EQUESTRIAN
SOUTH AUSTRALIA

STATEMENT BY MEMBERS OF THE BOARD

The Members of the Equestrian South Australia Inc Board have 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 the notes to the financial statements.

In the opinion of the Members of the Board:

1. The financial report as set out on pages 1 to 5 presents fairly the financial position of Equestrian South Australian Inc as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in the notes to the financial statements;

2. There are reasonable grounds to believe that Equestrian South Australia Inc will be able to pay its debts as and when they become due and payable.

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

D. Norris.

Name:	Dianne Norris	Name:	Julie Payne
Position:	Chairperson	Position:	Deputy Chairperson
Date:	23rd October 2015	Date:	23rd October 2015

Equestrian South Australia Incorporated

STATEMENT OF INCOME AND EXPENDITURE
FOR YEAR ENDING 30 JUNE 2015

Last Year			This Year	
		INCOME		
		Income from:		
$	237,820.81	Constitutional Committees [Note 1]	$	264,230.81
$	237,820.81	Sub-total - Constitutional Committees	$	264,230.81
$	10,630.00	Branch Development Operations [Note 2]	$	34,294.53
$	21,586.37	Branch Trading [Note 2]	$	18,107.64
$	248,657.95	Subscriptions	$	165,590.65
$	11,039.17	Transfers/Name Changes/Leases/Duplicate Papers	$	10,200.07
$	30,461.62	Registrations	$	29,022.60
$	34,637.49	Performance Cards	$	26,844.07
$	4,066.75	Interest	$	5,048.84
$	850.35	Credit Card Fees	$	1,132.18
$	15,529.69	Sundry Income	$	10,684.74
$	377,459.39	Sub-total - Branch Operations, Trading and Administration	$	300,925.32
$	**615,280.20**	**TOTAL INCOME**	**$**	**565,156.13**
		EXPENDITURE		
		Expenditure from:		
$	210,772.57	Constitutional Committees [Note 1]	$	226,467.54
$	210,772.57	Sub-total - Constitutional Committees	$	226,467.54
$	10,310.90	Branch Development Operations [Note 2]	$	28,464.42
$	16,051.87	Branch Trading [Note 2]	$	19,649.74
$	1,000.00	Accounting/Audit	$	1,000.00
$	189.09	Advertising/Promotion	$	349.98
$	470.45	Affiliation/Membership	$	270.00
$	3,330.34	Bank Charges	$	3,178.14
$	6,612.25	Computer Support & Supply	$	10,083.85
$	14,959.27	Consultancy/Legal Fees	$	3,379.00
$	5,646.06	Depreciation	$	8,002.37
-$	112.50	Bad Debts	-$	2,000.00
$	5,713.02	Equipment Rental [Photocopier] & Associated Costs	$	7,050.89
$	5,582.00	Insurances	$	3,388.18
$	5,237.26	Postage/Freight	$	4,318.90
$	2,580.95	Printing/Stationery/Office Supplies	$	1,309.71
$	2,280.84	Office Occupancy Costs & Maintenance	$	3,530.25
$	-	Miscellaneous Grants to Disciplines	$	2,312.72
$	-	Seminars/Staff Training	$	1,293.64
$	4,303.04	Telephone/Fax/Internet	$	4,952.68
$	7,996.74	Utilities / Rates & Taxes	$	8,509.29
$	3,738.35	Staff & Board Travel Expenses to National Meetings	$	7,427.05
$	194,406.08	Salaries/Wages/Associated Costs	$	210,954.13
$	310.03	Staff Amenities	$	436.77
$	2,342.43	Sundry Expense	$	2,741.16
$	726.59	Building Security	$	312.00
$	13,671.95	Nominate Expenses	$	8,428.18
$	307,347.01	Sub-total - Branch Operations, Trading and Administration	$	339,343.05
$	**518,119.58**	**TOTAL EXPENDITURE**	**$**	**565,810.59**
$	**97,160.62**	**OPERATING SURPLUS/(DEFICIT) FOR THE PERIOD**	**-$**	**654.46**
		LESS PRIOR YEAR CORRECTION ADJUSTMENT (NOTE 5)	**-$**	**48,958.60**
$	**97,160.62**	SURPLUS/(DEFICIT) FOR THE PERIOD EXCLUDING PROCEEDS FROM SALE OF FIXED ASSETS	**-$**	**49,613.06**

