



# **EQUESTRIAN NSW INCORPORATED**

**ABN 17 157 619 696**

## **FINANCE REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2019**

**Limited liability by a scheme approved under  
Professional Standards legislation**

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**EQUESTRIAN NSW INCORPORATED**  
**ABN 17 157 619 696**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>INCOME</b>			
Membership Income		1,370,472	1,335,506
Horse Related Income		379,485	370,845
Coaching program		31,213	20,949
Discipline Councils/Committees Income	4	924,127	722,502
Marketing and Promotion	5	40,793	19,591
Government Grants	6	48,500	48,500
Management Fees	7	47,001	53,195
Interest		17,815	19,339
Other Income		3,942	3,800
		<b>2,863,348</b>	<b>2,594,227</b>
<b>EXPENDITURE</b>			
Administration	8	249,339	167,484
Auditors Fee		7,750	6,500
Council Employment Expense		47,144	53,195
Depreciation	9	34,961	25,937
Discipline Councils/Committees Expense	4	1,256,152	1,057,815
Financial Expense		5,413	2,164
Loss on sale of fixed assets			2,345
Marketing and Promotion		60,290	63,105
National Expense	10	576,868	538,496
Coaching Program		14,571	14,044
Services & IT		19,127	17,307
Employment Expenses	11	689,601	572,514
		<b>2,961,216</b>	<b>2,520,906</b>
<b>(Deficit)/Surplus for the financial year</b>		<b>(97,868)</b>	<b>73,321</b>
Retained earnings at the beginning of the financial year		<b>807,480</b>	<b>734,159</b>
<b>Retained earnings at the end of the financial year</b>		<b>709,612</b>	<b>807,480</b>

**EQUESTRIAN NSW INCORPORATED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12	1,562,815	1,663,009
Trade and other receivables	13	31,386	9,620
Accrued Income		400	
Prepayments		23,603	46,497
<b>Total Current Assets</b>		<b>1,618,204</b>	<b>1,719,126</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	50,057	76,820
<b>Total Non-Current Assets</b>		<b>50,057</b>	<b>76,820</b>
<b>TOTAL ASSETS</b>		<b>1,668,261</b>	<b>1,795,946</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	74,823	106,575
Employee benefits	16	144,028	68,131
Australian Sports Foundation	17	138,606	146,021
Income in advance	18	593,335	667,739
<b>Total Current Liabilities</b>		<b>950,792</b>	<b>988,466</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		7,857	
<b>Total Non Current Liabilities</b>		<b>7,857</b>	
<b>TOTAL LIABILITIES</b>		<b>958,649</b>	<b>988,466</b>
<b>NET ASSETS</b>		<b>709,612</b>	<b>807,480</b>
<b>EQUITY</b>			
Retained earnings	19	709,612	807,480
<b>TOTAL EQUITY</b>		<b>709,612</b>	<b>807,480</b>

**EQUESTRIAN NSW INCORPORATED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2019**

	<b>Reserves</b>	<b>Retained</b>	<b>Total</b>
	<b>\$</b>	<b>Surplus</b>	<b>Equity</b>
		<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2017</b>		734,159	<b>734,159</b>
Surplus/(Deficit) for the year attributable to members of the entity		73,321	<b>73,321</b>
<b>Balance as at 30 June 2018</b>		<b>807,480</b>	<b>807,480</b>
<b>Balance as at 1 July 2018</b>		807,480	<b>807,480</b>
Surplus/(Deficit) for the year attributable to members of the entity		(97,868)	<b>(97,868)</b>
<b>Balance as at 30 June 2019</b>		<b>709,612</b>	<b>709,612</b>

**EQUESTRIAN NSW INCORPORATED**  
**ABN 17 157 619 696**

**STATEMENT OF CASH FLOWS**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Funding received		48,500	48,500
Other receipts in the course of operations		3,081,192	2,773,772
Payments to suppliers and employees		(3,239,505)	(2,632,674)
Interest received		17,815	19,339
<b>Net cash provided by/(used in) operating activities</b>		<b><u>(91,998)</u></b>	<b><u>208,938</u></b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment			8,500
Payments for property, plant and equipment		(8,196)	(67,175)
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(8,196)</u></b>	<b><u>(58,675)</u></b>
<b>Net increase (decrease) in cash held</b>		<b>(100,194)</b>	<b>150,262</b>
Cash on hand beginning of the financial year		<b>1,663,009</b>	<b>1,512,747</b>
<b>Cash at end of the financial year</b>		<b><u>1,562,815</u></b>	<b><u>1,663,009</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Reduced Disclosure Requirements, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report was approved by the directors as at the date of the directors' declaration.

