



2016-17 EQUESTRIAN SOUTH AUSTRALIA INC ANNUAL REPORT

Table of Content

Chairman's Report	Page 2
Executive Officer's Report	Page 5
Carriage Driving Report	Page 7
Coaching Report	Page 8
Dressage Report	Page 9
Eventing Report	Page 11
Interschool Report	Page 15
Jumping Report	Page 17
Show Horse Report	Page 19
Vaulting Report	Page 20
Finance Audit & Risk Management Report	Page 24

Chairman's report

The past year has been one of internal review and reflection on the role and function of the ESA Board and how we can action our strategic plan for moving the association forward.

Like any modest volunteer sporting association, ESA faces the challenges of membership recruitment and retention; meeting increasing compliance and operating costs, representing value for members; increasing the profile of our sport and seeking opportunities for growth.

The Board continues to see our internal and external accountability to members as a priority. The significant effort spent on moving to a new financial management platform is not only in response to our members call for a more transparent and understandable set of financial statements, but to meet the Boards need to have clear detail around our accounting activity. Acknowledging this was a huge effort by our staff, our sincere thanks also go to Mr Stuart Platt for his leadership and commitment to make sure this task has been completed as promised. With Xero now in operation, we have capacity to monitor financial transactions in real time, in-house or remotely. This provides necessary confidence in monitoring of our cash flow and overall status. From a membership perspective, we are looking to grant discipline committees access to their own financial records to allow committees to monitor expenditure and income when organising events and other activities. This has been something committees have sought for some time.

Our strategic plan was finalised after extensive consultation. There was an unavoidable delay whilst Equestrian Australia finalised their own strategic plan. The ESA plan is available on our website and is an important working document for the Board. Areas of focus include membership participation; education; interdisciplinary communication and governance.

Our first governance workshop held on 6th May 2017 with most disciplines sending at least two committee members. Mr Tim White, an experienced trainer in governance matters was our facilitator. Tim was funded by The Office and Recreation and Sport. The day highlighted the common areas of concern for committees and the sharing of issues and solutions was seen by all as a positive experience. Our sport is often conducted in silos across the disciplines yet we are more alike than different and sharing of experiences and common problems that the board can help address is the objective of these events. A report was provided to the Chairs and identified tasks have been raised with the Board for action. Further workshops are planned on a more regular basis for next year.

Following on from the governance workshop, a meeting of all discipline Chairs was held on 10th August 2017. Again, this was a most positive meeting at which many issues were discussed. Important matters of general interest included encouraging recreational non-competitive members; insurance; affiliates; safety and governance at events; sponsorship challenges and retention of volunteers. I look forward to working with the Chairs and the Board as we tackle these matters. One topic which remains unresolved is the need for a 'master calendar' for all discipline events. This is perennial problem that we must tackle to make the logistics of event scheduling easier for committees, members and the ESA office.

Further workshops and chair meetings are planned for next year with the intention of the Board receiving recommendations and amending our processes to make the role of committees easier in the future and remove some of the 'pressure points' that still exist. It is expected such a structure will provide increased insight and participation between the Board and the discipline committees. This is a priority action.

Our financial position is sound with total assets of \$795K although this year ESA realised a budget deficit of \$35 707 mainly due to considerable and unexpected legal costs. This demonstrates the liability exposure of ESA and the need for the Board to consider a contingency fund for legal expenses necessary to administer the rules of the association. The capacity for the association to fund legal challenges is limited and should this risk increase then we shall inevitably be forced to increase membership fees.

The administration and compliance costs surrounding the EA rules have been an ongoing area of concern which has been raised as a matter of urgency with Equestrian Australia (EA). The Board has agreed to budget for some changes in our complaints management and this will be implemented in the coming year. The objective is to reduce the completion times for matters brought to the ESA and introduce a dedicated complaints officer for management of matters external to the ESA office. This will reduce the staff workload as well as address perceptions of bias

Other financial cost increases above the previous year are associated with the move to Xero; a modest increase in building expenses and additional office expenses, including Nominate fees – an EA held contract.

As Chair, I have sought to extend the relations of ESA with other sporting associations with either an equestrian focus or interest. Such relations are important and provide opportunity to explore sharing of resources to dilute expenditure and promote ESA and its member's interests.

The majority of the disciplines have conducted State Championships or showcase events. I was fortunate in attending both the State Dressage and Show Jumping Championships as well as the Show Horse -Horse of the Year event.

Prior to the Dressage State Championships, Dressage SA proposed a rejuvenation project for the Strathalbyn Polo ground, which was home for the State Championships in 2016. This project had the support of Strathalbyn Polo and Recreation Grounds Management Committee, especially Strathalbyn Show Jumping Club; Adelaide Hills Dressage Club and Strathalbyn Polo Club. The Board considered this an extremely worthwhile venture and fully supported the project, which was seen as not only a benefit to Dressage but also the many, disciplines that utilise the grounds. Our thanks must go to Thoroughbred Racing SA who partnered with ESA in undertaking this project. With the weather not being kind to the event, the grounds looked superb with some outstanding performances on the day.

With only a short turn around the State Show Jumping Championships were held, with exceptional entries from Interstate riders. The world-class equestrian surface of the Royal Adelaide Showgrounds showcased our best show jumping talent in South Australia and Interstate.

Unfortunately, it is becoming increasingly more difficult for our smaller disciplines to conduct viable FEI standard events, mainly due to the limited numbers within these disciplines. Both Vaulting and Carriage Driving disciplines are now reviewing the best way forward and the Board is very aware of the challenges facing these disciplines.

The 2016 Horse of the Year had an increase in numbers of over 25% which was a great achievement by the organising committee, this has now seen the sport improve the numbers for this most prestigious event. Live streaming was once again an integral part of the production.

ESA has continued to enhance the junior activity with Interschool and the introduction of regional coaching clinics.

I would like to thank the committee members and in particular the Chairs who dedicate many hours to support their disciplines. Without their work we would not have an association we can be proud of and on behalf of the Board, a big thank you!

To the many officials and volunteers who attend all our events, thank you. The association can be proud of its volunteers and their contribution to the sport is immeasurable. The support, mentorship and role modelling that these wonderful people provide is not only fundamental to the culture of the association but contributes so much to the development of our younger members.

To our EO Sharon Cimarosti and her staff, our gratitude for all they have done this year. The office carries a significant workload with many 'out of hour's' demands. The work ethic of Sharon and the staff is admirable and they make great effort to support member's requests.

Finally, I would like to thank the Board for their work over the past year. The Board has focused on achieving the priorities set for this year. This included the strategic plan review; the accounting system changes; a review of the complaints process and increased education and review around governance and risk management.

I also wish to separately acknowledge the following board members who are not nominating for positions in 2018: Ms Elizabeth Fricker as immediate past Chair for her helpful advice and her significant contribution to the Board and Ms Sarah Hocking, for her measured and sensible advice. Both have served from 2014 -2017

Joe Hooper
Chairman

Executive Officer's Report

It gives me pleasure to present my Annual Report as the EO of Equestrian South Australia. It has been a very busy year!

The behind the scenes work for a sporting organisation is extensive, with a wide range of responsibilities to be covered. These extend from regulatory aspects including corporation law, community (e.g. child protection which is becoming increasingly important moving forward), ethics (e.g. anti-doping); to expectations of the sport's members and participants including education programs, communication, calendar development, membership and participation. I extend my thanks and acknowledge the contribution of many fantastic volunteers across a range of committees, events and participation programs that support the sport and delivered this year's outcomes, while to fellow Equestrian South Australia staff I acknowledge your dedicated work.

Member Services / Operational Matters

There were several encouraging Member Services developments throughout 2016-17.

The introduction of MyEA has been a big help in members servicing. Approximately, 70% of our members renewed on-line and used MyEA to purchase performance cards, access results, horse details and their personal profile. The next challenge will be to streamline event entry checking and the way that results are gathered, uploaded and presented to the membership base.

It is clear that relationships with sponsors and preferred suppliers have strengthened in 2016-17, as evidenced by:

- Longer term retention of partners
- Increased levels of support from partners ; and
- Recruitment of additional sponsors and preferred suppliers.

Assisting in the staging of major events places a strain on the small office team. In particular when the majority of these events are conducted within a similar time frame. We do need to get the right balance between providing customer focused member services and assisting organising committees.

Vision and Strategic Plan

Equestrian South Australia has produced a new strategic plan for the future of equestrian sports within South Australia; it was unfortunate, that our plan was delayed whilst awaiting the Equestrian Australia Strategic Vision however , it was essential that the Equestrian SA plan was aligned to the National body's vision. The Strategic Plan can be viewed on the ESA Web page.

Structural Reform

As reported in 2016 changes were to continue, the Board of ESA have implemented the major change to the accounting system, the Branch is now fully functional on Xero. We did face some challenges, they have all been overcome. I must thank the ESA staff for their assistance in making this transition as seamless as possible.

