



Equestrian South Australia Inc.

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2019**

Equestrian South Australia Inc.

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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 2019.

Committee Members

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

Peter Graham, Chairperson (July 2018)

Stuart Platt, Vice Chairperson

Karin Edwards

Jacqueline Lang

Wayne Copping

Jason Andrews

Nicholas Whyntie

Wendy Schaeffer

Naomi Mashford

Helen Coleiro

Resigned December 2018

Appointed September 2018

Appointed September 2018, resigned May 2019

Appointed September 2018, resigned November 2018

Appointed November 2018

Appointed January 2019

Appointed January 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 Association recorded an operating profit of \$47,560 (2018: deficit of \$15,169)

Subsequent Events

No events have occurred since 30 June 2019 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 29 day of August 2019



Peter Graham



Stuart Platt

**EQUESTRIAN SOUTH AUSTRALIA INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Income			
Constitutional Committees	2	(6,168)	10,019
Interest Revenue		570	955
Grant Income	3	98,784	78,490
Memberships Income	4	329,828	341,058
Operational Income	5	19,232	26,947
Sundry Income		1,571	123
Total Income		<u><u>443,817</u></u>	<u><u>457,592</u></u>
Expenditure			
Building Expense	6	9,588	11,854
Employment Expense	7	123,869	230,232
EA Member Levies		90,547	86,149
Administration Expenses	8	103,613	76,851
Operational Expense	9	33,640	67,549
Interest Expense		-	125
Total Expenses		<u><u>361,257</u></u>	<u><u>472,760</u></u>
Operating Surplus / (Deficit)		<u><u>82,560</u></u>	<u><u>(15,168)</u></u>
Building valuation (decrement)		(35,000)	-
Surplus / (Deficit)		<u><u>47,560</u></u>	<u><u>(15,168)</u></u>

The accompanying Notes form part of these financial statements

EQUESTRIAN SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and Cash Equivalents	10	210,815	193,040
Prepaid Expenses		-	1,249
Receivables	11	14,809	3,164
Stock On Hand		6,209	6,209
Total Current Assets		<u>231,833</u>	<u>203,662</u>
Non-Current Assets			
Property, Plant and Equipment	12	569,141	606,731
Total Non-Current Assets		<u>569,141</u>	<u>606,731</u>
Total Assets		<u>800,974</u>	<u>810,393</u>
Liabilities			
Current Liabilities			
Accounts Payable	13	2,133	53,883
Employee Benefits	14	4,775	26,047
Other Current Liabilities	15	84,746	68,693
Total Current Liabilities		<u>91,654</u>	<u>148,623</u>
Non-Current Liabilities			
Employee Benefits	16	4,791	4,801
Total Non-Current Liabilities		<u>4,791</u>	<u>4,801</u>
Total Liabilities		<u>96,445</u>	<u>153,424</u>
Net Assets		<u>704,529</u>	<u>656,969</u>
Member's Funds			
Branch Operations, Trading and Administration	17	360,927	307,199
Constitutional Committees	19	343,602	349,770
Total Members Funds		<u>704,529</u>	<u>656,969</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 2019**

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 June 2019, where Land and Buildings were determined to be worth \$545,000. 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 2019**

2 Constitutional Committees - Trading

	2019			2018
	Income	Expenditure	Net Result	Net Result
Carriage Driving Committee	-	308	(308)	(532)
Coaching Committee	5,670	1,437	4,233	628
Dressage Committee	6,384	10,250	(3,866)	3,699
Eventing Committee	30,559	29,721	838	920
Interschool Committee	40,714	45,248	(4,534)	1,167
Show Horse Committee	50,716	62,787	(12,071)	723
Show Jumping Committee	100,492	92,626	7,866	4,742
Vaulting Committee	11,241	9,567	1,674	(1,328)
Total	245,776	251,944	(6,168)	10,019

The balance of reserves held by each committee is displayed in Note 18.

3 Grant Income

	2019	2018
	\$	\$
Grants - Other*	7,273	8,490
Grants - Govt	91,511	70,000
Total	98,784	78,490

*Grants - Other reported above includes amounts relating to Branch only. Grants relating to Committees have been recorded as income in the relevant Committees above in Note 2 including Showjumping \$3,680, Eventing \$5,909 and Coaching \$4,886.

