anticipate that the adoption of these new and revised FRSs and INT FRSs in the initial period of application will have a material impact on the financial statements of the Association, except for the adoption of FRS 1 as indicated below:

FRS 1, Presentation of Financial Statements - Revised presentation

The revised presentation requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognized in income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Association is currently evaluating the format to adopt.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

2.2 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.3 Going Concern Concept

The accounts have been prepared on a going concern basis and on the assumption that the committee will provide continuous financial support to the Association.

2.4 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 obligations.

2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

a) Subscription

Revenue from subscription are recognized when the related service to the member has been rendered.

b) Interest Income

Interest income from bank deposit is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

2.6 Employee benefits

a) Defined contribution plans

The association participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the association make contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Contributions to national schemes are recognised as an expense in the period in which the related service is performed.

b) Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they accrue to employees. The estimated liability or leave is recognized for services rendered by employees up to balance sheet date.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Income Taxes

Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

a) Current tax

Current tax assets and liabilities for the current and prior years 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 by the balance sheet date.

b) Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and
- In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax income asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in associates deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets 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 income tax asset to be utilised.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Income Taxes (Cont'd)

b) Deferred tax (cont'd)

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income 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. Income tax relating to items recognised directly in equity is recognised in equity.

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

2.8 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.

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 related companies and loans to related companies.

In 2009 and 2008, the Association's financial asset relates only to its cash in bank.

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 rate method, less impairment loss. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

SINGAPORE AMATEUR CYCLING ASSOCIATION

(Registration No. 0205/1957)

Notes to the Financial Statements – 31 March 2009

2.9 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 transactions 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.

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 income statement 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 income statement. Net gains or losses on derivatives include exchange differences.

3. CASH AND BANK BALANCES

	<u>2009</u>	<u>2008</u>
	S\$	S\$
Cash in bank	1,755	1,283
	<u>1,755</u>	<u>1,283</u>

4. OTHER PAYABLES AND ACCRUALS

	<u>2009</u>	<u>2008</u>
	S\$	S\$
Amount owing to council members	53,108	32,033
Accrued operating expenses	2,482	10,230
	<u>55,590</u>	<u>42,263</u>

The amounts due to council members are non-trade in nature, unsecured, interest-free and repayable on demand.

5. INCOME TAX

There is no taxable charge as the Association is in tax loss position (S\$2008: no taxable income)

SINGAPORE AMATEUR CYCLING ASSOCIATION

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Notes to the Financial Statements – 31 March 2009

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.

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.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding. As at 31 March 2009, the Association's financial liabilities are all due on demand (2008: all due on demand). The Association's committee finances its liquidity requirements in case the association's cash balance is not sufficient.

Credit risk

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

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

Fair value

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

Fund Management

The committees objectives when managing fund is to ensure that the funds are utilized in accordance with the objectives of the Association.

7. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the directors on date of the Statement by Committee.