

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EQUESTRIAN SOUTH AUSTRALIA INCORPORATED
FOR THE YEAR ENDED 30 JUNE 2014

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 2014, Balance Sheet as at 30 June 2014, 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.

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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.

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.

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 limitations 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 2014 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 27th day of October 2014.

Stevens & Andrew

Stevens & Andrew Pty Ltd
Authorised Audit Company



Craig Stevens
Director – Registered Company Auditor



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 2014 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:

Name: Gareth Heron
Position: Chairperson
Date: 27th October 2014

Equestrian South Australia Incorporated

**STATEMENT OF INCOME AND EXPENDITURE
FOR YEAR ENDING 30 JUNE 2014**

Last Year	<u>INCOME</u>	This Year
\$ 206,137.74	Income from:	
<u>\$ 206,137.74</u>	Constitutional Committees [Note 1]	\$ 237,820.81
	Sub-total - Constitutional Committees	<u>\$ 237,820.81</u>
\$ 10,201.91	Branch Development Operations [Note 2]	\$ 10,630.00
\$ 17,500.10	Branch Trading [Note 2]	\$ 21,586.37
\$ 5,224.04	Joining Fees	
\$ 158,387.39	Subscriptions	\$ 248,657.95
\$ 26,189.35	Registrations	\$ 30,461.62
\$ 22,499.92	Performance Cards	\$ 34,637.49
\$ 7,736.50	Transfers/Name Changes/Leases/Duplicate Papers	\$ 11,039.17
\$ 3,892.60	Interest	\$ 4,066.75
\$ 1,809.88	Credit Card Fees	\$ 850.35
\$ -	Net Proceeds from Sale of Fixed Asset [Note 3]	\$ -
\$ 4,942.86	Sundry Income	\$ 15,529.69
<u>\$ 258,384.55</u>	Sub-total - Branch Operations, Trading and Administration	<u>\$ 377,459.39</u>
<u>\$ 464,522.29</u>	TOTAL INCOME	<u>\$ 615,280.20</u>
	<u>EXPENDITURE</u>	
	Expenditure from:	
\$ 186,831.23	Constitutional Committees [Note 1]	\$ 210,772.57
<u>\$ 186,831.23</u>	Sub-total - Constitutional Committees	<u>\$ 210,772.57</u>
\$ 10,069.24	Branch Development Operations [Note 2]	\$ 10,310.90
\$ 14,388.57	Branch Trading [Note 2]	\$ 16,051.87
\$ 900.00	Accounting/Audit	\$ 1,000.00
\$ 682.27	Advertising/Promotion	\$ 189.09
\$ 946.45	Affiliation/Membership	\$ 470.45
\$ 4,137.31	Bank Charges	\$ 3,330.34
\$ 2,382.53	Computer Support & Supply	\$ 6,612.25
\$ 4,917.48	Consultancy/Legal Fees	\$ 14,959.27
\$ 5,381.86	Depreciation	\$ 5,646.06
\$ -	Bad Debts	\$ 112.50
\$ 6,438.77	Equipment Rental [Photocopier] & Associated Costs	\$ 5,713.02
\$ 7,440.19	Insurances	\$ 5,582.00
\$ 3,588.86	Postage/Freight	\$ 5,237.26
\$ 1,842.29	Printing/Stationery/Office Supplies	\$ 2,580.95
\$ 2,305.27	Office Occupancy Costs & Maintenance	\$ 2,280.84
\$ 422.90	Seminars	\$ -
\$ 4,962.63	Telephone/Fax/Internet	\$ 4,303.04
\$ 8,095.82	Utilities / Rates & Taxes	\$ 7,996.74
\$ 3,224.49	Staff & Board Travel Expenses to National Meetings	\$ 3,738.35
\$ 140,126.55	Salaries/Wages/Associated Costs	\$ 194,406.08
\$ 354.54	Staff Amenities	\$ 310.03
\$ 3,007.80	Sundry Expense	\$ 2,342.43
	Building Security Expense	\$ 726.59
	Nominate Expenses	\$ 13,671.95
<u>\$ 225,615.82</u>	Sub-total - Branch Operations, Trading and Administration	<u>\$ 307,347.01</u>
<u>\$ 412,447.05</u>	TOTAL EXPENDITURE	<u>\$ 518,119.58</u>
<u>\$ 52,075.24</u>	SURPLUS/(DEFICIT) FOR THE PERIOD	<u>\$ 97,160.62</u>
<u>\$ 52,075.24</u>	SURPLUS/(DEFICIT) FOR THE PERIOD EXCLUDING PROCEEDS FROM SALE OF FIXED ASSETS	<u>\$ 97,160.62</u>

