

EQUESTRIAN NSW
A.B.N. 17 157 619 696

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

**Liability limited by a scheme approved under
Professional Standards Legislation**

EQUESTRIAN NSW
A.B.N. 17 157 619 696

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EQUESTRIAN NSW INCORPORATED

ABN 17 157 619 696

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue			
Membership Income		1,155,622	1,065,975
Horse Related Income		364,179	278,057
Merchandise Income		10,553	5,292
NCAS Income		2,240	1,470
Equiskills Income		4,599	4,564
Discipline Committees Income	5	266,132	209,613
Sundry Income		4,214	854
Funding Received	5	116,259	75,184
Management Fee Received		48,956	-
Interest Received		34,901	20,886
Other Income	6	(3,215)	827
		<u>2,004,439</u>	<u>1,662,721</u>
Expenses			
Administration Costs	23	199,934	144,567
Auditors Fee	6	7,500	9,931
Council Support		416,869	230,907
Council Employment Expense		48,956	-
Depreciation	6	20,727	25,569
Discipline Committees Expense	6	224,391	194,860
Financial Expense		5,961	14,418
General Expense		-	205
National Expense		473,489	466,782
NCAS Expense		1,379	2,911
Provision for Doubtful Debts	6	1,500	-
Repairs & Maintenance		11,965	6,960
Services & IT		72,803	71,974
Wages & Salaries	23	421,823	385,038
		<u>1,907,297</u>	<u>1,554,122</u>
Net current year surplus/(deficit)		<u>97,142</u>	<u>108,600</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u><u>97,142</u></u>	<u><u>108,600</u></u>

The accompanying notes on pages 6 to 13 form an integral part of this financial report.

EQUESTRIAN NSW INCORPORATED

ABN 17 157 619 696

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,334,904	854,880
Trade and other receivables	8	8,105	10,303
Borrowing costs	9	410	555
Total Current Assets		<u>1,343,419</u>	<u>865,738</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	70,388	64,061
Total Non-Current Assets		<u>70,388</u>	<u>64,061</u>
TOTAL ASSETS		<u>1,413,807</u>	<u>929,799</u>
CURRENT LIABILITIES			
Trade and other payables	11	141,829	36,436
Borrowings	12	6,779	6,542
Provisions	13	24,201	17,554
Other liabilities	14	322,159	3,317
Total Current Liabilities		<u>494,968</u>	<u>63,849</u>
NON-CURRENT LIABILITIES			
Borrowings	12	27,315	34,094
Provisions	13	16,865	32,579
Other liabilities	14	196,178	167,796
Total Non-Current Liabilities		<u>240,357</u>	<u>234,470</u>
TOTAL LIABILITIES		<u>735,326</u>	<u>298,319</u>
NET ASSETS		<u>678,481</u>	<u>631,480</u>
EQUITY			
Reserves		-	-
Retained surplus	15	678,481	631,480
TOTAL EQUITY		<u>678,481</u>	<u>631,480</u>

The accompanying notes on pages 6 to 13 form an integral part of this financial report.

EQUESTRIAN NSW INCORPORATED

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**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014**

	Reserves	Retained surplus	Total Equity
	\$	\$	\$
Balance as at 1 July 2012	19,221	503,659	522,880
Revaluation of property, plant and equipment, net of tax	(19,221)		(19,221)
Transfer from reserves		19,221	19,221
Surplus for the year attributable to members of the entity	-	108,600	108,600
Total comprehensive income for the year	-	631,480	631,480
Balance as at 30 June 2013	-	631,480	631,480
Surplus/(Deficit) for the year attributable to members of the entity	-	97,142	97,142
Prior period adjustment (SPF)	-	(50,142)	(50,142)
Total comprehensive income for the year	-	678,481	678,481
Balance as at 30 June 2014	-	678,481	678,481

The accompanying notes on pages 6 to 13 form an integral part of this financial report.

EQUESTRIAN NSW INCORPORATED

ABN 17 157 619 696

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 as an individual entity. Equestrian NSW is an organisation limited by guarantee, incorporated 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.

Transactions and Balances

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or statement are recognised as revenues and expenses for the financial year.

(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.