Initiative and Achievements

I am pleased to reference a selected few highlights:

- November saw the Australian International 3 Day event conducted in the Adelaide Parklands one of only several FEI events conducted in the city centre throughout the world;
- The branch has invested considerable time and expertise in developing and adopting the junior development framework to meet the objectives of our participation and performance outcomes.
- Our Youth Development Program has once again seen a good increase in participation, throughout 2016-17. ESA introduced regional coaching clinics and our thanks must go to Megan Jones, Di Keach, Clive Reed and Helen Barnes for travelling far and wide to assist our developing juniors.
- Ground rejuvenation at Strathalbyn Polo and Recreation Grounds, this was an initiative of Dressage SA and one that I was only too pleased to assist with. I must acknowledge the support and assistance of Thoroughbred Racing SA , in particular Mr Nick Redin and Mr John Tonani.
- April, was once again a hectic month with the Dressage, Jumping and Interschool State Championship events. All the discipline committees must be congratulated in the manner in which they have showcased their chosen sports.

Acknowledgements

Special recognition needs to be given to Suzanne Skibinski who retired after many years of service to ESA.

Sharon Cimarosti

Executive Officer

Carriage Driving Report

The ESA Carriage Driving Committee was established in 2000 by a group of drivers who wished to break away from the Australian Carriage Driving Society. NSW and Queensland also have discipline committees. Members of our committee (most of whom were there in 2000) are disillusioned with the present situation as a discipline committee for the following reasons-

Our membership base continues to be small. We do not seem to attract carriage drivers who prefer the easier and cheaper option of joining the ACDS (membership, horse registrations, coaching and officials' accreditation).

Our one major event for the year the FEI Driving event held in association with the Mitsubishi International Horse Trials has had to be downsized due to lack of funding especially from the ICDF fund, which enabled us to run the event over the past two years.

The number of accredited officials and coaches is dismal and process of EA accreditation is rigid, expensive and bound by unrealistic EA Carriage Driving rules. We were fortunate to be able to accredit three ridden dressage judges due to a loophole in the rules this year.

We are unable to be a part of the Young Driver Scholarship this year as we cannot meet the NCAS coaching requirements.

We have been grateful for the support ESA has given us in the past but in recent months working with the ESA office has not been easy. The meeting with the discipline chairs and the ESA Board Chair however was very useful and informative

Anne Lindh
Chairman – Driving SA



Coaching Report

Our biggest change this year has come from the appointment of a new national education manager. English born Alison Gestier seems quite approachable and open to new ideas and changes.

At our coaches workshop in May this year Alison introduced some changes to the structure of the coaching levels , this will hopefully make understanding the progression of the different levels much easier.

Our coach educators have been busy in SA holding intro and level one coaching clinics, with some successful candidates.

Some professional development opportunities are coming up soon , with Edit Keppel and then our only official update for coaches with the renowned Martin Plewa.

We thank our wonderful coaching coordinator Suzanne Skibinski whom retired earlier this year for keeping us on track for many years.

The coaching committee looks forward to another year of encouraging and supporting new and existing coaches.

Thank you

Lynda Smith

Chairman Coaching Committee



Dressage Report

For the 16/17 season, we welcomed our new co-Chairs, Belinda Lindh and Collette Wheadon, with Carly Boon retaining the position of Vice Chair. A full and fresh faced committee set to work with great enthusiasm and some great new ideas for the year ahead.

Of course, we must mention a huge thank you – which doesn't seem nearly enough! – to outgoing Chair, Lorraine Wohling. Many of you would already be aware of the huge impact Lorraine has had on Dressage SA over the past years. When you see her at an event (which she will now have time to ride at!), please do thank her personally for her efforts.

We thank and farewell long-term committee members Jen Gilligan, Helen Whittle and Gerry Wellington, and wish them all the very best in their future endeavours. All SA dressage riders should make the effort to thank these volunteers when you see them – their efforts have been long-standing and have had a huge impact.

We were pleased to welcome Pryde's EasiFeed to the Dressage South Australia team for 2017 as our major partner. Pryde's EasiFeed will be sponsoring our championships events, squads plus a great new initiative in our AOR Leaderboard.

The 2017 Pryde's EasiFeed South Australian Dressage Championships, was run by a very small and extremely dedicated sub-committee team who managed to pull off a fantastic event, with lots of very positive feedback. We wholeheartedly thank those riders who have contacted us to pass on thanks – this event was a huge effort, with a very limited team who spent extended hours at the grounds, both on the event weekend, and many hours in the leadup, to ensure that the surface and facilities were the best they could be. Efforts to make the grounds as soft and level as possible were made, and we have appreciated the feedback on these initiatives. We thank our sponsors as without them we cannot make an event of this size happen.

Special thanks must go to Sharon Cimarosti and the whole ESA office, along with Racing SA for working together to verti drain the surface offering a huge improvement in going for all grounds users.

At the championships we also launched our new series the Prydes EasiFeed AOR Dressage series. The series will be run over 7 events with points accumulating over each round from 1st to sixth place. Six points will be awarded for first place through to one point for 6th. The series will be run in conjunction with the competitive classes at each event, using highest test offered at both Preliminary and Novice level. Riders must nominate to be included in each class on the entry form for each competition. Pryde's EasiFeed prizes will be awarded at each round with a Championship Rug awarded to the overall winners at each level. Again we thanks Prydes their incredibly generous support.

For 2017, we also made some important changes to the SA Dressage Squad. For senior riders we introduced a new 'Progression Squad' for horses competing in Novice/Elementary & YH Classes, and, for junior/young riders, It is now a 'Youth' squad which sees riders up to 25 years eligible to apply.

This was our final year with Ricky MacMillan as State Coach and we would like to thank her for her dedication to the squad over the past two years.

Most recently, SA sent a team to the 2017 Australian Dressage Championships which was held at Boneo Park in October. This is the first State team that has been sent to the nationals in a long time and it was particularly pleasing for South Australia to place 2nd behind NSW in the Team B competition. But Congratulations must go to many of our South Australian riders who made the journey to Victoria and were successful in placing or just getting a PB.

We will be looking to appoint a new State Coach for 2018/19 as well as develop a Youth Rider program for next year as well.

Collette Wheadon & Belinda Lindh
Joint Chairmen – Dressage SA



Eventing Report

Membership

Scott Donner	Chair,
Tracey Leigh	Vice chair, Squad, Chair Selectors
Karin Edwards	Treasurer, Organising Committee representative, Acting Secretary
Helen McEwen	Secretary/Minutes, Organising Committee representative. Resigned during year
Leigh Beissel	Communications, marketing and promotions, Youth Development, Horse's Mouth, Organising Committee representative. Resigned during year
Wayne Copping	Selector, NEC representative
Charlie Germein	Organising Committee representative
Lara Pizimolas	Clinics, rider representative
Melissa Richardson	Organising Committee representative, Selector
Gill Rolton	Selector, Organising Committee, EA and FEI representative. Has taken leave of absence*
Di Schaeffer	Horse's Mouth

*Gill Rolton has taken leave of absence due to ill health. The committee's thoughts are with Gill and Greg at this difficult time.

All members have declared relevant interests in accord with ESA policy.

Competition

As in previous years, the Eventing Season encompasses Spring and Autumn events. Performances at these events is recognised at the Equestrian SA Awards Night. 2016 winners were:

- Megan Jones (Anna Savage Award for Senior Rider of the Year); Kirby Park Impress (SA Event Horse of the Year) ;
- Jaimie Stichel (Tasha Khouzam Award for Young Rider of the Year) and Stephanie Hann (Youth Development Scholarship).

Not surprisingly the above 3 riders have had an impact in the Spring SA eventing scene in 2017:

- Megan Jones & Kirby Park Impress have won a number of events here and placed Interstate, finishing in 5th place at the CCI 3* Melbourne International HT in June.
- Jaimie Stichel was also competitive on her 3* horse up to Melbourne IHT, but importantly now has two imposing, quality young horses coming up through the lower grades.
- Luke Jones and Sarah Clark have performed well at 2* level with Luke upgrading to win 3* at Naracoorte.

- Steph Hann proved her Scholarship win was no fluke winning 3 one star events in a row and was the best placed SA rider at Melbourne IHT, CCI 1*. Along with Steph, Rachelle Verma and Bec Martin also competed at their first 3DE at Melbourne IHT.
- Courtney Munro is a promising Junior rider of note, having also won 3 events in a row on her very smart pony, Aylestone Park Apple Blossom, at EVA95 and EVA105 in SA & Victoria. She has also placed consistently with Megan's older 2* horse/schoolmaster, KP Joy.
- It is pleasing to see a number of young junior riders showing good form, winning or placing, at EVA80 & 95.