Equestrian South Australia Incorporated

BALANCE SHEET AS AT 30 JUNE 2015

Last Year			This Year	
		ACCUMULATED FUNDS [Note 1]		
$	506,509.70	Branch Operations, Trading and Administration	$	417,440.36
$	269,780.99	Constitutional Committees	$	307,544.26
$	776,290.69	Balance at 30 June	$	724,984.62
$	**776,290.69**	**TOTAL ACCUMULATED FUNDS AND RESERVES**	**$**	**724,984.62**
		Represented by:		
		FIXED ASSETS [Note 3]		
$	581,693.01	Land & Buildings	$	580,000.00
$	5,056.96	Furniture & Fittings	$	4,677.69
$	4,954.07	Office Equipment	$	9,922.94
$	27,977.60	Plant & Equipment	$	26,978.49
$	619,681.64	TOTAL FIXED ASSETS	$	621,579.12
		CURRENT ASSETS		
$	77,498.91	Cash at Bank - Cheque Account	-$	931.57
$	135,854.18	Cash at Bank - Online Saver A/C	$	242,469.68
$	11,591.80	Cash at Bank - Staff Long Service/Holiday Leave A/C	$	10,025.14
$	35.20	Cash on hand	$	-
$	31,649.72	Accounts receivable	$	17,979.95
-$	2,000.00	Provision for Doubtful Debts		
$	3,790.43	Undeposited Funds		
		Prepaid Expenses	$	5,046.73
$	258,420.24		$	274,589.93
		OTHER ASSETS		
$	140.00	Stock on Hand	$	3,027.00
$	258,560.24	TOTAL CURRENT ASSETS	$	277,616.93
$	**878,241.88**	**TOTAL ASSETS**	**$**	**899,196.05**
		From which must be deducted:		
		CURRENT LIABILITIES		
$	6,081.53	GST Payable	$	32,307.92
$	9,611.80	PAYG Tax Payable	$	9,958.37
$	34,880.55	Income in Advance	$	55,814.71
$	35,260.31	Trade Creditors	$	45,115.17
$	4,618.86	Employee Liabilities	$	22,539.41
$	1,581.94	Accrued Expenses	$	5,105.76
$	92,034.99	TOTAL CURRENT LIABILITIES	$	170,841.34
		NON CURRENT LIABILITIES		
$	9,916.20	Employee Liabilities	$	3,370.09
$	9,916.20	TOTAL NON CURRENT LIABILITIES	$	3,370.09
$	**101,951.19**	**TOTAL LIABILITIES**	**$**	**174,211.43**
$	**776,290.69**	**NET ASSETS**	**$**	**724,984.62**

EQUESTRIAN
SOUTH AUSTRALIA

Equestrian South Australia Incorporated

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting 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 Austrlaian 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 apropriate 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) 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.

(b) 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 assets to the association commencing from the time the asset is held ready for use.

(c) 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. In prior years the provision for long service leave included accrual for all employees effective from the commencement of their employment. For 2015 it was determined that this conservative policy would be altered to provide for long service leave only for employees with 5 years or more completed service.

(d) Doubtful Debt Provision

In 2014 a provision for doubtful trade debtor amounts was raised. Following a review of debtor balances at year end the board has confirmed that in their opinion all amounts owed are fully recoverable and that as such there is no need to retain the provision.

NOTE 1: ACCUMULATED FUNDS

The following are details of accumulated funds.

