

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE

(Registration No : 0114/1999/SPO)

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

KK YAP & ASSOCIATES
Certified Public Accountants

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE

(Registered in the Republic of Singapore)

CORPORATE DATA

Present Management Committee

President	Yeo Chuan Lock Felix
Vice-President	Khor Wee Siong
Vice-President	Lui Sut Hoong
Vice-President	Eugene Lim
Vice-President	Seng Che Kwong Darren
Secretary	Hi Lih Chyn
Treasurer	Khoo Siew Tin

Registered Office

28 Maxwell Road
#03-05 Red Dot Traffic Building
Singapore 069120

Auditors

KK Yap & Associates
Certified Public Accountants
Singapore

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying balance sheet, income and expenditure statement, statement of changes in accumulated fund and cash flow statement together with the notes thereon, are drawn up in accordance with 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 2006 and of the results, changes in accumulated fund and cash flows of the Association for the financial year then ended.

On behalf of the Management Committee,

.....
Felix Yeo Chuan Lock
President

.....
Khoo Siew Tin
Treasurer

**AUDITORS' REPORT TO MEMBERS OF
INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE**
(Registered in the Republic of Singapore)

We have audited the accompanying financial statements of **Inline Sports and Skating Association of Singapore** for the financial year ended 31 March 2006 as set out on pages 3 to 12. These financial statements are the responsibility of the Management Committee. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended 31 March 2005 were audited by the Honorary Auditor of the Association, whose report dated 2 May 2006 expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management Committee, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements are properly drawn up in accordance with 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 2006 and of the results, changes in accumulated fund and cash flows of the Association for the financial year ended on that date.

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association's members we are required to state to them in the auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, audit report and the opinions we have formed.

KK YAP & ASSOCIATES
Certified Public Accountants

Singapore

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
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BALANCE SHEET AS AT 31 MARCH 2006

	Note	2006 \$	2005 \$
Current Assets			
Deposit		40	40
Cash and bank balances		32,044	26,409
		32,084	26,449
Less: Current Liabilities			
Other payables	3	7,585	10,071
Management / Events funds	4	7,566	-
Provision for taxation		494	494
		15,645	10,565
Net Current Assets		16,439	15,884
Net Assets		<u>16,439</u>	<u>15,884</u>
Fund			
Accumulated fund		<u>16,439</u>	<u>15,884</u>

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

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2006 \$	2005 \$
Income			
Membership fee		555	-
Grant from Singapore Sports Council		-	49,164
Participation fee - NISM		-	420
Other income		-	1,180
		<u>555</u>	<u>50,764</u>
Less : Operating expenses			
Auditors' remuneration		-	480
Accounting fee		-	525
CPF		-	520
Staff salary		-	4,000
Local events expenses		-	21,686
Bank charges		-	150
Overseas event expenses		-	10,000
Penalty		-	200
Telecommunication		-	
- over provision in prior year		-	(36)
Tax fee		-	250
		-	<u>37,775</u>
Surplus before taxation		<u>555</u>	<u>12,989</u>
Taxation	5	-	(494)
Surplus after taxation		<u><u>555</u></u>	<u><u>12,495</u></u>

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

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
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STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2006

	\$
Balance as at 31 March 2004	3,389
Surplus for the financial year	12,495
Balance as at 31 March 2005	<hr/> 15,884
Surplus for the financial year	555
Balance as at 31 March 2006	<hr/> <hr/> 16,439

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

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
(Registered in the Republic of Singapore)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
	\$	\$
Cash flows from operating activities		
Surplus before taxation	555	12,989
Adjustments :-	-	-
	<hr/>	<hr/>
Operating surplus before working capital changes	555	12,989
Decrease in other receivables	-	-
(Decrease) / Increase in other payables	(2,486)	6,652
	<hr/>	<hr/>
Cash (used in) / generated from operations	(1,931)	19,641
Tax paid	-	-
	<hr/>	<hr/>
Net cash flow (used in) / generated from operating activities	(1,931)	19,641
	<hr/>	<hr/>
Cash flows from financing activities:		
Increase in Management / Events funds	7,566	-
	<hr/>	<hr/>
Net cash flow generated from financing activities	7,566	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,635	19,641
Cash and cash equivalents at beginning of the year	26,409	6,768
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	32,044	26,409
	<hr/> <hr/>	<hr/> <hr/>

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

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
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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 INFORMATION

Inline Sports and Skating Association of Singapore (the “Association”) was registered in Singapore under the Registry of Societies, having its registered address and place of business at 28 Maxwell Road, #03-05 Red Dot Traffic Building, Singapore 069120.

The principal activities of the Association are to promote inline skating as a sport in Singapore and to facilitate the provision of proper facilities for inline skating.

The financial statements were authorised for issued by the Management Committee on

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basic of preparation

The 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 accounting policies below.

The accounting policies have been consistently applied by the Association and are consistent with those used in the previous financial year, except for changes in accounting policies discussed below.