2016/17 Highlights

Positive and enthusiastic group of young(ish) riders seeking to improve themselves and their horses by supporting top squad level clinics throughout the year and at their own cost. Great to see members of this group working through the 105 /* classes which are such an important training ground for serious competitors. Equally pleasing is the number of very nice young horses which various riders have started this year. This bodes well for future years.

it is great to see the hard work of the various organising committees coming to fruition with all venues up and running. Whilst most quietly treat this as 'business as usual' each competition requires substantial efforts from committees who significantly overachieve in terms of resources available vs outputs and for no personal benefit other than taking pride in their work! The ESA Eventing committee thanks all committees and members for their ongoing efforts.

Increased focus on safety: all events now provide high level (up to Trauma specialist support) service, which should be a comfort to all. The eventing committee is also investing substantially in safety equipment (spirofixes and mimes clips).

New events –

2017 – Canoe Tree Horse Trials is a new event for late in 2017 with 65 and 80 cm classes to kick off proceeding along with combined training for * classes as a warm up for Adelaide. The committee is hoping to build up a solid operating relationship with the Pt Eliot Showgrounds committee. The current proposal is for the dressage & show jumping phases to be held at the show grounds with cross country courses on nearby properties in the southern Fleurieu region. Mrs Bow has kindly provided access to her property for cross country – just across the way from the canoe tree near Currency Creek – as the first in what is hoped will be a series of such events.

2018 – There is a whisper of a potential new FEI/* class for 2018 – watch this space.

Challenges-

As has always been the case, the resources required to run events, particularly people and money continue to be in short supply.

Whilst the ESA Eventing committee is respectful of organising committees' status as independent organisations, it is aware that overall they appear to have had a challenging year. Although they are to be commended for their efforts in keeping entry fees down, ultimately competition costs will need to be (largely) met by riders (ESA members). All concerned are fully aware of the challenges this poses. However, a failure to address this in the short term can only decrease opportunities for riders at all levels to ride interesting, challenging and **safe** courses. Current planning for 2018 has identified that South Australia is unlikely to run any FEI classes. This can, in part, be attributed to the costs involved. It will no doubt be a disappointing outcome for our riders with aspirations to compete at this level, as they will need to travel interstate frequently in pursuit of qualifications and experience. The ESA eventing committee will work with organising committees to attempt to address this issue for the 2019 season.

Budget

Eventing levies paid by riders and funds raised through the hire of the 'Event Box, raised \$22468.50. Key expenses/re-imbursements to organising committees included; Event Medical (\$5000) , interstate Technical Delegate (\$750) and FEI Event expenses reimbursements (\$1500). A number of Spirafixes (\$6000.00) have been purchased to support organising committees. Mimes Clips (\$6000.00) have also been ordered as part of the Equestrian Australia/Terry Snow Foundation investment in Eventing Safety (as a co-investment). Support has also been provided for official's mandatory training and the Youth Development Weekend.

Sponsorship and Fundraising

Gill Rolton has been in sponsorship negotiations with Pryde's EasiFeed for support for the SA Eventing Squad. We hope to have this in place before the end of this calendar year.

SA Eventing Squad

The squad program for 2017 has built up from previous years with four successful clinics run by Prue Barrett as coach run at the properties of Di Schaeffer, Anthony Thomas and Megan Jones for no cost. The committee and riders thank them for their generous support now and hopefully into the future! (Prue should need no introduction, as she was the coach of the Australian bronze medal team at Rio!). Di Schaeffer also ran 2 Jamie Coman specialist jumping clinics. The eventing committee and riders have adopted a self-funding model which allows for slightly lower graded riders to take up places in squad clinics when squad members cannot do so - to avoid running clinics at a loss or not at all whilst providing opportunities for up and coming riders. To continue building on the developing rapport between these coaches and our riders, the committee has agreed to engage Prue and Jamie for 2018. The efforts by Lara Pizimolas & Di Schaeffer in coordinating these clinics is greatly appreciated by riders and the committee.

SA Eventing Youth Development Weekend

As required by ESA an SA Eventing Youth Development Squad Scholarship training weekend was held on the weekend 26/27 November 2016. Martin Plewa (Germany) officiating as training coach, with Scott Donner as SA Eventing Youth Development Scholarship selector for the weekend. All riders presented themselves and their horses very well, and were attentive and open to Martin's instruction. Riders acquitted themselves well in the interview process and it was particularly pleasing to see that they were all building programs and support teams around themselves. The winner Stephanie Hann, has built on this with a very successful autumn season in * classes. Importantly, there is significant crossover between the participants of the Youth Development Weekend and the SA Eventing squad ensuring that our up and coming riders are able to access consistent international standard training.

Scott Donner

Chairman – Eventing SA



Interschool Report

Interschool within South Australia continues to grow with over 70 riders registered for Interschool this year, many of which competed in multiple disciplines.

Continuing with the format introduced in 2015, the calendar of events for riders commenced earlier this year with the first official competition the Mt Gambier Junior Show Jumping Championships at the start of January.

Riders participate in a series of official Interschool competitions between January and May, with 4-8 events for each discipline. Most of the events are held in conjunction with official events for each discipline. Without the ongoing support of the committees of these events it would be difficult to provide enough opportunities for our junior riders to qualify to represent SA at the Nationals. Their continued support is acknowledged and appreciated.

The two major events on the SA Interschool Calendar are the Gymkhana, held early in the season, and the Interschool State Championships in April. The Interschool Gymkhana was held at the Strathalbyn Polo Grounds in February, co-hosted by the Eastern Fleurieu School. This is an event that is open to all school aged riders, and with over 100 entries competing in 7 arenas, was a great success. On the same weekend Interschool held a coaching clinic with Megan Jones and Fiona Heysen, for riders that have registered for Interschool and is subsidised by our fundraising efforts.

Interschool State Championships held at the Royal Adelaide Show Grounds took place in April. This is a wonderful opportunity for our interschool riders to compete at the best venue in the state, and provides invaluable experience competing in an arena with more atmosphere before heading to Nationals. South Australia is renowned for its Team Spirit, and this was evident at the State Championships, with all the competitors supporting each other and parents and riders volunteering at every opportunity.

The major fundraiser for the year is our annual Awards Dinner, which included donations valued at more than \$2000 for our fund raising raffle. Thank you to the Australian International 3 Day Event committee for the donation of the major prize, two Giddy-Up passes to the Horse Trials. The Awards Dinner is an important part of our Interschool Calendar and recognises the achievements of riders from each discipline.

National Interschool Championships 25th – 29th September

It was such an honour for our small team to represent South Australia at the Marcus Oldham 2017 National Interschool Championships in Toowoomba. Although the ground was a little hard and dusty and the weather a little unkind due to the drought being experienced in Queensland, the event ran well and the competitors had a fantastic time.

Our team looked bright and professional as they donned the new red and white uniform in conjunction with their horses and ponies smart looking Horseware show rugs that Megan Jones kindly arranged. As always, the team bonded really well and were supportive of each

other throughout the whole event. We were delighted and privileged to have Megan Jones as Coach and her husband James Deacon as Team Manager.

We had numerous top six placings across all disciplines and Megan was very proud to announce that this year's team was the strongest since South Australia joined the competition with the top ten placings. We placed in the Team Awards in the discipline of Show Horse, Eventing and Show Jumping and came fourth overall behind Queensland, New South Wales and Victoria.

Thanks to Interschool Queensland and Equestrian Queensland for hosting the event and congratulations to the Queensland team for winning the overall trophy.



Jumping Report

The Jumping Committee started with Charlie Germein as Chair and after some resignations and new appointments the committee settled into the year with a cohesive group of dedicated people working together to manage our sport in SA with Clive Reed and Diana Gibbs Ludbrook as joint acting chairs.

A Fundraising Jumping Show held at Metro on the Australian Day weekend was well-supported by riders and raised some much-needed funds to start implementing some flagged initiatives.

Our State Jumping Championships at Wayville in April was also a huge success after securing key sponsors and business partners with some already making a commitment to support the event in 2018. Our SA riders competed with success and saw two of our riders take out State titles with Nicole Bruggemann winning the Senior Speed Championships and Conor Reed winning the State Junior Jumping Championships. This event was also a great success financially.

Our State Jumping Squad program has recently been invigorated and included the appointment of Lizzie Wigney as the new Squad Coordinator. As well purchasing Squad jackets the committee approved the inclusion of a new Junior Development Squad to identify and nurture our younger talented horse and rider combinations. High Performance sessions which incorporated sports psychology was organised for all Squad members during the winter break. These sessions were invaluable in guiding riders on a pathway to develop more consistent performances and improve their training programs for competitions. The feedback after the sessions was extremely positive.

