

**EQUESTRIAN FEDERATION OF
SINGAPORE**

[UEN S76SS0030D]

[Registered under the Societies Act]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2010**

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H W Soo & Co

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Singapore

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STATEMENT BY THE EXECUTIVE COMMITTEE

In the opinion of the Executive Committee, the accompanying financial statements set out on pages 5 to 16 are drawn up so as to give a true and fair view of the state of affairs of Equestrian Federation of Singapore (the "Federation") as at 31 March 2010 and of its results of financial activities and cash flows of the Federation for the year then ended.

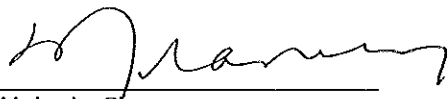
At the date of this statement, there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they fall due.

The Executive Committee, comprising the following, authorised the issue of these financial statements on

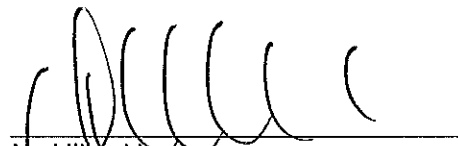
30 AUG 2010

President	Dr Melanie Chew
Vice-Presidents	Mr Iqbal Jumabhoy Mr Roderick Tan
Honorary Secretary	Ms Monique Heah
Assistant Honorary Secretary	Mr Chew Boon Yong
Honorary Treasurer	Ms Lillian Lim

For and on behalf of the Executive Committee,



Dr Melanie Chew
President



Ms Lillian Lim
Honorary Treasurer

Singapore, **30 AUG 2010**

H W Soo & Co

Certified Public Accountants, Singapore

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Independent auditors' report to the members of:

EQUESTRIAN FEDERATION OF SINGAPORE

[UEN S76SS0030D]
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We have audited the financial statements of **EQUESTRIAN FEDERATION OF SINGAPORE** (the "Federation") for the financial year ended 31 March 2010 as set out on pages 5 to 16, which comprise the statement of financial position as at 31 March 2010, the statement of financial activities and the statement of cash flows 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 provisions of the Societies Act (Chapter 311) 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 profit and loss accounts 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.

Auditors' 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 as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls 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 controls. 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.

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

H W Soo & Co

Certified Public Accountants, Singapore

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(CONT'D)

Independent auditors' report to the members of:

EQUESTRIAN FEDERATION OF SINGAPORE

[UEN S76SS0030D]
[Registered under the Societies Act]

Opinion

In our opinion,

- (a) the financial statements of the Federation are properly drawn up in accordance with the provisions of the Act, Societies Act (Chapter 311) and Singapore Financial Reporting Standards so as to present fairly the state of affairs of **EQUESTRIAN FEDERATION OF SINGAPORE** as at 31 March 2010, and the results of the financial activities, the changes in funds and cash flows of the Federation for the financial year ended on that date. We are also satisfied that the funds disbursed by SSC have been spent to meet the agreed expenditure;
- (b) the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Federation have been properly kept in accordance with those regulations; and
- (c) during the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008; has been exceeded.



H W Soo & Co
Certified Public Accountants

Singapore, 30 AUG 2010

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Notes	2010 S\$	2009 S\$
ASSETS			
Current assets			
Cash and bank balances	3	101,326	18,663
Other receivables and prepayments	4	35,745	13,116
		<u>137,071</u>	<u>31,779</u>
Non-current assets			
Property, plant and equipment	5	2,225,185	1,732
Total assets		<u>2,362,256</u>	<u>33,511</u>
LIABILITIES			
Current liabilities			
Other payables and accruals	6	115,546	31,420
Non-current liabilities			
Other payables	6	2,194,672	0
Total liabilities		<u>2,310,218</u>	<u>31,420</u>
NET ASSETS		<u>52,038</u>	<u>2,091</u>
FUNDS			
Accumulated funds		52,038	2,091
		<u>52,038</u>	<u>2,091</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

Notes	2010 S\$	2009 S\$
INCOMING RESOURCES		
Coaching clinics	22,390	0
Donation – Non tax exempt	0	20,000
Donation - Tax exempt	64,000	8,212
Riders and coached registration fees	10,620	6,330
Events Sanction fee	100	0
NSAM – Basic Tier - Matching Grant	20,000	20,000
Subscriptions	2,000	2,000
Other income	714	1,448
Subsidies from Singapore Sports Council:		
HPE - Elite Coaching	15,000	10,000
Less: HPE - Elite Coaching expenses	(21,804)	(14,212)
	(6,804)	(4,212)
HPE - Officiating Development	14,670	8,175
Less: HPE - Officiating Development expenses	(18,042)	(8,175)
	(3,372)	0
HPE – Coaching Development	3,750	0
Less: Major event claims	(3,750)	0
	0	0
HPA – Participation Development	1,100	8,000
Less: HPA – Participation Development expenses	(1,100)	(8,000)
	0	0
HPA – Races and competition	8,635	38,000
Less: HPA – Races and competition expenses	(8,635)	(38,002)
	0	2
HPA – Races and competition – YOG Elite	85,500	0
Less: HPA – Races and competition – YOG Elite expenses	(85,500)	0
	0	0
NSAM – Basic Tier – Secretariat	85,636	81,285
Less: NSAM – Basic Tier – Secretariat expenses	(115,234)	(113,081)
	(29,598)	(31,796)
SpexTag/SpexGlow	10,600	0
Less: SpexTag/SpexGlow expenses	(10,600)	0
	0	0
Total incoming resources	80,050	21,980