4 Memberships Income

Licences	4,230	5,059
Memberships	274,368	274,199
Performance Cards	16,877	19,430
Registrations	24,317	30,545
Transfers	10,036	11,825
Total	329,828	341,058

5 Operational Income

Admin Fee Income	1,009	1,481
Miscellaneous Income	4,914	7,129
Ticket Sales	13,309	18,337
Total	19,232	26,947

EQUESTRIAN SOUTH AUSTRALIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
6 Building Expense		
Insurance	3,044	6,662
Maintenance & Repairs	2,822	1,178
Rates	3,342	4,014
Security	380	-
Total	9,588	11,854
7 Employment Expense		
Salaries & Wages	121,490	206,391
Staff Amenities	2,379	-
Contractors	-	23,841
Total	123,869	230,232
8 Administration Expenses		
Accounting Fees	8,705	9,489
Audit Fees	2,900	2,500
Bank Fees	2,139	2,686
Consultants	7,397	5,281
Depreciation	3,225	3,622
Legal Fees	41,737	2,800
Nominate Fees	11,390	15,646
Office Maintenance	23,634	28,255
Utilities	2,486	6,572
Total	103,613	76,851
9 Operational Expense		
Awards	13,359	17,932
Advertising	(200)	353
Bad and Doubtful Debts	-	10,000
Catering	(254)	829
Coaching	9,461	14,524
Equipment Hire	200	250
Miscellaneous	6,421	2,216
Publications	881	6,593
Scholarships	-	4,825
Travel Expenses	2,240	4,127
Trophies/Sashes	1,532	136
Venue Hire	-	2,346
Sundry	-	3,418
Total	33,640	67,549

**EQUESTRIAN SOUTH AUSTRALIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
10 Cash and Cash Equivalents		
Cash at Bank - Cheque Account	95,046	27,170
Cash at Bank - Long Service Leave/Holiday Leave Account	7,358	7,329
Cash at Bank - Online Saver Account	104,082	158,541
Cash at Bank - Jumping SA	4,229	-
Petty Cash	100	-
Total	210,815	193,040
11 Receivables		
Accounts Receivable	13,898	3,164
Provision for Doubtful Debts	-	-
Prepayments	911	-
Total	14,809	3,164
12 Property Plant and Equipment		
Fair Value* - Land/Buildings	545,000	580,000
Furniture and Fittings	15,805	12,976
Accumulated Depreciation	(11,417)	(8,868)
Office Equipment	27,491	37,495
Accumulated Depreciation	(25,387)	(34,482)
Plant & Equipment	52,365	54,404
Accumulated Depreciation	(34,716)	(34,794)
Total	569,141	606,731
* Revaluation of Land & Buildings occurred on 27 June 2019 by Tim Wilkin, AAPI Certified Practicing Valuer. The revalued amount was \$545,000, a reduction from the previous valuation of \$580,000.		
13 Accounts Payable		
Accounts Payable	5,522	30,772
Credit Cards	808	2,138
PAYG Withholding	548	3,230
GST Payable / (receivable)	(6,226)	12,699
Superannuation Payable	1,481	5,044
Total	2,133	53,883
14 Current Employee Benefits		
Provision Holiday Pay	4,775	26,047
Total	4,775	26,047

**EQUESTRIAN SOUTH AUSTRALIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
15 Other Current Liabilities		
Income In Advance	29,746	53,503
Grants in Advance	55,000	15,190
Total	84,746	68,693
16 Non-Current Employee Benefits		
Provision for Long Service Leave	4,791	4,801
Total	4,791	4,801
17 Equity - Branch		
Opening Balance 1 July 2018	307,199	332,386
Result	53,728	(25,187)
Closing Balance 30 June 2019	360,927	307,199

18 Contingent Liabilities

Litigation is in process against ESA relating to a dispute with a former staff member. The information usually required by *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that it may prejudice the outcome of the litigation.

19 Equity - Constitutional Committees

	Balance 1 July 2018	Note 2 Net Result	Balance 30 June 2019
Reserve Carriage Committee	4,713	(308)	4,405
Reserve Coaching Committee	28,756	4,233	32,989
Reserve Dressage Committee	70,042	(3,866)	66,176
Reserve Eventing Committee	87,747	838	88,585
Reserve Interschool Committee	39,150	(4,534)	34,616
Reserve Show Horse Committee	41,724	(12,071)	29,653
Reserve Show Jumping Committee	52,066	7,866	59,932
Reserve Vaulting Committee	25,572	1,674	27,246
Total	349,770	(6,168)	343,602

20 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:

Peter Graham, Chairperson (June 2018)
Stuart Platt, Vice Chairperson
Karin Edwards
Jacqueline Lang
Wayne Copping
Jason Andrews
Nicholas Whyntie
Wendy Schaeffer
Naomi Mashford
Helen Coleiro

Resigned December 2018
Appointed September 2018
Appointed September 2018, resigned May 2019
Appointed September 2018, resigned November 2018
Appointed November 2018
Appointed January 2019
Appointed January 2019

**EQUESTRIAN SOUTH AUSTRALIA INC.
STATEMENT TO THE MEMBERS BY THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2019**

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 2019 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: Peter Graham
Position: Chairperson
Date:



Name: Stuart Platt
Position: Vice Chairperson
Date: 29/8/2019

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
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under Professional Standards Legislation

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 2019, 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 2019, 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 CA, CPA Registered Company Auditor
Partner