Only a small number of riders made the trip to Werribee to represent SA at the Australian National Jumping Championships. Of those attending our Junior Riders had some outstanding performances with Conor Reed finishing in 6th place overall and Sarah Wigney finishing in the top 20 making the final from a very strong field in the Australian Junior Championships. Kristy Bruhn finished 3rd in the Australian Senior Speed Championship. Although not many made the trip across to Victoria we are pleased to report nearly all of our SA riders finished with placings in a range of events on offer.

Through successful fundraising and budgeting the committee was able to fund the overdue upgrade and repair of the Jumping equipment trailer.

The meeting of discipline chairs was a positive and beneficial exercise for everyone concerned. Through consultation with other disciplines and approval from the Board and our Executive Officer, Strathalbyn Showjumping Club can now run their show after the 2018 State Jumping Championships with some minor program changes to ensure they do not impact on the ESA Junior Championships.

Finally, congratulations must go to some of our younger SA Jumping Riders on their special achievements in our sport this year:

- Felicity Atkinson - selection on the National Young Rider Elite Squad for 2017.
- Erin Buswell - selection on the National Young Rider Elite Squad for 2017 (since transferred to QLD)
- Conor Reed – gained a COC for the 2018 Youth Olympic Games and won an FEI World Jumping Challenge event in Camden, NSW.

Sarah Wigney, Ella Fairweather, Felicity Atkinson and Conor Reed have all gained qualifying points for possible selection on the 2018 National YR Elite Squad.

Clive Reed & Diana Gibbs Ludbrook

Acting Chairpersons, Jumping SA Discipline Committee



Show Horse Report

During our Winter break the show horse committee held a number of events, the first being a judge's seminar with Wendy Hunt, Andrew Hunt and Terry Van Heythuysen. The Show horse clinic with Greg Mickan was very well received by the show horse community and gave everyone the chance to gain coaching from a very experienced rider and show horse producer in Greg. Our committee also held a car boot sale and made soups and baked goods for the event as a show horse fundraiser.

Show horse had \$1000 made available from the Youth Fund, which the committee decided to allocate to a Master class clinic with Maree Tomkinson held at Mt George Equestrian Centre. Two lessons were made available to win, drawn from the applications received from young riders. The winners names were pulled from a hat in the EA office by Caroline Jones, with two other lessons going to Auction which were sold to the highest bidders. These funds covered the costs for free pizza lunch and hire of the venue. This event gave young riders the opportunity to attend and be a part of a team environment with Maree giving young riders a 1.5 hour talk which was very well received from riders and parents.

This day was held free of charge to young riders and spectators could attend for a small fee. As chair of Show horse one of my main aims was to create a Young Rider Squad for Show horse something we have lacked for many years. The idea of the Maree master class was to gather all the applications and the work towards a squad with the appropriate squad criteria.

Due to a number of factors I have faced as chair this has not been achieved, and I am disappointed for the young riders in show horse who are the future for equestrian in South Australia. As I am not re electing and moving on from the show horse committee this is something I hope the board supports for the new Chair and committee.

Show horse also held a spring hack show and measuring day at Metro in September, which was well supported.

Our 2017 HOTY was held again at Wayville at the showgrounds numbers were down from previous years. Competitors expressed complaints re cost of stabling for event with horses needing to be stabled to compete. This is something the committee will need to look into next year and will be detailed in my HOTY Report to board.

Shauna McClean
Chairman



Vaulting Report

Membership

Cheryl Rosiak	Chair
Angus Beattie	Vice Chair
Nina Fritzell	Committee Member
Janet Leadbeater	Committee Member
Alix Bell	Committee Member
Kelly Vreugdenberg	Committee Member
Emily Leadbeater	Committee Member
Lydia Singlehurst	Committee Member
Skye Barrowcliffe	Committee Member
Tony Richardson	Committee Member

South Australian Vaulting has had a very successful year and the Vaulting Committee would like to thank the Board and Staff of Equestrian South Australia for their continued support of Vaulting in South Australia.

There have been some changes to the Vaulting Committee, with Wendy Singlehurst and Gail Beattie stepping down from the committee and their positions as Chair and Secretary respectively. The Committee would like to acknowledge the hard work that Wendy and Gail have given to Vaulting in South Australia over the years and we look forward to their continued support of Vaulting in South Australia in the future.

State Championships

The 2016 State Vaulting Championships were held in November at Mallala Equestrian Centre. Our State Champions are:

- Open Individual (Male) : Zac Singlehurst
- Open Individual - Female: Steph Dore
- Open Pas De Deux: Emma Moulds and Jessica Beattie
- Advanced Individual (Female): Sophie Thomson
- Novice Individual (Female): Hannah Greenfield
- Pre-novice: Ben Rosiak
- Preliminary Individual A: Megan McCulloch
- Preliminary Individual B: Bella Masters
- AWD Preliminary Individual Monique Simpson

Great Southern Cross CVI Series

Adelaide hosted the first of 2 CVI*3 at Mallala Equestrian Centre in March/April 2017. Our 2 international judges were Rob de Bruin and Cynthia Danvers from The Netherlands. Competitors from NSW, Queensland, Victoria, Western Australia, Germany, Austria and the Netherlands were represented in both the CVI and the associate competition. The South Australian vaulters had a successful competition, with several vaulters competing in their

first CVI gaining qualification scores for CVI*2. Results of the South Australian vaulters below:

- CVICH1*Male: 1st Ben Rosiak
- CVICH1*Female: 1st Lily Moore
- CVIJ1* Female 1st Lainie Thomson
2nd Shaylah Vreugndenberg
- 3rd Belen Swart
- CVI1* Female 2nd Emily Leadbeater
- 3rd Alix Bell
- CVI1* PDD 1st Lainie Thomson & Stephanie Dore
- CVIJ2* 3rd Florence Simpson
- CVI2* 2nd Rebecca Vandepeear
3rd Sarah Leadbeater
- CVI3* Male 1st Jamie Hocking
- CVI3*Female 2nd Steph Dore
- CVI3*PDD 1st Zac Singlehurst & McKeira Cummings (QLD)

The 2nd event in the Great Southern Cross CVI series was held the following week at The K Ranch, Mt. Hunter, NSW. A small but enthusiastic South Australian team made the journey to Sydney with Ben Rosiak taking 1st with his second 2* score in the CVICH1* with Steph Dore 2nd in the CVI3*. Quicksilver and the Singlehurst family made the journey across with their lovely little horse Quick Magic (Merlin), who carried Dianne Ter Meulen from the Netherlands to her CVI3* win. Quick Magic achieved the highest horse score of the competition against some very stiff competition, which is a fantastic achievement being the only South Australian horse competing.

2017 Australian National Vaulting Championships and Sydney CVI

South Australia was well represented at the 21st Australian National Vaulting Championships held at SIEC in September/October 2017. Congratulations to Jamie Hocking who won the CVI3*Male earning the title of Australian Male National Vaulting Champion. Other South Australian results include:

- Individual Preliminary Div.A 3rd Layla van den Berg (PHEVA)
- Individual Preliminary Div.B 3rd Sienna Branch (PHEVA)
- Individual Novice 6th Mikaela Bell (PHEVA)
- Individual Intermediate Male 1st Ben Rosiak (Acacia Gold)
- Individual Advanced Female(J) 3rd Lainie Tomson (Quicksilver)
4th Florence Simpson (Quicksilver)
- Preliminary PDD Div.B 6th Caitlyn Merchant & Shaylah Vreugedenberg (PHEVA)
- Preliminary Squad 4th PHEVA
- Novice Squad 1st Quicksilver
- Lungers Masterclass Canter 2nd Denise Piggott/Cricketer
4th Nina Fritzell/Guy at Work

We were fortunate enough in Australia to have a third CVI held in Australia in 2017 which ran alongside the Nationals at SIEC. Once again, the South Australian team had some outstanding performances:

- | | |
|-----------------|---------------------------------|
| ▪ CVICH1*Male | 1 st Ben Rosiak |
| ▪ CVICH1*Female | 1 st Lily Moore |
| ▪ CVI3*Male | 1 st Jamie Hocking |
| | 2 nd Zac Singlehurst |

European Competitions

Emma Moulds and Jamie Hocking made the journey to Europe to compete in various CVI's throughout Europe. Jamie has based himself in Denmark for the European Vaulting season and achieved a remarkable effort taking 1st place at the CVI3* in Flyinge, Sweden on his lovely horse French Kiss. Jamie also competed in his first CVIO4* at the European Championships in Aachen. Jamie has also been invited to compete in the Vaulting World Cup series next season, our first Australian Vaulters to achieve this goal and is hoping for selection to compete for Australia at the World Equestrian Games in 2018.

Emma competed in CVI3* competitions in Krumke, Germany; Rugby, England and Flyinge, Sweden. Although she didn't feature in the placings, she achieved some excellent scores considering she was vaulting on different horses, with limited time to train on them.

