



EQUESTRIAN NSW INCORPORATED

ABN 17 157 619 696

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2020

Liability limited by a scheme approved under
Professional Standards Legislation

**EQUESTRIAN NSW
ABN 17 157 619 696**

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The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Ross Fowler & Co.

EQUESTRIAN NSW
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
INCOME			
Membership Income		1,429,124	1,370,472
Management Fees Received	4	36,253	47,001
Horse Related Income		351,245	379,485
NCAS Income		9,014	31,213
Marketing & Promotion	5	30,522	40,793
Discipline Councils/ Committee Income	6	579,256	924,127
		<u>2,435,414</u>	<u>2,793,091</u>
OTHER INCOME			
Funding Received	7	48,500	48,500
Interest Received		16,350	17,815
Other Income	8	126,489	3,942
		<u>191,339</u>	<u>70,257</u>
		<u>2,626,753</u>	<u>2,863,348</u>
EXPENDITURE			
Administration Expenses	9	249,990	249,339
Auditor's Remuneration		7,000	7,750
Financial Expenses		4,266	5,413
Marketing & Promotion	5	76,005	60,290
National Expenses	10	606,098	576,868
Council Employment Expenses	4	44,009	47,144
NCAS Expense		16,738	14,571
Services & IT		14,570	19,127
Depreciation		21,803	34,961
Discipline Councils & Committee Expenses	6	970,469	1,256,152
Employment Expenses	11	487,727	689,601
		<u>2,498,675</u>	<u>2,961,216.</u>
Profit (Loss) for the year		<u>128,078</u>	<u>(97,868)</u>
Retained earnings at the beginning of the financial year		709,612	807,480
Retained earnings at the end of the financial year		<u>837,690</u>	<u>709,612</u>

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EQUESTRIAN NSW
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Cash and cash equivalents	12	1,644,572	1,562,815
Trade and other receivables	13	(78,879)	31,386
Accrued Income		39,840	400
Prepayments		16,708	23,603
TOTAL CURRENT ASSETS		<u>1,622,241</u>	<u>1,618,204</u>
NON-CURRENT ASSETS			
Property, plant and equipment	14	36,686	50,057
TOTAL NON-CURRENT ASSETS		<u>36,686</u>	<u>50,057</u>
TOTAL ASSETS		<u>1,658,927</u>	<u>1,668,261</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	135,145	170,641
Employee benefits	16	48,000	48,210
Australian Sports Foundation		138,747	138,606
Income in Advance		482,465	593,335
TOTAL CURRENT LIABILITIES		<u>804,357</u>	<u>950,792</u>
NON-CURRENT LIABILITIES			
Employee benefits	17	16,880	7,857
TOTAL NON-CURRENT LIABILITIES		<u>16,880</u>	<u>7,857</u>
TOTAL LIABILITIES		<u>821,237</u>	<u>958,649</u>
NET ASSETS		<u>837,690</u>	<u>709,612</u>
EQUITY			
Retained earnings	18	837,690	709,612
TOTAL EQUITY		<u>837,690</u>	<u>709,612</u>

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Surplus	Total Equity
Balance as at 1 July 2018	807,480	807,480
Surplus/(Deficit) for the year attributable to members of the entity	(97,868)	(97,868)
Balance as at 30 June 2019	709,612	709,612
Balance as at 1 July 2019	709,612	709,612
Surplus/(Deficit) for the year attributable to members of the entity	128,078	128,078
Balance as at 30 June 2020	837,690	837,690

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STATEMENT OF CHANGES IN CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Cash flows from operating activities		
Funding received	48,500	48,500
Other receipts in the course of operations	2,858,793	3,081,192
Payments to suppliers and employees	(2,832,610)	(3,239,505)
Interest received	16,350	17,815
Net cash provided by/(used in) operating activities	91,033	(91,998)
Cash flows from investing activities		
Payments for property, plant and equipment	(9,276)	(8,196)
Net cash provided by/(used in) investing activities	(9,276)	(8,196)
Net increase (decrease) in cash held	81,757	(100,194)
Cash on hand beginning of the financial year	1,562,815	1,663,009
Cash at end of the financial year	1,644,572	1,562,815

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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 an 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.

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NOTES TO THE FINANCIAL STATEMENTS
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(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 measure 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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 - 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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS
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(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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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

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. 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.

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(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.

4. MANAGEMENT FEES RECEIVED

The Secretaries for Eventing NSW and Dressage NSW were employed by Equestrian NSW on a cost recovery basis.