EQUESTRIAN NSW INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

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%	Diminishing value
Furniture and fittings	30%	Diminishing value
Computer and office equipment	40%	Diminishing value
Motor Vehicle	22,5%	Diminishing value

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

EQUESTRIAN NSW INCORPORATED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT JUNE 2014

There is not expected to be any significant impact on the organisation's financial report due to the initial application of Australian Accounting Standards issued at reporting date but not yet effective.

4 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. Government and Equestrian Australia funding contributed 6% (2013: 5%) of the organisation's revenues in the 2014 financial year. The risk of loss of these funding streams is considered to be minimal to the organisation.

(ii) With the use of a cash forecast tool, Equestrian NSW have modelled 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.

EQUESTRIAN NSW INCORPORATED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4 FINANCIAL RISK MANAGEMENT (continued)

The carrying amounts for each category of financial instruments measured in accordance with the accounting policies to these financial statements, are as follows

Financial assets	Note	2014 \$	2013 \$
Cash and cash equivalents	7	1,334,904	854,860
Loans and receivables	8	8,105	10,303
Total financial assets		1,343,008	865,163
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	141,829	36,436
Borrowings	12	34,094	40,636
Total Financial Liabilities		175,923	77,072

Fair Values

(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices)

(ii) Fair Values of held-to maturity investments are based on quoted market prices at the end of the reporting period

5 REVENUE

	2014 \$	2013 \$
Revenue from Discipline Committees:		
- Saddlehorse Committee Income	88,310	77,622
- Interschool's Committee Income	150,123	137,375
- Vaulting Committee Income	-	(5,384)
- Eventing Council Income	27,699	-
	266,132	209,613
Funding Received:		
- Office of Communities - Sport Development Program	48,500	48,500
- Office of Communities - Community Building Partnership	26,175	-
- Other - Coprice	5,000	7,600
- Equestrian Australian - High Performance Program	36,584	19,084
	116,259	75,184

6 OPERATING SURPLUS / (DEFICIT)

	2014 \$	2013 \$
Other Income:		
- Profit/(loss) on disposal of non-current assets	(807)	827
- Surplus/(deficit) on Special Projects amounts	(2,408)	-
Expenses for Discipline Committees:		
- Saddlehorse Committee Expenses	80,703	80,187
- Interschool's Committee Expenses	140,689	113,760
- Vaulting Committee Expenses	491	912
- Show Jumping Council Expenses	1,200	-
- Eventing Council Expenses	1,308	-
Depreciation	20,727	25,569
Provision for doubtful debts	1,500	-
Audit Fees	7,500	9,931

EQUESTRIAN NSW INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
7 CASH AND CASH EQUIVALENTS		
Cash at bank	1,329,181	849,371
Cash on hand	723	509
Bond deposit	5,000	5,000
	<u>1,334,904</u>	<u>864,880</u>
8 TRADE AND OTHER RECEIVABLES		
Trade Debtors	9,605	8,317
Less: provision for doubtful debts	(1,500)	-
	<u>8,105</u>	<u>8,317</u>
Other receivables		
GST receivable	-	1,189
Sundry debtors	-	797
	<u>8,105</u>	<u>10,303</u>
9 OTHER ASSETS		
Borrowing Costs	410	555
	<u>410</u>	<u>555</u>
10 PROPERTY, PLANT & EQUIPMENT		
Plant and Equipment - at cost	29,875	10,669
Less accumulated depreciation	(8,346)	(5,139)
	<u>21,529</u>	<u>5,530</u>
Furniture and Fittings - at cost	68,873	68,169
Less accumulated depreciation	(58,961)	(54,981)
	<u>9,912</u>	<u>13,188</u>
Computer Equipment - at cost	30,130	23,813
Less accumulated depreciation	(15,713)	(10,121)
	<u>14,417</u>	<u>13,692</u>
Motor Vehicles - at cost	42,545	42,545
Less accumulated depreciation	(18,015)	(10,894)
	<u>24,530</u>	<u>31,651</u>
	<u>70,388</u>	<u>64,061</u>

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	Plant and Equipment	Furniture and Fittings	Computer Equipment	Motor Vehicles	Total
Opening carrying amount	5,530	13,188	13,692	31,651	64,061
Additions	19,206	704	7,953		27,863
Revaluation of fair value of building					-
Disposals			(808)		(808)
Depreciation Expense	(3,207)	(3,981)	(6,419)	(7,121)	(20,728)
Closing Carrying amount	<u>21,529</u>	<u>9,911</u>	<u>14,418</u>	<u>24,530</u>	<u>70,388</u>