Congratulations to all of our South Australian Vaulters and Horses for their achievements and a very successful year competing at both home and overseas. It is very exciting to see the progress of our younger vaulters knowing that our South Australian vaulters can hold their own on the world stage.

22nd Australian National Vaulting Championships/Adelaide CVI 2018

Although South Australia was successful in bidding for the Nationals in 2018, the NVC and the state committees have indicated that the timing of the event in April was not supported by the wider vaulting community. Factors influencing the lack of support include; running a National competition at the beginning of the vaulting season; only 6 months since the last Nationals and being the wrong time of year for many interstate competitors to bring their horses to South Australia. A meeting between the NVC and Chairs of the relevant state committees during the 2017 Nationals at SIEC, the decision was made to change the timing of the Nationals to a more appropriate date. Given the significant loss incurred in running CVI's in 2016 and 2017 it is apparent that it is economically unviable to run a standalone CVI3* competition without a coinciding Nationals competition. Whilst it is acknowledged that ideally this would have been discussed by the SA Vaulting Committee prior to the decision being made to cancel the CVI, there was only a short window of less than 24 hours to contact the FEI and cancel the CVI without incurring a financial penalty. Therefore the decision was made by the chair, with the support of the Equestrian South Australia Board and the National Vaulting Chair, to cancel the CVI scheduled for April 2018.

The SA Vaulting Committee are currently considering their options with regards to rescheduling the 2018 Nationals and/or CVI and it is hoped that this decision will be made by the end of October.

Youth Development Clinic

Nothing to report due to the changes to the timing of the Youth Development Clinic.

National High Performance Squad/State Development Squad/Competitions in South Australia

It is with much regret that the SA Vaulting Committee were informed that the National High Performance Squad was to be disbanded due to difficulties with the current format. The National Vaulting Committee felt that these squads should be administered by the individual state offices. The SA Vaulting Committee has agreed to support a State Development Squad and will now look at merging this with a State High Performance Squad. This will benefit both squads as the high performance vaulters can act as mentors and assist with coaching our development squad vaulters, giving them valuable experience in coaching and working with junior vaulters, whilst the development vaulters will benefit from the experiences of the HP vaulters, many who have competed overseas at the highest levels.

There are several issues around the way in which affiliated vaulting competitions are convened within South Australia, so the burden of running competitions has been on the individual clubs, leading to burn out of club volunteers. This has historically been as a consequence of the way in which clubs were insured for competitions, however this situation has now been resolved and the SAV Committee are now indemnified under the Equestrian South Australia insurance policy and are now able to run competitions as a state activity. This will hopefully lead to a larger pool of volunteers to assist in the running of additional competitions. The Committee have agreed in principle to hold four local affiliated competitions in 2017.

Support for EA/FEI Officials

The SA Vaulting Committee provided financial assistance to enable Bianca Swaiorski to undertake the FEI Level 3 Stewards Course and for Dr Samantha Franklin to obtain the accreditation requirements as FEI Veterinary Delegate for CVI's.

Cheryl Rosiak

Chair, South Australian Vaulting Committee



Finance Audit and Risk Management Committee

Annual Report – 2017

Introduction

This is the second Annual Report of the ESA Finance, Audit and Risk Management Committee which covers the activities of the Committee for the period July 2016 to June 2017 and the ESA financial results for that period

FARMC Membership

The membership comprises:

- Stuart Platt (Chair);
- Sarah Hocking;
- Joe Hooper;
- Karin Edwards.

The FARMC Terms of Reference (available on the ESA website) provides for membership to include non-Board specialists in advisory capacities.

What we have achieved

Last year's FARMC report listed the high priority items including leading a project to replace the ESA accounting system (QuickBooks) with a product more suited to the ESA needs (e.g. MYOB; Xero).

Perhaps the biggest single change to ESA in 25 years has been achieved. A Victorian accounting firm (Sports Accounting Australia) specialising in sports organisations was engaged to restructure the chart of accounts and implement the Xero accounting system.

Xero is a web-based system using cloud technology. The ESA accounts are no longer tied to the ESA office server but can be accessed anywhere by authorised people. The new chart of accounts has been greatly simplified and the suite of reports within Xero will enable the discipline committees to receive clearer reports quickly.

The FARMC and the Board are continuing with projects to controlling ESA costs, improving the Constitution and developing policies and processes for the governance and management of the association.

External audit report

The 2017 audit report shows a continued improvement in the management of the ESA finances. For the third time since FY2014 the external audit report is unconditional¹. The auditors have made improvement recommendations/suggestions and appropriate actions are in place to address these.

¹ The auditor has included a general qualification, common to our type of organisation, regarding it not being practical for them to verify income beyond amounts recorded in the accounting records of the Association.

ESA Financials – A Closer Look

Income

The overall income increased by \$11,000 with memberships increase of \$27,000. Membership fees had been increased by a modest \$5.00 for the year.

Expenditure

Increase in expenses from \$389,000 to \$418,000 an increase of \$29,000. The overall result was a deficit of \$35,707. This was due to an unusually high expense line which is discussed later in this report.

Comments regarding the Notes to Accounts

Note 8 - Employment expenses

Salaries and wages

Salaries \$227,000 from \$230,000, a decrease of \$3,000.

A temporary staffing vacancy resulted in a small positive salaries variance. Salaries are expected to return to forecast following appointment of a new staff member in 18/19.

Note 9 – Office Expense

Accounting fees

The accounting fees were paid to the contract Accountant for involvement of one day per week. (This was part of the response to the Auditor's recommendations for the FY2015 report). Additional service was provided by the Accountant during the transition to the Xero accounting package.

Legal fees

The bulk of professional fees for FY2017 were the legal fees associated with disciplinary proceedings. The outcome of proceedings has been available on the ESA website for some time. The fees incurred by ESA in relation to one matter amounted to some \$55,000.

At the time of proceedings in the above referred matter the Board engaged the dispute resolution service facility provided by Sport SA. This was done to ensure impartiality through complete separation between the ESA Board and the resolution process. Sport SA established a disciplinary tribunal chaired by a senior legal practitioner with sports law experience. Unexpectedly, during the proceedings the Sports SA appointed Chair was required stepped aside due to a potential conflict of interest having been identified. This delayed proceedings and required appointment of a further experienced senior solicitor. Legal advice had been engaged directly by Sport SA on a fee-for-service basis commensurate with senior rates.

The defendant in the above proceedings engaged a Solicitor and a Barrister as representatives in the tribunal proceedings. Appropriately the ESA Board engaged single legal counsel to best represent the members' interests.

Consultants fees

The consultant fees were payable to Sports Accounting Australia pertaining to the implementation of the Xero system and the restructure of the ESA chart of accounts.

Services

“Nominate” fees were \$18,815, an increase on the previous year amount of \$14,238. The requirement for ESA to use Nominate for membership and competition entries is national, as determined by EA. Until a much-improved arrangement is negotiated these high fees will continue.

Note 10 – Operational Expense

‘Awards’ and ‘Functions Expense’

At first there appears to have been significant increase and decrease in these two items. However, they closely offset each other. This is due to the change in the chart of accounts and the transition to Xero. In future, there will be much greater clarity in reporting *Functions* (e.g. Awards Night) and *Awards* (e.g. rugs and trophies presented at Awards Night).

Note 15 - Cash and Cash Equivalents

Cash at Bank

The ESA banking is comprised of three accounts held at ANZ Bank. The accounts are:

1. ‘Cheque account’ which is the normal operating account. This account has an overdraft facility of \$130,000*
2. ‘Online saver’ account which holds employee entitlements funds.
3. ‘Online saver’ account (opened in 2011) which is an interest-bearing account to hold the ESA cash reserves.

* The overdraft facility is secured by a mortgage on the Mt Barker office building. It should be noted that the purchase of the building was completed in 2010 and the mortgage for the purchase loan was discharged.

An item of interest.

Although not specifically listed in the statement of accounts it is worth discussing the levy system applied by some discipline committees.

A particular benefit of the Xero system is the improvement in tracking and reporting the levies applied by the discipline committees for the improvement of their areas of interest. Currently the Eventing and Dressage committees apply levies respectively for assistance in running events and for judge education (Dressage Judges’ Committee).

For the FY2017 year the levies were as follows

Eventing:

Levies received	\$18,915.
-----------------	-----------

Eventing SA has been using these funds to assist event organising committees with medical expenses and the purchase of 100 pieces (50 sets) of Spirafix X-Country anchors as part of the Safer Eventing initiative.

Dressage Judges Committee:

Levies received	\$3,759
Seminar fees	<u>\$1,625</u>
Total income	\$5,384
Less Expenses	<u>\$3,240</u>
Surplus	<u>\$2,144</u>

As is usual practice, the Board had approved the Dressage Committee request to roll-over the surplus into FY2018 for use in judge education.