Equestrian South Australia Incorporated

BALANCE SHEET AS AT 30 JUNE 2014

Last Year		This Year
	ACCUMULATED FUNDS [Note 1]	
\$ 439,910.89	Branch Operations, Trading and Administration	\$ 506,509.70
\$ 239,197.28	Constitutional Committees	\$ 269,780.99
<u>\$ 679,108.17</u>	Balance at 30 June	<u>\$ 776,290.69</u>
<u>\$ 679,108.17</u>	TOTAL ACCUMULATED FUNDS AND RESERVES	<u>\$ 776,290.69</u>
	Represented by:	
	FIXED ASSETS [Note 3]	
\$ 581,693.01	Land & Buildings	\$ 581,693.01
\$ 3,786.53	Furniture & Fittings	\$ 5,056.96
\$ 4,860.85	Office Equipment	\$ 4,954.07
\$ 27,552.65	Plant & Equipment	\$ 27,977.60
<u>\$ 617,893.04</u>	TOTAL FIXED ASSETS	<u>\$ 619,681.64</u>
	CURRENT ASSETS	
\$ 25,693.53	Cash at Bank - Cheque Account	\$ 77,498.91
\$ 62,121.63	Cash at Bank - Online Saver A/C	\$ 135,854.18
\$ 11,329.26	Cash at Bank - Staff Long Service/Holiday Leave A/C	\$ 11,591.80
\$ -	Cash on hand	\$ 35.20
\$ -	Uncleared Cheques	
\$ 13,075.08	Accounts receivable	\$ 31,649.72
-\$ 2,000.00	Provision for Doubtful Debts	-\$ 2,000.00
\$ 628.43	Undeposited Funds	\$ 3,790.43
\$ 1,770.00	Prepaid Expenses	
<u>\$ 112,617.93</u>		<u>\$ 258,420.24</u>
<u>\$ 280.00</u>	OTHER ASSETS	<u>\$ 140.00</u>
	Stock on Hand	
<u>\$ 112,897.93</u>	TOTAL CURRENT ASSETS	<u>\$ 258,560.24</u>
\$ 730,790.97	TOTAL ASSETS	\$ 878,241.88
	From which must be deducted:	
	CURRENT LIABILITIES	
	GST Payable	\$ 6,081.53
	PAYG Tax Payable	\$ 9,611.80
\$ 29,214.67	Income in Advance	\$ 34,880.55
\$ 6,972.72	Trade Creditors	\$ 35,260.31
\$ 3,261.91	Employee Liabilities	\$ 4,618.86
\$ 7,109.09	Accrued Expenses	\$ 1,581.94
<u>\$ 46,558.39</u>	TOTAL CURRENT LIABILITIES	<u>\$ 92,034.99</u>
	NON CURRENT LIABILITIES	
\$ 5,124.41	Employee Liabilities	\$ 9,916.20
<u>\$ 5,124.41</u>	TOTAL NON CURRENT LIABILITIES	<u>\$ 9,916.20</u>
\$ 51,682.80	TOTAL LIABILITIES	\$ 101,951.19
<u>\$ 679,108.17</u>	NET ASSETS	<u>\$ 776,290.69</u>



Equestrian South Australia Incorporated

EQUESTRIAN
SOUTH AUSTRALIA
30 JUNE 2014

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 accordance with AASB 101 *Presentation of Financial Statements* (except as stated below), and *Errors*, AASB 1031 *Materiality* and AASB 1048 *Interpretation and Application of Standards*, and the measurement principles only of the applicable Accounting Standards.