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010
(CONT'D)**

	Notes	2010 S\$	2009 S\$
LESS: EXPENDITURE			
2008 Paralympics		0	70
Affiliation fees and subscription		4,475	3,722
Audit fee			
- current year		5,600	1,750
- prior year		600	450
Bank charges		0	30
Courier, carriage, transportation and airfare		302	0
Course fee		133	0
Depreciation of plant and equipment	5	5,690	433
Donation		0	600
Entertainment and refreshments		2,998	2,782
General expenses		896	435
Insurance		501	339
Medical expenses		554	965
National Equestrian Centre		0	800
Printing and stationery		1,941	1,120
Repairs and maintenance		283	163
Rental of office		2,410	3,360
Telephone, fax and internet charges		3,720	3,274
Total resources expended		<u>30,103</u>	<u>20,293</u>
Surplus / (Deficit) before taxation		49,947	1,687
Less: Income tax expense	7	0	0
Surplus / (Deficit) for the year		<u>49,947</u>	<u>1,687</u>
Accumulated funds b/f		<u>2,091</u>	<u>404</u>
Accumulated funds c/f		<u>52,038</u>	<u>2,091</u>

No separate statement of changes in funds has been prepared as the net surplus for the financial year would have been the only component of this statement.

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Notes	2010 S\$	2009 S\$
Cash flows from operating activities			
Surplus / (Deficit) before tax		49,947	1,687
Adjustments for:			
Depreciation of plant and equipment	5	<u>5,690</u>	<u>433</u>
Operating cash flow before working capital changes		55,637	2,120
Changes in operating assets and liabilities			
Other receivables and prepayments		<u>(22,629)</u>	<u>67,065</u>
Other payables and accruals		<u>2,278,798</u>	<u>(53,594)</u>
Cash generated from / (expended by) operations		2,256,169	13,471
Net cash provided by / (used in) operating activities		<u>2,311,806</u>	<u>15,591</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	5	<u>(2,229,143)</u>	<u>(1,669)</u>
Net cash (used in) / provided by investing activities		<u>(2,229,143)</u>	<u>(1,669)</u>
Net increase / (decrease) in cash and cash equivalents		82,663	13,922
Cash and cash equivalents at beginning of financial year		18,663	4,741
Cash and cash equivalents at end of financial year		<u>101,326</u>	<u>18,663</u>
Cash and cash equivalents comprise:			
Cash in hand		221	289
Cash at bank		<u>101,105</u>	<u>18,374</u>
	3	<u>101,326</u>	<u>18,663</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

1. GENERAL INFORMATION

Equestrian Federation of Singapore (the "Federation") was registered under the Societies Act. The Federation's registered address is located at 51 Fairways Drive, Singapore 286965.

The principal activity of the Federation is to promote and support equestrian sports in Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") and the disclosure requirements of the Societies Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar, which is the Federation's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Federation's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects 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 income and expenses during the financial year. Although these estimates are based on Executive Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Interpretations and amendments to published standards effective in 2010

The Federation has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Federation's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Federation:

<u>FRS</u>		<u>Title</u>
FRS 1	(revised 2004)	Presentation of financial statements
FRS 16	(revised 2004)	Property, plant and equipment
FRS 17	(revised 2004)	Leases
FRS 36	(revised 2004)	Impairment of assets

The adoption of the above revised FRS did not result in any substantial changes to the Federation's accounting policies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Federation's activities. Revenue is recognised as follows:

2.2.1 Donations

Donation income is recognized as income upon receipt of such monies.

2.2.2 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method, unless collectability is in doubt.

2.3 Property, plant and equipment

2.3.1 Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.2 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Life (years)
Office equipment	5 years
Furniture and fittings	5 years
Sport facilities and equipment	3 years
Ponies and horses	7 years
Land	14 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Federation and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment (cont'd)

2.3.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

2.4 Impairment of non-financial assets

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if; there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.5 Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2.6 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.7 Trade and other receivables

Trade and other receivables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

2.8 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Federation has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2.10 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial activities.

2.11 Financial assets

2.11.1 Classification

The Federation classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" on the balance sheet.

2.11.2 Recognition and derecognition

Purchases and sales of financial assets, available-for-sale, are recognized on trade-date – the date on which the Federation commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership.