Sequestration – what?

No, it's not a particularly unpleasant surgical procedure. Sequestration is from the verb *sequester* (origin late Middle English: from Old French *sequestrer* or late Latin *sequestrare* 'commit for safekeeping', from Latin *sequester* 'trustee').²

Discipline Reserves

The Discipline Reserve scheme was introduced around 2009/2010. At that time ESA had significant cash reserves from the sale of the Frederick Street, Richmond property and the decision to invest much of this in a tangible asset with a reasonably achievable capital growth was made. The result was the purchase of Unit 10, 2 Cameron Road Mount Barker.

It is important that we all appreciate that the cash reserves are members' funds. Hence, Unit 10, 2 Cameron Road is the embodiment of a very significant portion of members' funds. In effect, the members' funds have been sequestered in real property which has capital growth opportunity. Whilst the efforts of the various disciplines made this acquisition possible, it is still all members' funds.

Why should the disciplines have to go cap in hand to the Board?

This is the view voiced by some detractors. Noting could be further from the truth.

The Board is charged with managing the members' funds in the pursuit of the ESA aims and objectives. As explained earlier the funds are largely invested in the Cameron Road property. This is instead of having some \$600,000 as cash in the bank earning interest at a very low rate, just waiting for a discipline committee to decide to spend it. I very much doubt that there any reasonably well-managed organizations that have not invested the stakeholder funds in some kind of secure and profitable enterprise.

The rules which enable the discipline committees to access members' funds were agreed at the start. When a committee has identified a project, be it for a mandatory change (i.e. an FEI/EA safety-related matter) or for a desirable improvement (e.g. a membership growth

² Oxford Living Dictionaries.

opportunity), a business plan is prepared and submitted to the Board (remember, the Board is charged with managing members' funds). If the plan is seen to be reasonable and it can be accommodated by ESA cash flow then the funds can be made available.

But, what about the overdraft?

The Cameron Road property purchase needed a bank loan through a mortgage facility with ANZ. The loan was quickly paid off and the mortgage became the security for an overdraft facility which commenced on 8th December 2010. It was arranged at the time the Discipline Reserve scheme was started with the intention of providing some confidence to the members that cash withdrawals could be made, using the overdraft as a temporary source if necessary. The continuing need to retain the overdraft has been revisited since its inception. The high costs and significant administrative time needed to renew an overdraft were the influencing factors in the decision to retain it. The ongoing need to keep the overdraft facility will be periodically reviewed by the Board.

FARMC – A focus on the future

With control of the ESA finances having been further improved, the FAMRC will be able to plan its activities for the next year, and beyond with increased confidence and certainty.

High priority items will include:

- Continue to review ESA costs with a view to contain costs where possible, commensurate with members' service delivery expectations.
- Assist the Board with the development of an independent complaints management process.
- Assist the Board in projects to improve the ESA Constitution.
- Assist the Board in developing policies and process documents for the governance and financial management of the association. The national and state recommendations for best practice would be consulted for guidance in this body of work.
- Continue to improve the practical risk management strategy, in consultation with EA and other EA state bodies.
- Explore the extended use of information technology and communications (ITC) capabilities to better serve the members.

Stuart Platt

Chair, Finance Audit and Risk Management Committee

23 October 2017

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhauser CA
Aaron Coonan CA
Luke Williams CPA

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
DX 29044
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

INDEPENDENT AUDITOR'S REPORT

To the members of Equestrian South Australia Inc.

Report on the Audit of the Financial Report

Qualified Audit Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Equestrian South Australia Inc., which comprises the statement of financial performance, statement of financial position as at 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, except for the possible effects of the matter(s) described in the Basis for Qualified Audit Opinion paragraph, the accompanying financial report of the Association presents fairly, in all material respects, the financial position of the Association as at 30 June 2017, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Act SA 1985*.

Basis for Qualified Audit Opinion

As is common for organisations of this type, it is not practicable for Equestrian South Australia Inc. to maintain an effective system of internal control over all income from various sources prior to its receipt. Accordingly, it was not practicable for our examination of those areas to extend beyond amounts recorded in the accounting records of the Association.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia, and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report is a special purpose financial report that has been prepared to assist the Association to meet the requirements of the *Associations Incorporation Act SA 1985*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibility of Committee for the Financial Report

Committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Act SA 1985* and is appropriate to meet the needs of the members. Committee responsibility also includes such internal control as Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Luke Williams CPA Registered Company Auditor
Partner



EQUESTRIAN
SOUTH AUSTRALIA

Equestrian South Australia Inc.

FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2017

Equestrian South Australia Inc.

Contents

Committee's Report	2
Statement of Financial Performance	3
Statement of Financial Position	4
Notes to the Financial Statements	5
Statements by Members of the Committee	10

EQUESTRIAN SOUTH AUSTRALIA INC.

COMMITTEE'S REPORT

Your committee members submit the financial report of Equestrian South Australia Inc. for the financial year ended 30 June 2017.

Committee Members

The names of committee members throughout the year and at the date of the report are:

	Appointed	Term Expires	Resigned
Joe Hooper, Chairperson	October 2016	October 2018	
Elizabeth Fricker, Deputy Chairperson	October 2014	October 2017	
Manon Strachan	October 2015	October 2018	October 2016
Gareth Heron	October 2014	October 2017	November 2016
Caroline Jones	October 2013	October 2016	
Judy Whyntle	October 2013	October 2016	
Sarah Hocking	October 2014	October 2017	
Michael Haese	October 2015	October 2018	August 2016
Shaun Flynn	October 2015	October 2018	September 2016
Stuart Platt	October 2016	October 2019	
Jacqueline Lang	October 2016	October 2019	
Karin Edwards	October 2016	October 2019	

Principal Activities

The principal activities of the association during the financial year were to act as administrator for Equestrian Sport in South Australia.

Significant Changes

No significant changes in the nature of these activities occurred during the year.

Operating Result

The deficit amounted to \$ 35,707

Subsequent Events

No events have occurred since 30 June 2017 that would have a material effect on the information disclosed in this financial report.

Signed in accordance with a resolution of the Members of the Committee

Dated this 24th day of October, 2017


Joe Hooper

DocuSigned by:
Stuart Platt
A4E7310BC0EF45D...

Committee Member

EQUESTRIAN SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
Branch Trading	2	(255)	390
Constitutional Committees	3	11,730	17,977
Interest Revenue		2,295	3,618
Grant Income	4	40,000	27,865
Memberships Income	5	295,802	268,873
Operational Income	6	32,851	53,002
Sundry Income		410	-
Total Income		<u><u>382,833</u></u>	<u><u>371,725</u></u>
Expenditure			
Building Expense	7	11,478	10,248
Employment Expense	8	226,599	231,126
Office Expense	9	144,643	71,768
Operational Expense	10	35,607	74,999
Interest Expense		213	995
Total Expenses		<u><u>418,540</u></u>	<u><u>389,136</u></u>
Operating Surplus/(Deficit) For the Period		<u><u>(35,707)</u></u>	<u><u>(17,411)</u></u>
Net Ordinary Income		<u><u>(35,707)</u></u>	<u><u>(17,411)</u></u>
Other Income/Expense			
Loss on Disposal of Assets	11	-	(271)
Total Other Expense		<u><u>-</u></u>	<u><u>(271)</u></u>
Net Income / (Loss)		<u><u>(35,707)</u></u>	<u><u>(17,140)</u></u>

The accompanying Notes form part of these financial statements

EQUESTRIAN SOUTH AUSTRALIA INC.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
Assets			
Current Assets			
Cash and Cash Equivalents	12	162,042	246,425
Other Current Assets	13	-	300
Prepaid Expenses		1,995	6,728
Receivables	14	21,442	45,298
Stock On Hand		1,611	2,950
Total Current Assets		<u>187,090</u>	<u>301,701</u>
Non-Current Assets			
Property, Plant and Equipment	15	610,351	615,191
Total Non-Current Assets		<u>610,351</u>	<u>615,191</u>
Total Assets		<u><u>797,441</u></u>	<u><u>916,892</u></u>
Liabilities			
Current Liabilities			
Accounts Payable	16	48,639	76,941
Employee Benefits	17	19,528	28,350
Other Current Liabilities	18	48,141	94,251
Total Current Liabilities		<u>116,308</u>	<u>199,542</u>
Non-Current Liabilities			
Employee Benefits	19	8,996	9,506
Total Non-Current Liabilities		<u>8,996</u>	<u>9,506</u>
Total Liabilities		<u><u>125,304</u></u>	<u><u>209,048</u></u>
Net Assets		<u><u>672,137</u></u>	<u><u>707,844</u></u>
Member's Funds			
Branch Operations, Trading and Administration	20	334,886	382,323
Constitutional Committees	21	337,251	325,521
Total Members Funds		<u><u>672,137</u></u>	<u><u>707,844</u></u>

The accompanying Notes form part of these financial statements

EQUESTRIAN SOUTH AUSTRALIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the Associations Incorporation Act of South Australia. The Committee Members have determined that the association is not a reporting entity because there are no users dependent on general purpose financial reports.