In 2005, the Association adopted the following new/revised FRSs which are relevant to its operations and the adoption of these standards did not result in any significant change in accounting policies:

FRS 1 (revised) Presentation of Financial Statements
FRS 8 (revised) Accounting Policies, Changes in Accounting Estimates ad Errors
FRS 10 (revised) Events After the Balance Sheet Date
FRS 24 (revised) Related Party Disclosures
FRS 32 (revised) Financial Instruments : Disclosure and Presentation
FRS 36 (revised) Impairment of Assets
FRS 39 Financial Instrument : Recognition and Measurement

The financial statements are presented in Singapore Dollars.

INLINE SPORTS AND SKATING ASSOCIATION OF SINGAPORE
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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of preparation (Cont'd)

The preparation of financial statement in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets & liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future year, if the revision affects both current and future year.

(b) Functional currency

The functional currency of the Association is the Singapore dollar. As the underlying assets of the Company and its income and expenses are denominated primarily in Singapore dollar and receipts from operations are usually retained in Singapore dollar, the management committees are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Association.

(c) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using estimated discounted cash flows.

The carrying value of current receivables and payables are assumed to approximate their fair values. The fair value of non-current liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Association for similar financial instruments.

(d) Other receivables

Other receivables are stated at cost less allowance for any uncollectible amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off as incurred.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at bank.

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30 – 90 days terms, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised as well as through the amortisation process.

(g) Revenue recognition

Revenue from contributions and donations are recognised on cash basis.

Members' subscription fee is recognised on accrual basis.

(h) Impairment of assets

At each balance sheet date, the Management Committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(i) Provisions

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

(j) Income tax

The income of the Association derived from its members is exempt from income tax, subject to the provision of Section 11(1) of the Income Tax Act, Cap 14.

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3. OTHER PAYABLES

	2006	2005
	\$	\$
Other payables	126	126
Accrued operating expenses	7,459	9,945
	<u>7,585</u>	<u>10,071</u>

4. MANAGEMENT / EVENTS FUNDS

	2005			Adjustment	2006
	Balance	Funds	Expenses	to income	Balance
	B/f	Received	Disbursed	statement	C/f
	\$	\$	\$	\$	\$
<u>Management</u>					
Secretariat	-	14,690	(12,224)	-	2,466
Operating & administrative	-	1,984	(11,870)	-	(9,886)
	<u>-</u>	<u>16,674</u>	<u>(24,094)</u>	<u>-</u>	<u>(7,420)</u>
<u>Events</u>					
Training & competition	-	30,615	(25,504)	-	5,111
Asian Indoor Games	-	15,000	(5,335)	-	9,665
National Healthy Lifestyle Campaign		1,498	(1,288)	-	210
	<u>-</u>	<u>47,113</u>	<u>(32,127)</u>	<u>-</u>	<u>14,986</u>
Total	<u>-</u>	<u>63,787</u>	<u>(56,221)</u>	<u>-</u>	<u>7,566</u>

The above funds were received from Singapore Sport Council (SSC) to finance the operations of and events organised by the Association. Any deficit arising from each fund after deducting expenses will be borne by the Association, and any surplus, will be refunded to SSC. The amount of refund to be made is subject to the agreement of SSC.

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5. TAXATION

	2006	2005
	\$	\$
Current year	<u>-</u>	<u>494</u>

Reconciliation between the tax expense and the accounting profit multiplied by the applicable tax rate was as follows :

Surplus before taxation	<u>555</u>	<u>12,989</u>
Tax at the applicable tax rate at 20%	111	2,597
Adjustments:-		
Partial tax exemption	-	(1,819)
Non-deductible expenses	-	40
Non taxable income	(111)	-
Utilisation of deferred tax assets	<u>-</u>	<u>(324)</u>
	<u>-</u>	<u>494</u>

In accordance with Section 11(1) of the Singapore Income Tax Act, income tax is provided on miscellaneous income earned during the financial year from non subsidiary proprietors at the lower of:

- (a) graduated rates of income tax specified in Part B of the Second Schedule of Income Tax Act, Chapter 134; or
- (b) corporate tax rate of 20%, applying the new corporate tax exemption scheme which grants partial exemption of certain chargeable income from Singapore tax given by the Minister of Finance.

6. CHANGE OF NAME

Subsequent to the balance sheet date, the Association has changed its name from Inline Sports and Skating Association of Singapore to RollerSports Singapore with effect from 24 May 2006.

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7. FINANCIAL RISK MANAGEMENT

The Association reviews and agrees policies for managing each of these risks and they are summarised below:

The Association has no exposure to interest rate risk and foreign exchange risk during the year.

Credit risk

The Association has prescribed follow up procedures for the Management Committee to follow up on memberships not received on the due dates.

Excess cash is monitored and short-term cash deposits are placed with creditworthy financial institutions.

Liquidity risk

The Association monitors and maintains a level of cash and cash equivalents deemed adequate by the Management Committee to finance the Association's operations and mitigate the effects of fluctuations in cash flows.

Fair value of financial assets and financial liabilities

The fair value of financial assets and financial liabilities reported in the balance sheet approximates the carrying amount of those assets and liabilities, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

8. COMPARATIVE FIGURES

The financial statements for the year ended 31 March 2005 were audited by the Honorary Auditor of the Association.