The financial report is for the entity Equestrian NSW Incorporated (Equestrian NSW) as an individual entity. Equestrian NSW is incorporated association and domiciled in Australia. Equestrian NSW is a not for profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the organisation in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

**(b) Revenue**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Sponsorships revenue is recognised as and when received.

Revenue from organising and hosting events is recognised in the period in which the events are held.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**(c) Foreign currency translations and balances**

Functional and presentation currency

The financial statements are presented in Australian dollars which is the organisation's functional and presentation currency.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Contributions, Government Grants and Donations**

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions are attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

**(e) Income tax**

No provision for income tax has been raised as the organisation is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**(f) Financial instruments**

**Classification**

The organisation classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition. The organisation does not hold derivative financial instruments.

**Financial instruments**

Financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit and loss. After initial recognition, financial instruments are measured as described below.

**Loans and receivables**

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.



**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Available-for-sale

Available for sale financial assets include any financial assets not included in the above categories and are measured at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The cumulative gain or loss is held in equity until the financial asset is de recognised, at which time the cumulative gain or loss held in equity is recognised in profit and loss.

Donated financial assets

Financial assets donated to the organisation are recognised at fair value at the date the organisation obtains control of the assets.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties, including balances and loans from, or other amounts due, to director related entities.

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the organisation has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**(g) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property

The organisation does not hold ownership or interest in any freehold land and buildings.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation and amortisation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated.

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rates	Depreciation basis
Plant and equipment	10% to 40%	Straight Line
Furniture and fittings	30%	Straight Line
Computer and office equipment	40%	Straight Line
Motor Vehicle	22.5% to 33.3%	Straight Line

**(h) Impairment of Assets**

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

**(i) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(j) Employee Benefits**

**(i) Short-term employee benefit obligations**

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

**(ii) Long-term employee benefit obligations**

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Contributions made by the organisation to Superannuation funds are charged as expenses when incurred.

**(k) Provisions**

Provisions are recognised when the organisation has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that outflow can be reliably measured.

**(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(m) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below.

**(a) Annual leave and long service leave**

Net present value calculations are used to estimate the annual leave and long service leave provisions.

**3. FINANCIAL RISK MANAGEMENT**

The organisation's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and hire purchase contracts.

The organisation is exposed to a variety of financial risks comprising:

- (a) Funding risk
- (b) Interest rate risk
- (c) Credit risk
- (d) Liquidity risk

### **3 FINANCIAL RISK MANAGEMENT (continued)**

The board of directors have overall responsibility for identifying and managing operational and financial risks. These risks are managed by the board and / or committees consented by the board.

#### **(a) Funding risk**

The organisation receives minimal outside funding to operate many of its services. Government and Equestrian Australia funding contributed 5% of the organisation's revenues in the 2019 financial year. The risk of loss of these funding streams is considered to be minimal to the organisation.

With the use of a cash forecast tool, Equestrian NSW have modelled what happens if the Government cuts the funding and have a broad plan of action should this occur.

#### **(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Interest rate risk is minimal as the organisation has limited borrowings. Subject to consideration of liquidity risk, cash is held in fixed interest rate accounts to maximise returns.

#### **(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

The organisation does not have any material credit risk in respect of cash and cash equivalents as these are held with Authorised Deposit-taking Institutions (ADIs) regulated by APRA.

#### **(d) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The organisation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and cash equivalents and / or unutilised borrowing facilities are maintained.