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) 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, Land and Buildings were determined to be worth \$580,000 and revaluation journals will be processed in October 2014. 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.

NOTE 1: ACCUMULATED FUNDS

The following are details of accumulated funds.

	Balance 1 July 2013	Income	Expenditure	Surplus/(Deficit)	Asset Acquisitions & Adjustments	Balance 30 June 2014
Branch Operations, Trading and Administration	\$ 439,910.89	\$ 377,459.39	\$ 307,347.01	70,112.38	-3,513.57	\$ 506,509.70
Constitutional Committees						
- Carriage Driving Committee	\$ 5,749.03	\$ 5,320.66	\$ 4,066.46	1,254.20		\$ 7,003.23
- Coaching Committee	\$ 22,951.01	\$ 12,149.81	\$ 9,670.16	2,479.65		\$ 25,430.66
- Dressage Committee	\$ 51,952.83	\$ 46,376.71	\$ 44,594.75	1,781.96		\$ 53,734.79
- Eventing Committee	\$ 63,535.15	\$ 31,213.48	\$ 24,951.11	6,262.37	3,535.47	\$ 73,332.99
- Interschool Committee	\$ 10,327.48	\$ 30,225.36	\$ 17,626.70	12,598.66		\$ 22,926.14
- Showhorse Committee	\$ 30,628.83	\$ 46,606.93	\$ 44,048.43	2,558.50		\$ 33,187.33
- Showjumping Committee	\$ 40,003.44	\$ 52,278.75	\$ 51,028.81	1,249.94		\$ 41,253.38
- Vaulting Committee	\$ 14,049.51	\$ 13,649.11	\$ 14,786.15	-1,137.04		\$ 12,912.47
Total - Constitutional Committees	\$ 239,197.28	\$ 237,820.81	\$ 210,772.57	\$ 27,048.24	3,535.47	\$ 269,780.99
TOTAL	\$ 679,108.17	\$ 615,280.20	\$ 518,119.58	\$ 97,160.62	\$ 21.90	\$ 776,290.69

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.

	Income	Expenditure	Surplus/(Deficit)
Development Activities			
Young Rider Scholarship	\$ 10,630.00	\$ 10,310.90	319.10
Ready Set Trot			0.00
Total - Development Activities	\$ 10,630.00	\$ 10,310.90	319.10
Trading Activities			
Awards Night	\$ 18,613.66	\$ 14,832.60	3,781.06
Publications (Score books)	\$ 1,841.83	\$ 427.27	1,414.56
The Horses Mouth		\$ 792.00	-792.00
Merchandise	\$ 1,130.88		1,130.88
	\$ 21,586.37	\$ 16,051.87	5,534.50

NOTE 3: FIXED ASSETS

Land & Buildings	\$ 581,693.01	\$ -	\$ -	\$ -	\$ 581,693.01
Furniture & Fittings	\$ 3,786.54	\$ 1,680.45	\$ -	\$ 410.02	\$ 5,056.96
Office Equipment	\$ 4,860.85	\$ 2,308.91	\$ 90.16	\$ 2,125.53	\$ 4,954.07
Plant & Equipment	\$ 27,552.65	\$ 3,535.47	\$ -	\$ 3,110.51	\$ 27,977.60
	<u>\$ 617,893.05</u>	<u>\$ 7,524.83</u>	<u>\$ 90.16</u>	<u>\$ 5,646.06</u>	<u>\$ 619,681.64</u>

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 2011	October 2014
Di Norris, Deputy Chairperson	October 2012	October 2015
Di Goldsworthy	October 2012	October 2013
Caroline Jones	October 2012	October 2013
Alexi Kentish	October 2012	October 2015
Julie Payne	October 2012	October 2015
Rachele Taylor	October 2012	Resigned
Judy Whyntie	October 2011	October 2014
Sadie Michell	October 2013	Resigned