11 TRADE AND OTHER PAYABLES

Current

Trade creditors	29,914	21,657
Other creditors (refer note 22)	91,242	-
SPF Creditor	1,360	-
Employee super	10,237	9,135
GST, FBT and PAYG payable	9,988	5,198
Credit card liability	(911)	(1,405)
Parental leave payable	-	1,851
	<u>141,829</u>	<u>36,436</u>

12 BORROWINGS

Current

Hire Purchase Liability	9,230	9,230
Less: Unexpired Finance Charges	(2,451)	(2,688)
	<u>6,779</u>	<u>6,542</u>

Non Current

Hire Purchase Liability	29,952	39,182
Less: Unexpired Finance Charges	(2,638)	(5,088)
	<u>27,315</u>	<u>34,094</u>

Aggregate Borrowings	<u>34,094</u>	<u>40,636</u>
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EQUESTRIAN NSW INCORPORATED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

13 PROVISIONS		2014	2013
Current		\$	\$
Provision for annual leave	(a)	<u>24,201</u>	<u>17,554</u>
Non Current			
Employee benefits	(a)	<u>16,865</u>	<u>32,579</u>
(a) Aggregate employee benefits liability		<u>41,066</u>	<u>50,134</u>
(b) Reconciliations			
		Employee	Total
		Benefits	
Non Current employee benefits:			
Opening balance as at 1 July 2013		32,579	32,579
Additional provisions raised during year		901	901
Amounts Used		<u>(16,615)</u>	<u>(16,615)</u>
Balance at 30 June 2014		<u>16,865</u>	<u>16,865</u>
14 OTHER LIABILITIES			
Current			
Prepaid Income (refer note 20)		282,501	3,317
Amount due to Special Projects (refer note 21)		<u>39,658</u>	<u>-</u>
		<u>322,159</u>	<u>3,317</u>
Non Current			
Amount due to Special Projects (refer note 21)		<u>196,178</u>	<u>167,796</u>
15 ACCUMULATED SURPLUS			
Accumulated surplus/(deficit)			
Balance at 1 July		631,480	503,659
Surplus/(deficit) for the year		97,142	108,599
Prior period adjustment (SPF)	21	<u>(50,142)</u>	<u>-</u>
Asset Revaluation Reserve		<u>-</u>	<u>19,221</u>
Balance as at 30 June		<u>678,481</u>	<u>631,480</u>
16 CASH FLOW INFORMATION			
(i) Reconciliation of cash			
For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank and short term deposits, net of any outstanding bank overdrafts.			
Cash at bank, on deposit and on hand		<u>1,334,904</u>	<u>854,880</u>
(ii) Reconciliation of cash flow from operations with surplus/ (deficit) for the year			
Surplus/ (deficit) for the year		97,142	108,600
<i>Adjustments and non cash items:</i>			
Depreciation		20,727	25,569
Provision for doubtful debts		1,500	-
Borrowing costs written off		145	145
Interest expense - Hire purchase		2,688	3,379
Hire purchase instalments paid		<u>(9,230)</u>	<u>(9,230)</u>
Net cash provided before changes in assets and liabilities		112,972	128,462
<i>Changes in assets and liabilities during the financial year</i>			
(Increase) / decrease in receivables		(1,287)	32,176
(Increase) / decrease in other assets			
(Increase) / decrease in prepaid income		279,184	(197,706)
(Decrease) / increase in payables		105,393	3,428
(Decrease) / increase in employee provisions		(9,067)	7,547
(Decrease) / increase in other liabilities		<u>28,381</u>	<u>(2,662)</u>
Cash flows from operating activities		<u>515,576</u>	<u>(28,755)</u>

EQUESTRIAN NSW INCORPORATED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
17 CAPITAL AND LEASING COMMITMENTS		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- payable not later than 1 year	4,620	1,628
- payable later than 1 year but no later than 5 years	15,401	-
	<u>20,022</u>	<u>1,628</u>

Lease commitments comprise payments to be made in relation to an operating lease for a photocopier acquired on 14 November 2013.

18 MEMBER'S GUARANTEE

The organisation is limited by guarantee. If the organisation is wound up, the Constitution states that the liability of each member is limited to any outstanding monies due and payable to the Association, including the amount of the Annual Subscription payable in respect of the current Financial Year. No other amount shall be payable by the member.