5. MARKETING AND PROMOTION

Most of Marketing and Promotion related to the Annual Awards Night, plus photography support for major events.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
6. DISCIPLINE COUNCILS AND COMMITTEES		
REVENUE		
Dressage Council	1,333	22,500
Eventing Council	25,934	37,398
Jumping Council	1,333	20,710
Show Horse Committee	105,502	310,192
Interschool Committee	404,773	489,313
Vaulting Committee	40,381	43,933
Driving Committee		80
	579,256	924,126
EXPENSES		
Dressage Council	123,908	161,955
Eventing Council	143,958	206,085
Jumping Council	139,627	123,637
Show Horse Committee	144,613	302,505
Interschool Committee	351,670	415,073
Vaulting Committee	56,693	36,897
Driving Committee	10,000	10,000
	970,469	1,256,152

7. FUNDING RECEIVED

Equestrian NSW receives an annual grant of \$48,500 from the NSW Office of Sport for sport development.

8. OTHER INCOME

Equestrian NSW received \$123,106 for COVID-19 related support from the Federal and NSW Governments, including Jobkeeper - \$70,350, Cash Flow Boost - \$42,756 and Small Business Support - \$10,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
9. ADMINISTRATION EXPENDITURE		
Nominate Administration Fees	87,585	116,681
General Administration	52,889	72,445
Building Expenses	8,286	8,100
Professional Services	101,230	52,113
	249,990	249,339
Professional Services included an additional \$60,000, with the contracting out of the finance function to Sports Accounting Australia.		
10. NATIONAL EXPENSES		
National Administration Levy	264,111	204,636
National Horse Research Levy	6,319	7,639
National Insurance Levy	335,668	364,592
	606,098	576,867
11. EMPLOYMENT EXPENSES		
Recruitment	350	545
Motor Vehicle	22,331	22,479
Provision for Annual Leave	(50,815)	55,826
Provision for Long Service Leave	8,831	27,927
Salaries & Wage	461,310	532,479
Entertainment	-	741
Staff Training	654	800
Superannuation	41,898	46,400
Workers Compensation Insurance	3,187	2,404
	487,727	689,601

Provision for Annual Leave decreased by \$106,641 due to a concerted effort to reduce overdue and outstanding leave.

Salaries and wages reduced by \$71,169 due mainly to reduced COVID-19 working hours, plus the carry over impacts of making the Finance Manager role redundant in 2018-19.

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NOTES TO THE FINANCIAL STATEMENTS
OR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
12. CASH AND CASH EQUIVALENTS		
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash at Bank	1,643,519	1,561,477
Cash on Hand	1,053	1,338
	1,644,572	1,562,815
13. TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	(78,879)	8,303
GST , FBT and PAYG Payable	-	23,083
	(78,879)	31,386

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

Trade Debtors mainly relates to cash received in 2019-20 from Nominate but invoiced in 2020-21.

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NOTES TO THE FINANCIAL STATEMENTS
OR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
14. PROPERTY, PLANT AND EQUIPMENT		
Plant & Equipment	45,033	45,033
Less: Accumulated Depreciation	(31,387)	(29,218)
	13,646	15,815
Motor Vehicles	41,090	41,090
Less: Accumulated Depreciation	(26,589)	(17,189)
	14,501	23,901
Computer Equipment	86,084	77,651
Less: Accumulated Depreciation	(79,484)	(72,592)
	6,600	5,059
Furniture & Fittings	80,015	80,015
Less: Accumulated Depreciation	(78,076)	(74,733)
	1,939	5,282
Total Plant and Equipment	36,686	50,057
15. TRADE AND OTHER PAYABLES		
Accrued Expenses	12,304	19,987
Credit Card Liability	3,387	1,666
Trade Creditors	67,208	15,034
Superannuation Accrued	234	-
Sundry Creditors- Active Kids Vouchers	1,955	38,136
GST , FBT and PAYG Payable	5,054	-
Provision for Holiday Pay	45,003	95,818
	135,145	170,641

Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances.

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	2020 \$	2019 \$
16. EMPLOYEE BENEFITS		
Current		
Provision for Long Service Leave	48,000	48,210
Non Current		
Provision for Long Service Leave	16,880	7,857
16. RETAINED EARNINGS		
Retained earnings at the beginning of the financial year	709,612	807,480
Net profit (Net loss) attributable to members of the company	128,078	(97,868)
Retained earnings at the end of the financial year	837,690	709,612

These notes should be read in conjunction with the attached compilation
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**NOTES TO THE FINANCIAL STATEMENTS
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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 13:

1. Presents a true and fair view of the financial position of EQUESTRIAN NSW as at 30 June 2020 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 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



PETER DINGWALL

Committee
Member



FIONA MACLEOD

Dated this day of 18th November 2020

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