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**4 DISCIPLINE COUNCILS AND COMMITTEES**

	<b>2019</b>	<b>2018</b>
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>
Dressage Council	22,500	44,446
Eventing Council	37,398	243,402
Jumping Council	20,710	62,842
Show Horse Committee	310,192	231,753
Interschool's Committee	489,313	23,553
Vaulting Committee	43,933	116,347
Driving Committee	80	160
	<u><b>924,126</b></u>	<u><b>722,503</b></u>
<b>EXPENSES</b>		
Dressage Council	161,955	162,674
Eventing Council	206,085	331,843
Jumping Council	123,637	132,826
Show Horse Committee	302,505	265,052
Interschool's Committee	415,073	35,107
Vaulting Committee	36,897	119,887
Driving Committee	10,000	10,426
	<u><b>1,256,152</b></u>	<u><b>1,057,815</b></u>

Equestrian NSW stopped running Sydney International Horse Trials (Eventing) in FY2019. Eventing Council Expenses included \$26,673 spent on MIM cross country jump fittings, funded from the Australian Sports Foundation Olivia Inglis project. Equestrian NSW staged two NSW Interschool Championships in FY2019. Growth in Show Horse NSW Revenue and Expenses in FY2019 related mainly to the Southern Cross Show Horse Spectacular. In FY2018, Vaulting NSW staged the Australian Vaulting Championships.

**5 MARKETING AND PROMOTION**

Equestrian Australia refunded \$23,112 for International Competitions and Development Funding (ICDF) collected in FY2018 but not allocated.

**6 GOVERNMENT GRANTS**

Equestrian NSW received a \$48,500 Sports Development Grant from the NSW Office of Sport.

**7 MANAGAEMENT FEES**

Equestrian NSW employs the Secretaries of Eventing NSW and Dressage NSW with all costs reimbursed.

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**8 ADMINISTRATION EXPENDITURE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Nominate Administration Fees	116,681	85,921
General Administration	72,445	72,424
Building Expenses	8,100	9,138
Professional Services	<u>52,113</u>	<u>6,500</u>
	<b><u>249,339</u></b>	<b><u>173,983</u></b>

Nominate fees increased in line with membership and event revenue.

Equestrian NSW contracted its Finance and Accounting function to Sports Accounting at a cost of \$52,113.

**9 DEPRECIATION**

The Depreciation basis was changed from Diminishing Value to Straight Line, when changing over to Xero.

**10 NATIONAL EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
National Administration Levy	204,636	208,440
National Horse Research Levy	7,639	7,610
National ICDF Levy		67,126
National Insurance Levy	<u>364,592</u>	<u>255,319</u>
	<b><u>576,867</u></b>	<b><u>538,495</u></b>

In July 2018, Equestrian Australia increased insurance by 43%, whereas Equestrian NSW had estimated a 14% increase. Due to cost pressures and the drought facing members, Equestrian NSW increased FY2019 memberships by about 4%, so that most of the \$109,273 increase was absorbed by Equestrian NSW and not passed on to members.

An additional \$60,000 was allocated to major events in lieu of the Equestrian Australia ICDF funding.

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**11. EMPLOYMENT EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Recruitment	\$545	\$0
Motor Vehicle	\$22,479	\$22,667
Provision for Annual Leave	\$55,826	-\$11,384
Provision for Long Service Leave	\$27,927	-\$596
Salaries & Wages	\$532,479	\$511,040
Entertainment	\$741	\$0
Staff Training	\$800	\$0
Superannuation	\$46,400	\$47,751
Workers Compensation Insurance	\$2,405	\$3,036
	<b>\$689,601</b>	<b>\$572,514</b>

Provisions for Annual Leave and Long Service Leave were adjusted by \$42,684 following a detailed reconciliation.

Due to high priority tasks and re-structuring, outstanding annual leave increased and will be taken in FY2020.

Salaries and Wages included a redundancy payment, including notice in lieu and outstanding annual and pro-rata long service leave.

**12 CASH AND CASH EQUIVALENTS**

Cash at bank	1,561,477	1,653,845
Cash on hand	1,338	9,164
	<b>1,562,815</b>	<b>1,663,009</b>

**13 TRADE AND OTHER RECEIVABLES**

Sundry Debtors		50
Trade Debtors	8,303	9,570
GST, FBT and PAYG Payable	23,083	
	<b>31,386</b>	<b>9,620</b>