19 ORGANISATION DETAILS

The Association was incorporated on 6 April 1984 under the Associations Corporations Act 1984. The registered office and principal place of business of the organisation is located at Sydney International Equestrian Centre, Saxony Road, Horsley Park, NSW, 2175

On 17th July 2013, the Association changed it's name from The Equestrian Federation of Australia (NSW) Inc. to Equestrian NSW Incorporated.

20 PREPAID INCOME

Being membership's applicable to the current financial year, received prior to 1 July.

This figure was significantly higher in the financial year ended 30 June 2014, compared to the previous year, as a result of an earlier release of membership renewal documentation, concurrent with ICT availability.

21 AMOUNT DUE TO SPECIAL PROJECT

A levy of \$7.00 is put aside from every Senior Competitor membership received each year, in order to be used for Special Project funding.

The Special Projects to be granted funding is determined each year by the board, as per requests submitted, and is paid out of the annual amount of levies accrued, together with interest earned from the invested amount.

An adjustment was made on 30 June 2014 to align the amount shown in the Provision for Special Projects (SPF) with cash put aside and held specifically for this purpose. In previous years, interest on these SPF bank accounts and term deposits had not been allocated to the provision in the Balance Sheet.

Accordingly, a prior period adjustment amounting to \$50,141.52, being SPF related interest earned prior to 1 July 2013, has been transferred from Retained Earnings and allocated to the SPF provision in the Balance Sheet.

22 EVENTS SUBSEQUENT TO BALANCE DATE

The majority of income and expenses applicable to the Interschool's state championships, which were held in June 2014, were not actually received or paid until after the end of the financial year.

Accordingly, all income and expenditure applicable to this event have been accrued and brought to account in the year ended 30 June 2014.

The net effect of this accrual, amounting to \$91,242, is shown in Trade and Other Payables as other creditors.

23 INCREASES IN EXPENDITURE

Administration Costs:

The increase in administration costs compared to the previous year is mainly a result of the processing fee charged by Equestrian Online, the ICT facility engaged from 1 July 2013, which amounted to \$49,000. This cost was not passed onto members, but borne wholly by Equestrian NSW.

Wages & Salaries:

The increase of 9.3% in wages & salaries compared to the previous year is due to a 5% increase for office staff, effective September 2013 and payout of entitlements to the previous CEO.

EQUESTRIAN NSW INCORPORATED
A.B.N. 17 157 619 696

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Equestrian NSW Incorporated, the directors of the company declared that:

1. The financial statements and notes, as set out on pages 3 to 13, are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the company's financial position as at 30 June 2014 and of the performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director:

Judy Fasher



Director:

Michael Benson

Dated this 11th day of November 2014

JAMES MATHERS & CO.
CHARTERED ACCOUNTANTS
ABN 75 996 318 927

JAMES I. MATHERS B.A., F.C.A

27 BYDOWN STREET
NEUTRAL BAY N.S.W.2089

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EQUESTRIAN NSW INCORPORATED**

In accordance with Section 307c of the Corporations Act 2001 I declare that, to the best of my knowledge and belief, in relation to the audit of Equestrian NSW Incorporated for the financial year ended 30 June 2014 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: James Mathers & Co
Chartered Accountants

Auditor:


James I Mathers

Address: 27 Bydown Street
NEUTRAL BAY NSW

Dated this 10 day of November 2014

Ref: 36627_1



JAMES MATHERS & CO.
CHARTERED ACCOUNTANTS
ABN 75 996 318 927

JAMES I. MATHERS B.A., F.C.A

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EQUESTRIAN NSW INCORPORATED
ABN 17 157 619 696**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Equestrian NSW Incorporated Inc, which comprises the statement of financial position at 30 June 2014, the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 of the financial report that gives a true and fair view 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 directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Equestrian NSW Incorporated Inc would be in the same term if given to the directors as at the time of the auditor's report.

Auditor's Opinion

In our opinion, the financial report of Equestrian NSW Incorporated Inc is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the financial position as at 30 June 2014 and of its performance for the period then ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001

Name of Firm: James Mathers & Co
Chartered Accountants

Name of Principal: James Mathers
James I Mathers

Address: 27 Bydown Street, Neutral Bay

Dated this/day of *November* *2014*

Ref: 36628_1