	Balance 1 July 2014	Income	Expenditure	Surplus/(Deficit)	Asset Acquisitions & Adjustments	Balance 30 June 2015
Branch Operations, Trading and Administration	$ 506,509.70	$ 300,925.32	$ 339,343.05	-38,417.73	-48,958.60 -1,693.01	$ 417,440.36
Constitutional Committees						
- Carriage Driving Committee	$ 7,003.23	$ 3,004.12	$ 2,512.77	491.35		$ 7,494.58
- Coaching Committee	$ 25,430.66	$ 8,536.04	$ 6,889.87	1,646.17		$ 27,076.83
- Dressage Committee	$ 53,734.79	$ 54,529.44	$ 45,965.89	8,563.55		$ 62,298.34
- Eventing Committee	$ 73,332.99	$ 21,271.85	$ 19,180.25	2,091.60		$ 75,424.59
- Interschool Committee	$ 22,926.14	$ 40,409.10	$ 32,754.21	7,654.89		$ 30,581.03
- Showhorse Committee	$ 33,187.33	$ 55,919.90	$ 49,731.82	6,188.08		$ 39,375.41
- Showjumping Committee	$ 41,253.38	$ 54,153.00	$ 51,808.97	2,344.03		$ 43,597.41
- Vaulting Committee	$ 12,912.47	$ 26,407.36	$ 17,623.76	8,783.60		$ 21,696.07
Total - Constitutional Committees	$ 269,780.99	$ 264,230.81	$ 226,467.54	$ 37,763.27	-50,651.61	$ 307,544.26
TOTAL	**$ 776,290.69**	**$ 565,156.13**	**$ 565,810.59**	**-$ 654.46**	**-$ 48,958.60**	**$ 724,984.62**

Total constitutional committees income and expenditure are shown as separate line items in the Statement of Income and Expenditure.

NOTE 2: BRANCH DEVELOPMENT & TRADING

The following are details of Branch Development and trading activities.

Development Activities	Income	Expenditure	Surplus/(Deficit)
Young Rider Scholarship	$ 10,511.82	$ 10,886.19	-374.37
Young Rider Expo	$ 23,782.71	$ 17,578.23	6,204.48
Total - Development Activities	$ 34,294.53	$ 28,464.42	5,830.11
Trading Activities			
Awards Night	$ 16,616.75	$ 15,684.97	931.78
Publications (Score books)	$ 536.37	$ 182.27	354.10
The Horses Mouth	$ 590.91	$ 3,782.50	-3,191.59
Merchandise	$ 363.61		363.61
	$ 18,107.64	$ 19,649.74	-1,542.10

NOTE 3: FIXED ASSETS

	WDV 1 July 2014	Additions for the year	Adjustments for the year	Depreciation expense for year	WDV 30 June 2015
Land & Buildings	$ 581,693.01	$ -	-$ 1,693.01	$ -	$ 580,000.00
Furniture & Fittings	$ 5,056.96	$ -	$ -	$ 379.27	$ 4,677.69
Office Equipment	$ 4,954.07	$ 9,592.86		$ 4,623.99	$ 9,922.94
Plant & Equipment	$ 27,977.60	$ 2,000.00	$ -	$ 2,999.11	$ 26,978.49
Total	**$ 619,681.64**	**$ 11,592.86**	**-$ 1,693.01**	**$ 8,002.37**	**$ 621,579.12**

Equestrian SA purchased Unit 10, 2 Cameron Road, Mount Barker in December 2010.

NOTE 4: 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 Expired
Gareth Heron, Chairperson	October 2014	October 2017
Di Norris, Deputy Chairperson	October 2012	October 2015
Di Goldsworthy	October 2013	Resigned
Caroline Jones	October 2013	October 2016
Alexi Kentish	October 2012	October 2015
Julie Payne	October 2012	October 2015
Judy Whyntie	October 2013	October 2016
Elizabeth Fricker	October 2014	October 2017
Sarah Hocking	October 2013	October 2017

NOTE 5 : PRIOR YEAR ADJUSTMENT

The financial statements for the year ended 30 June 2014 included an audit report qualification which read as follows – "The reconciled bank cheque account balance of $77,499 reported at 30 June 2014 includes $48,959 recorded as being unreconciled amounts yet to be deposited into the account. The management of the association was unable to provide adequate evidence to support the nature of these items as at the date of this report, and it was not practical for us to conduct alternative testing to otherwise prove validity of individual items making up that balance. We are therefore unable to form an opinion as to the accuracy of that reconciled account balance."