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>14 PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant and Equipment - at cost	45,033	38,533
Less accumulated depreciation	<u>(29,218)</u>	<u>(24,153)</u>
	<u>15,815</u>	<u>14,380</u>
Motor Vehicles - at cost	41,090	39,665
Less accumulated depreciation	<u>(17,189)</u>	<u>(7,924)</u>
	<u>23,901</u>	<u>31,741</u>
Computer Equipment - at cost	77,651	77,380
Less accumulated depreciation	<u>(72,592)</u>	<u>(57,681)</u>
	<u>5,059</u>	<u>19,699</u>
Furniture and Fittings - at cost	80,015	80,015
Less accumulated depreciation	<u>(74,733)</u>	<u>(69,015)</u>
	<u>5,282</u>	<u>11,000</u>
Total Property, Plant and Equipment	<u><b>50,057</b></u>	<u><b>76,820</b></u>
<b>15 TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Accrued Expenses	19,987	
Credit card liability	1,666	5,402
Trade creditors	15,034	85,998
Employee Superannuation Accrued		12,112
Sundry Creditors - Active Kids	38,136	
GST, FBT and PAYG payable		3,063
	<u><b>74,823</b></u>	<u><b>106,575</b></u>
<b>16 EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Provision for Annual Leave	95,818	39,992
Provision for Long Service Leave	<u>48,210</u>	<u>28,139</u>
	<u>144,028</u>	<u>68,131</u>
<b>Non Current</b>		
Provision for Long Service Leave	<u>7,857</u>	<u></u>
<b>Total Employee Benefits Liability</b>	<u><b>151,885</b></u>	<u><b>68,131</b></u>



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**17 AUSTRALIAN SPORTS FOUNDATION**

Equestrian NSW held \$138,606 raised through the Australian Sports Foundation, for the Olivia Inglis and Para-Equestrian projects.

**18 INCOME IN ADVANCE**

Equestrian NSW received \$593,335 for memberships and performance licenses paid in June 2018, applicable to FY2019.

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>19 RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	807,480	734,159
Surplus/(deficit) for the year	(97,868)	73,321
Retained earnings at the end of the financial year	<u><b>709,612</b></u>	<u><b>807,480</b></u>

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STATEMENT BY MEMBERS OF THE COMMITTEE

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 financial report as set out on pages 2 to 16:

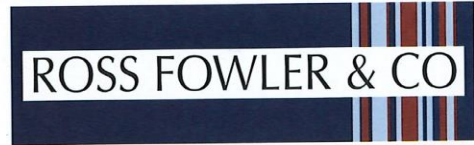
1. Presents a true and fair view of the financial position of EQUESTRIAN NSW INCORPORATED as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that EQUESTRIAN NSW INCORPORATED will be able to pay its debts as and when they fall due.

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

Committee  
Member:  KATIE ROBERTSON

Committee  
Member:  FLONA MACLEOD

Dated this day of 26 February ~~2019~~ 2020



Chartered Accountants and Business Advisors  
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUESTRIAN NSW .ABN 17 157 619 696**

**Opinion**

We have audited the financial report of Equestrian NSW., which comprises the statement of financial position as at 30 June, 2019, the statement of profit or loss and other comprehensive income, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the committee's declaration.

In our opinion the financial report of Equestrian NSW is in accordance with the Associations Incorporation Act 2009 (NSW), including:

- (i) giving a true and fair view of the registered entity's financial position as at 30th June, 2019 and of its performance for the year ended on that date: and
- (ii) complying with applicable Australian Accounting Standards- Reduced disclosure Regime(including the Australian Incorporations Act 2009 (NSW)

**Basis of Opinion**

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 registered entity 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. We have also 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.

**Information Other than the Financial Report and Auditor's Report Thereon**

The committee is responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibility of the Management Committee for the Financial Report**

The Management Committee of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the registered entity or to cease operations, or have no realistic alternative to do so.



**Auditors Report to the Members (cont.)**

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 registered entity's internal control.
- Conclude on the appropriateness of the committee'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 registered entity'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 registered entity's 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 the committee 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.

**ROSS FOWLER & CO**  
**CHARTERED ACCOUNTANTS**



**R.B. Fowler**

11 Tindale Street Penrith NSW 2750

Dated: 26 day of February 2020



Chartered Accountants and Business Advisors  
Ross Fowler B.Comm. FCA ABN | 96 769 893 959

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTOR OF  
EQUESTRIAN NSW**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:** Ross Fowler & Co  
Chartered Accountants

R B Fowler

**Address:** 11 Tindale Street Penrith NSW 2750

Dated this day of 26<sup>th</sup> February 2020