On sale of a financial asset classified as available-for-sale, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the fair value reserve relating to that asset is also taken to the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial assets (cont'd)

2.11.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortized cost using effective interest method. Financial assets, available-for-sale, are subsequently carried at fair value.

Changes in the fair value of financial assets classified as available-for-sale are recognized in the fair value reserve within equity. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in the income statement.

2.11.4 Impairment

The Federation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognized when there is objective evidence that the Federation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognized in the income statement within "Administrative expenses".

2.12 Employee compensation

Defined contribution plans are post-employment benefit plans under which the Federation pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Federation has no further payment obligations once the contributions have been paid. The Federation's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institution.

2.14 Income taxes

Provision for income tax is made based on non-exempt profit of the Federation as adjusted for tax purposes at effective rate or graduated rates as stipulated in part A or part B of Second Schedule of the Income Tax Act, whichever is lower.

From year of assessment 2010 onwards, the chargeable income of a society will be taxed at the same structure as a company.

3. Cash and bank balances

	2010 S\$	2009 S\$
Cash in hand	221	289
Cash at bank	<u>101,105</u>	<u>18,374</u>
	<u>101,326</u>	<u>18,663</u>

At the balance sheet date, the carrying amounts of cash and bank balances approximated their fair values and were denominated in Singapore dollars.

4. Other receivables and prepayments

	2010 S\$	2009 S\$
Other receivables	32,825	10,164
Prepayments	<u>2,920</u>	<u>2,952</u>
	<u>35,745</u>	<u>13,116</u>

At the balance sheet date, the carrying amounts of other receivables and prepayments approximated their fair values and were denominated in Singapore dollars.

5. Property, plant and equipment

	Office equipment	Furniture and fittings	Sports facilities and equipment	Ponies and Horses	Land	Total
<u>Cost</u>						
As at 01.04.08	9,844	3,086	90,000	0	0	102,930
Additions	1,669	0	0	0	0	1,669
As at 31.03.09	<u>11,513</u>	<u>3,086</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>104,599</u>
Additions	5,823	0	0	28,648	2,194,672	2,229,143
As at 31.03.10	<u>17,336</u>	<u>3,086</u>	<u>90,000</u>	<u>28,648</u>	<u>2,194,672</u>	<u>2,333,742</u>
<u>Accumulated depreciation</u>						
As at 01.04.08	9,348	3,086	90,000	0	0	102,434
Additions	433	0	0	0	0	433
As at 31.03.09	<u>9,781</u>	<u>3,086</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>102,867</u>
Additions	1,598	0	0	4,092	0	5,690
As at 31.03.10	<u>11,379</u>	<u>3,086</u>	<u>90,000</u>	<u>4,092</u>	<u>0</u>	<u>108,557</u>
<u>Net book value</u>						
As at 31.03.09	<u>1,732</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,732</u>
As at 31.03.10	<u>5,957</u>	<u>0</u>	<u>0</u>	<u>24,556</u>	<u>2,194,672</u>	<u>2,225,185</u>

5. Property, plant and equipment (cont'd)

The land is leased from Singapore Land Authority (SLA) for 15 years to establish a national equestrian park in Singapore.

Amortisation of the said land shall commence from the first repayment of the loan due to Singapore Polo Club (see Note 6 below).

6. Other payables and accruals

	2010 S\$	2009 S\$
Current liabilities		
Other payables	14,843	2,331
Accruals	<u>100,703</u>	<u>29,089</u>
	<u>115,546</u>	<u>31,420</u>
Non-current liabilities		
Amount owing to Singapore Polo Club	<u>2,194,672</u>	<u>0</u>

The amount owing to Singapore Polo Club attracts an interest of zero-percent and is repayable over 14 years commencing in the financial year ended 31 March 2012, which is the second anniversary of the loan utilisation date. Thus the full repayment of the loan amount ties in with the expiry of the lease of the land.

At the balance sheet date, the carrying amounts of other payables and accruals approximated their fair values and were denominated in Singapore dollars.

7. Income tax expense

There is no provision for income tax made in the current year as the Federation has unutilised losses and capital allowances carried forward of S\$38,580 (2009: S\$38,580) and S\$33,044 (2009: S\$90,556) respectively.

8. Deferred income taxes

No provision for deferred taxation is required on the grounds that no significant temporary differences are likely to be reversed in the immediate future.

9. Financial risk management

The Federation's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Executive committee on an informal basis.

Liquidity risk

The Federation manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Executive Committee to fund the Federation's operations.

Credit risk

The Federation has minimal exposure to credit risks due to the nature of its activities. It has no major concentration of credit risk.

Foreign currency risk

The Federation is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

The responsibility for managing the above risks is vested in the Executive Committee.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Federation approximate their fair values.

10. Comparatives

The financial statements for the financial year ended 31 March 2009 were audited by a firm of auditors other than Messrs H W Soo & Co. The audit opinion issued for the financial statement for the financial year ended 31 March 2009 was unqualified.

11. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Executive Committee on

30 AUG 2010