The financial report has been prepared in general accordance with the presentation, materiality and measurement principles set down in the Australian Accounting Standards. No specific standards have been applied to the special purpose financial report unless otherwise specified below.

The financial report is prepared in Australian dollars under the historical cost convention, except for certain assets which, as noted, are at fair value. Comparative information is reclassified where appropriate to enhance comparability.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report;

(a) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) Cash and Cash Equivalents

Cash and cash equivalents include short-term highly liquid investments with original maturities of three months or less, such as cash on hand, deposits held at call with banks and bank overdrafts.

(c) Revenue Recognition

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

Grant revenue is recognised as income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant will be measured reliably.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

(e) Income Tax

The association is exempt from income tax under the current provisions of Income Tax Assessment Act (1997). Accordingly, there is no income tax expense or income tax payable recognised in the financial report.

(f) Property, Plant and Equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. A valuation was conducted in September 2014, where Land and Buildings were determined to be worth \$580,000. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciable amount of all fixed assets is depreciated over the useful lives of the asset to the association commencing from the time the asset is held ready to use.

(g) Employee Leave Provisions

Provisions for employee entitlements owing in respect of annual holiday and long service leave are accrued at the current rates of pay applicable for each employee. The provision for long service leave is calculated based on the duration of service of an employee and factors in the probability of staff reaching 7 years of service in order for this to be payable.

EQUESTRIAN SOUTH AUSTRALIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
2 Branch Trading		
Magazine & Merchandise Sales	1,153	468
<i>Less Cost of Sales:</i>		
Magazine & Merchandise Expenses	(1,408)	(78)
Total	<u>(255)</u>	<u>390</u>

3 Constitutional Committees - Trading

	2017			2016
	Income	Expenditure	Net Result	Net Result
Carriage Driving Committee	3,527	8,410	(4,883)	2,633
Coaching Committee	3,636	4,156	(520)	1,571
Dressage Committee	48,143	46,347	1,796	2,249
Eventing Committee	21,979	11,098	10,881	521
Interschool Committee	47,091	47,588	(497)	7,899
Show Horse Committee	71,244	70,267	977	649
Show Jumping Committee	79,062	73,272	5,790	(4,563)
Vaulting Committee	20,129	21,943	(1,814)	7,018
Total	<u>294,811</u>	<u>283,081</u>	<u>11,730</u>	<u>17,977</u>

The balance of reserves held by each committee is displayed in Note 23.

	2017 \$	2016 \$
4 Grant Income		
Grants - Other	10,000	10,865
Grants - Govt	30,000	17,000
Total	<u>40,000</u>	<u>27,865</u>

5 Memberships Income

Licences	4,281	5,204
Memberships	232,615	201,355
Performance Cards	18,939	21,139
Registrations	26,931	28,375
Transfers	13,036	12,800
Total	<u>295,802</u>	<u>268,873</u>

6 Operational Income

Admin Fee Income	2,118	1,152
Entry Fee Income	-	28,694
Miscellaneous Income	12,401	7,025
Ticket Sales	18,332	16,131
Total	<u>32,851</u>	<u>53,002</u>

EQUESTRIAN SOUTH AUSTRALIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
7 Building Expense		
Insurance	4,598	3,341
Maintenance & Repairs	2,842	3,028
Rates	3,726	3,567
Security	312	312
Total	11,478	10,248
8 Employment Expense		
Salaries & Wages	226,177	229,945
Staff Amentities	422	459
Total	226,599	230,404
9 Office Expense		
Accounting Fees	11,659	3,534
Audit Fees	2,300	1,100
Bank Fees	2,351	2,769
Consultants	6,524	-
Depreciation	4,840	6,113
Legal Fees	66,620	8,810
Nominate Fees	18,815	14,238
Office Maintenance	27,370	30,856
Utilities	4,164	4,348
Total	144,643	71,768
10 Operational Expense		
Awards	15,873	2,640
Advertising	270	-
Catering	601	2,452
Coaching	5,464	11,032
Equipment Hire	840	2,250
Functions Expense	-	15,955
Miscellaneous	125	9,281
Pathways	45	19,124
Publications	5,464	7,130
Scholarships	1,800	-
Travel Expenses	5,055	4,719
Trophies/Sashes	70	143
Venue Hire	-	273
Total	35,607	74,999
11 Loss on Disposal of Assets		
Written Down Value of Office Equipment	-	311
Amount Received on Disposal	-	40
Profit/Loss	-	(271)

EQUESTRIAN SOUTH AUSTRALIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
12 Cash and Cash Equivalents		
Cash at Bank - Cheque Account	2,127	(9,680)
Cash at Bank - Long Service Leave/Holiday Leave Account	7,294	10,154
Cash at Bank - Online Saver Account	152,621	245,951
Total	162,042	246,425
13 Other Current Assets		
Undeposited Funds	-	300
Total	-	300
14 Receivables		
Accounts Receivable	21,442	48,807
Provision for Doubtful Debts	-	(3,509)
Total	21,442	45,298
15 Property Plant and Equipment		
Fair Value* - Land/Buildings	580,000	580,000
Furniture and Fittings	15,169	15,169
Accumulated Depreciation	(10,728)	(10,368)
Office Equipment	30,942	30,942
Accumulated Depreciation	(26,882)	(24,831)
Plant & Equipment	54,404	54,404
Accumulated Depreciation	(32,554)	(30,125)
Total	610,351	615,191
* Revaluation of Land & Buildings occurred on 15 September 2014 by Opteon Pty Ltd's Matthew Ruiz, AAPI Certified Practicing Valuer (79881). The revalued amount was \$580,000 exclusive of GST.		
16 Accounts Payable		
Accounts Payable	50,473	48,269
Credit Cards	(2,198)	2,599
PAYG Withholding	-	12,202
Tax Payable	364	13,871
Total	48,639	76,941
17 Current Employee Benefits		
Provision Holiday Pay	19,165	20,509
Superannuation Payable	363	7,841
Total	19,528	28,350

EQUESTRIAN SOUTH AUSTRALIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016	
	\$	\$	
18 Other Current Liabilities			
Income In Advance	48,141	94,251	
Total	48,141	94,251	
19 Non-Current Employee Benefits			
Provision for Long Service Leave	8,996	9,506	
Total	8,996	9,506	
20 Equity - Branch			
Opening Balance 1 July 2016	382,323	417,440	
Result	(47,437)	(35,117)	
Closing Balance 30 June 2017	334,886	382,323	
21 Constitutional Committees			
	Balance	Balance	
	1 July 2016	Note 3 Movement	
		30 June 2017	
Reserve Carriage Committee	10,128	(4,883)	5,245
Reserve Coaching Committee	28,648	(520)	28,128
Reserve Dressage Committee	64,547	1,796	66,343
Reserve Eventing Committee	75,946	10,881	86,827
Reserve Interschool Committee	38,480	(497)	37,983
Reserve Show Horse Committee	40,024	977	41,001
Reserve Show Jumping Committee	39,034	5,790	44,824
Reserve Vaulting Committee	28,714	(1,814)	26,900
Total	325,521	11,730	337,251

22 Committee Members

The following persons were committee members of Equestrian South Australia Inc during the financial year and up to the date of this report:

	Appointed	Term Expires	Resigned
Joe Hooper, Chairperson	October 2016	October 2018	
Elizabeth Fricker, Deputy Chairperson	October 2014	October 2017	
Manon Strachan	October 2015	October 2018	October 2016
Gareth Heron	October 2014	October 2017	November 2016
Caroline Jones	October 2013	October 2016	
Judy Whyntie	October 2013	October 2016	
Sarah Hocking	October 2014	October 2017	
Michael Haese	October 2015	October 2018	August 2016
Shaun Flynn	October 2015	October 2018	September 2016
Stuart Platt	October 2016	October 2019	
Jacqueline Lang	October 2016	October 2019	
Karin Edwards	October 2016	October 2019	

EQUESTRIAN SOUTH AUSTRALIA INC.

**STATEMENT TO THE MEMBERS BY THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2017**

10/23/2017 The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the Statement of Financial Performance, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Equestrian South Australia Inc as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Equestrian South Australia Inc will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Name: .
Position: Chairperson
Date:

DocuSigned by:
Stuart Platt
A4E731B9C0EF450

Name: Stuart Platt
Position: Committee Member
Date: 23/10/2017

Finance Audit and Risk Management Committee Annual Report - 2017

Introduction

This is the second Annual Report of the ESA Finance, Audit and Risk Management Committee which covers the activities of the Committee for the period July 2016 to June 2017 and the ESA financial results for that period

FARMC Membership

The membership comprises:

- Stuart Platt (Chair);
- Sarah Hocking;
- Joe Hooper;
- Karin Edwards.