This qualification arose due to a lack of evidence to confirm that the monies shown as outstanding undeposited funds in the year end bank reconciliation were actually amounts due for deposit into the account. It was not a statement that the monies existed and had not been deposited. There was no evidence to suggest any legitimate funds were missing or had not been properly appropriated. The audit qualification would not have been required had there been sufficient time prior to the 2014 annual general meeting for association management and staff to conduct a more detailed review of processed transactions. Due to the non-negotiable statutory requirement to lay an audited set of financial statements before the annual meeting, the auditors deemed that the uncertainty of the matter required identification in the audit report.

Subsequent to the 2014 annual meeting and prior to the 2015 audit review, the matter was investigated by the association. That review, couple with additional audit analysis, has identified the cause of the unreconciled variance to be an accounting error only. The amounts referred to in the 2014 audit qualification and shown as undeposited funds had in fact been incorrectly double counted as member income amounts during July 2013. The physical monies had been correctly deposited. An adjustment has been included in the general ledger subsequent to 30 June 2014 to reflect correction of the double counting error. Had that adjustment been recognised in the 2014 financial statements it would have reflected in a reduced surplus for the year of $48,202.

STEVENS & ANDREW
Certified Practising Accountants

Directors : Craig Stevens FCPA
Greg Andrew CPA

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUESTRIAN SOUTH AUSTRALIA INCORPORATED FOR THE YEAR ENDED 30 JUNE 2015

Auditor's Report

We have audited the accompanying financial report of Equestrian South Australia Incorporated, which comprises the Statement of Income and Expenditure for the year ending 30 June 2015, Balance Sheet as at 30 June 2015, explanatory notes and the Statement by Members of the Board.

Members of the Board's Responsibility for the Financial Report

The Members of the Board of the association are responsible for the preparation and fair presentation of the financial report in accordance with any applicable Australian Accounting Standards, the Associations Incorporation Act 1985, or other mandatory professional reporting requirements. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

Stevens & Andrew Pty Ltd ABN 29 123 183 059
PO Box 281 Stirling, SA 5152

Southern Office – Craig Stevens	Eastern Office – Greg Andrew
8/230 Main South Road, Morphett Vale, SA 5162	117 Glen Osmond Road, Eastwood, SA 5063
Telephone (08) 8392 8706 **Facsimile** (08) 8392 8777	**Telephone** 0411 602 990
Email craigs@afscompliance.com.au	**Email** greg.andrew@optusnet.com.au

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Audit Opinion

As is common for organisations of this type, it is not practicable for Equestrian South Australia Incorporated 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.

As part of our audit we identified a total of trade debtors valued at in excess of $6,000 represented by amounts uncollected for more than 20 months at year end. We recommended an increase to the doubtful debt provision from $2,000 to $5,000 in order to reflect the uncertainty of collection which we believe exists for items of that age. The Board of Management disagrees with this view and believes all debts are to be fully recoverable, and have removed the existing doubtful debt provision. Had our recommendation been followed it would have resulted in a reported operating deficit of $5,654 for the financial year.

Qualified Audit Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the matters referred to in the above paragraphs not been present, the financial report of Equestrian South Australia :

(a) presents fairly the association's financial position as at 30 June 2015 and its' income and expenditure for the year ended on that date; and
(b) has been prepared based on accounting records maintained by the association, and in accordance with accounting policies outlined in the Notes to the accounts.

We further advise that we have obtained all information and explanations that we required from the association as part of the audit review.

Signed at Morphett Vale, South Australia this 26th day of October 2015.

Stevens & Andrew

Stevens & Andrew Pty Ltd
Authorised Audit Company

Craig Stevens

Craig Stevens
Director – Registered Company Auditor