The FARMC Terms of Reference (available on the ESA website) provides for membership to include non-Board specialists in advisory capacities.

What we have achieved

Last year's FARMC report listed the high priority items including leading a project to replace the ESA accounting system (QuickBooks) with a product more suited to the ESA needs (e.g. MYOB; Xero).

Perhaps the biggest single change to ESA in 25 years has been achieved. A Victorian accounting firm (Sports Accounting Australia) specialising in sports organisations was engaged to restructure the chart of accounts and implement the Xero accounting system.

Xero is a web-based system using cloud technology. The ESA accounts are no longer tied to the ESA office server but can be accessed anywhere by authorised people. The new chart of accounts has been greatly simplified and the suite of reports within Xero will enable the discipline committees to receive clearer reports quickly.

The FARMC and the Board are continuing with projects to controlling ESA costs, improving the Constitution and developing policies and processes for the governance and management of the association.

External audit report

The 2017 audit report shows a continued improvement in the management of the ESA finances. For the third time since FY2014 the external audit report is unconditional¹. The auditors have made improvement recommendations/suggestions and appropriate actions are in place to address these.

ESA Financials – A Closer Look

Income

The overall income increased by \$11,000 with memberships increase of \$27,000. Membership fees had been increased by a modest \$5.00 for the year.

Expenditure

Increase in expenses from \$389,000 to \$418,000 an increase of \$29,000. The overall result was a deficit of \$35,707. This was due to an unusually high expense line which is discussed later in this report.

Comments regarding the Notes to Accounts

Note 8 - Employment expenses

Salaries and wages

Salaries \$227,000 from \$230,000, a decrease of \$3,000.

A temporary staffing vacancy resulted in a small positive salaries variance. Salaries are expected to return to forecast following appointment of a new staff member in 18/19.

Note 9 – Office Expense

Accounting fees

The accounting fees were paid to the contract Accountant for involvement of one day per week. (This was part of the response to the Auditor's recommendations for the FY2015 report). Additional service was provided by the Accountant during the transition to the Xero accounting package.

¹ The auditor has included a general qualification, common to our type of organisation, regarding it not being practical for them to verify income beyond amounts recorded in the accounting records of the Association.

Legal fees

The bulk of professional fees for FY2017 were the legal fees associated with disciplinary proceedings. The outcome of proceedings has been available on the ESA website for some time. The fees incurred by ESA in relation to one matter amounted to some \$55,000.

At the time of proceedings in the above referred matter the Board engaged the dispute resolution service facility provided by Sport SA. This was done to ensure impartiality through complete separation between the ESA Board and the resolution process. Sport SA established a disciplinary tribunal chaired by a senior legal practitioner with sports law experience. Unexpectedly, during the proceedings the Sports SA appointed Chair was required stepped aside due to a potential conflict of interest having been identified. This delayed proceedings and required appointment of a further experienced senior solicitor. Legal advice had been engaged directly by Sport SA on a fee-for-service basis commensurate with senior rates.

The defendant in the above proceedings engaged a Solicitor and a Barrister as representatives in the tribunal proceedings. Appropriately the ESA Board engaged single legal counsel to best represent the members' interests.

Consultants fees

The consultant fees were payable to Sports Accounting Australia pertaining to the implementation of the Xero system and the restructure of the ESA chart of accounts.

Services

"Nominate" fees were \$18,815, an increase on the previous year amount of \$14,238. The requirement for ESA to use Nominate for membership and competition entries is national, as determined by EA. Until a much-improved arrangement is negotiated these high fees will continue.

Note 10 – Operational Expense

'Awards' and 'Functions Expense'

At first there appears to have been significant increase and decrease in these two items. However, they closely offset each other. This is due to the change in the chart of accounts and the transition to Xero. In future, there will be much greater clarity in reporting *Functions* (e.g. Awards Night) and *Awards* (e.g. rugs and trophies presented at Awards Night).

Note 15 - Cash and Cash Equivalents

Cash at Bank

The ESA banking is comprised of three accounts held at ANZ Bank. The accounts are:

1. 'Cheque account' which is the normal operating account. This account has an overdraft facility of \$130,000*
2. 'Online saver' account which holds employee entitlements funds.
3. 'Online saver' account (opened in 2011) which is an interest-bearing account to hold the ESA cash reserves.

* The overdraft facility is secured by a mortgage on the Mt Barker office building. It should be noted that the purchase of the building was completed in 2010 and the mortgage for the purchase loan was discharged.

An item of interest.

Although not specifically listed in the statement of accounts it is worth discussing the levy system applied by some discipline committees.

A particular benefit of the Xero system is the improvement in tracking and reporting the levies applied by the discipline committees for the improvement of their areas of interest. Currently the Eventing and Dressage committees apply levies respectively for assistance in running events and for judge education (Dressage Judges' Committee).

For the FY2017 year the levies were as follows

Eventing:

Levies received \$18,915.

Eventing SA has been using these funds to assist event organising committees with medical expenses and the purchase of 100 pieces (50 sets) of Spirafix X-Country anchors as part of the Safer Eventing initiative.

Dressage Judges Committee:

Levies received \$3,759

Seminar fees \$1,625

Total income \$5,384

Less Expenses \$3,240

Surplus \$2,144

As is usual practice, the Board had approved the Dressage Committee request to roll-over the surplus into FY2018 for use in judge education.

Sequestration – what?

No, it's not a particularly unpleasant surgical procedure. Sequestration is from the verb *sequester* (origin late Middle English: from Old French *sequestrer* or late Latin *sequestrare* 'commit for safekeeping', from Latin *sequester* 'trustee').²

Discipline Reserves

The Discipline Reserve scheme was introduced around 2009/2010. At that time ESA had significant cash reserves from the sale of the Frederick Street, Richmond property and the decision to invest much of this in a tangible asset with a reasonably achievable capital growth was made. The result was the purchase of Unit 10, 2 Cameron Road Mount Barker.

It is important that we all appreciate that the cash reserves are members' funds. Hence, Unit 10, 2 Cameron Road is the embodiment of a very significant portion of members' funds. In effect, the members' funds have been sequestered in real property which has capital growth opportunity. Whilst the efforts of the various disciplines made this acquisition possible, it is still all members' funds.

Why should the disciplines have to go cap in hand to the Board?

This is the view voiced by some detractors. Noting could be further from the truth.

The Board is charged with managing the members' funds in the pursuit of the ESA aims and objectives. As explained earlier the funds are largely invested in the Cameron Road property. This is instead of having some \$600,000 as cash in the bank earning interest at a very low rate, just waiting for a discipline committee to decide to spend it. I very much doubt that there any reasonably well-managed organizations that have not invested the stakeholder funds in some kind of secure and profitable enterprise.

The rules which enable the discipline committees to access members' funds were agreed at the start. When a committee has identified a project, be it for a mandatory change (i.e. an FEI/EA safety-related matter) or for a desirable improvement (e.g. a membership growth opportunity), a business plan is prepared and submitted to the Board (remember, the Board is charged with managing members' funds). If the plan is seen to be reasonable and it can be accommodated by ESA cash flow then the funds can be made available.

But, what about the overdraft?

The Cameron Road property purchase needed a bank loan through a mortgage facility with ANZ. The loan was quickly paid off and the mortgage became the security for an overdraft facility which commenced on 8th December 2010. It was arranged at the time the Discipline Reserve scheme was started with the intention of providing some confidence to the members that cash withdrawals could be made, using the overdraft as a temporary source if necessary. The continuing need to retain the overdraft has been revisited since its inception. The high costs and significant administrative time needed to renew an overdraft were the influencing factors in the decision to retain it. The ongoing need to keep the overdraft facility will be periodically reviewed by the Board.

² Oxford Living Dictionaries.

FARMC – A focus on the future

With control of the ESA finances having been further improved, the FAMRC will be able to plan its activities for the next year, and beyond with increased confidence and certainty.

High priority items will include:

- Continue to review ESA costs with a view to contain costs where possible, commensurate with members' service delivery expectations.
- Assist the Board with the development of an independent complaints management process.
- Assist the Board in projects to improve the ESA Constitution.
- Assist the Board in developing policies and process documents for the governance and financial management of the association. The national and state recommendations for best practice would be consulted for guidance in this body of work.
- Continue to improve the practical risk management strategy, in consultation with EA and other EA state bodies.
- Explore the extended use of information technology and communications (ITC) capabilities to better serve the members.

Stuart Platt

Chair, Finance Audit and Risk Management Committee

23 October 2017