

FINANCE DIRECTOR'S REPORT

Charles Gregory



Financial Statements to 31 December 2017

I am pleased to report a solid financial year for Equestrian Queensland. Overall revenue increased by 40% to almost \$2.5 million. This financial outcome is largely the result of increased activities across our sporting committees, including hosting major events. Reassuringly, 2017 also marked the 4th consecutive year of growth for Equestrian Queensland and 6th consecutive operating surplus.

Expenditure remained within our budgeted projections and a consolidated surplus of \$181,000 was reported. Total cash at bank at balance date was \$962,000 which represents an increase from the previous year.

The surplus reported will ultimately be invested in the sport and our members to ensure our long-term sustainability as a membership focused organisation.

The board has also recommended to re-appoint our auditors Moore Stephens for the 2018 audit for adoption by the members at the 2017 AGM.

CHARLES GREGORY
EQUESTRIAN QUEENSLAND FINANCE DIRECTOR



EQUESTRIAN QUEENSLAND INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Equestrian Queensland Inc. (the Association), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Committee.

In our opinion, the accompanying financial report gives a true and fair view of the financial position the financial position of Equestrian Queensland Inc. as at 31 December 2017, and of its financial performance and its cash flows for the year ended in accordance with the financial reporting requirements of the *Associations Incorporations act (QLD) 1981* and the accounting policies described in Note 1 to the financial statements.

Basis for 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 statement' section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standard 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 audit opinion.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Equestrian Queensland Inc. to meet the requirements of the *Associations Incorporations Act (QLD) 1981*. As a result, the financial report may not be suitable for another purpose.

Committee's Responsibility for the Financial Report

The Committee of the Association is responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Act (Qld) 1981 and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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 the 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 the 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board'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 association'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 association 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 management 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.



Elizabeth Perez
Partner – Auditor
Moore Stephens NSW

Signed at Level 7, 9 Castlereagh Street, SYDNEY NSW 2000 on the 22th February 2018

EQUESTRIAN QUEENSLAND INC. STATEMENT BY 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 members of the Committee:

- a) The accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the Association for the year ended 31 December 2017;
- b) The accompanying statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2017; and
- c) At the date of this statement, there are reasonable grounds to believe that the Association 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:



.....
Chairman

Date – 20 February 2018

EQUESTRIAN QUEENSLAND INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

| | | 2017 | 2016 |
|-------------------------------------------|---|----------------|----------------|
| | | \$ | \$ |
| Revenue | 2 | 2,495,218 | 1,783,037 |
| Expenses | 3 | (2,313,449) | (1,657,203) |
| Net Surplus | | <u>181,769</u> | <u>125,834</u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | | <u>181,769</u> | <u>125,834</u> |

The accompanying notes form part of these financial statements

EQUESTRIAN QUEENSLAND INC.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

| | Notes | 2017 \$ | 2016 \$ |
|---------------------------------------------|-------|------------------|----------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | | 962,067 | 736,636 |
| Trade and Other Receivables | 4 | 14,110 | 8,170 |
| Prepayments | | 18,442 | 20,205 |
| Inventory | | 13,738 | 15,571 |
| TOTAL CURRENT ASSETS | | <u>1,008,357</u> | <u>780,582</u> |
| NON – CURRENT ASSETS | | | |
| Plant and Equipment | 5 | 143,881 | 112,496 |
| TOTAL ASSETS | | <u>1,152,238</u> | <u>893,078</u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | | 28,757 | 21,985 |
| Unearned Income | 6 | 159,419 | 96,695 |
| Employees Entitlements – Annual Leave | | 34,585 | 28,859 |
| Employees Entitlements – Long Service Leave | | 15,961 | 14,921 |
| TOTAL CURRENT LIABILITIES | | <u>238,722</u> | <u>162,460</u> |
| NON – CURRENT LIABILITIES | | | |
| Employees Entitlements – Long Service Leave | | 10,154 | 9,026 |
| TOTAL LIABILITIES | | <u>248,876</u> | <u>171,486</u> |
| NET ASSETS | | <u>903,362</u> | <u>721,592</u> |
| EQUITY | | | |
| Accumulated surplus | | <u>903,362</u> | <u>721,592</u> |

The accompanying notes form part of these financial statements

EQUESTRIAN QUEENSLAND INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Notes | 2017 | 2016 |
|--------------------------------------------------------|--------------|-----------------|-----------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members and grants from government | | 2,541,762 | 1,776,839 |
| Payments to suppliers | | (2,255,034) | (1,661,024) |
| Interest Received | | <u>12,004</u> | <u>8,093</u> |
| Net cash generated from operating activities | 7 | <u>298,732</u> | <u>123,908</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | <u>(73,301)</u> | <u>(16,532)</u> |
| Net cash (used in) investing activities | | <u>(73,301)</u> | <u>(16,532)</u> |
| Net increase in cash and cash equivalents held | | 225,431 | 107,376 |
| Cash and cash equivalents at the beginning of the year | | <u>736,636</u> | <u>629,260</u> |
| Cash and cash equivalents at the end of the year | | <u>962,067</u> | <u>736,636</u> |

The accompanying notes form part of these financial statements

EQUESTRIAN QUEENSLAND INC.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| Accumulated surplus | \$ |
|-----------------------------------|----------------|
| Balance 31 December 2015 | 595,758 |
| Comprehensive income for the year | <u>125,834</u> |
| Balance 31 December 2016 | 721,592 |
| Comprehensive income for the year | <u>181,769</u> |
| Balance 31 December 2017 | <u>903,362</u> |

The accompanying notes form part of these financial statements

EQUESTRIAN QUEENSLAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are special purpose financial statements prepared in order to satisfy the financial report requirements of the *Associations Incorporations Act (QLD) 1981*. The Committee has determined that the Association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

a) *Plant and equipment*

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Depreciation

Depreciation has been charged on plant and equipment at rates assessed to match the cost of each of the assets over their economic life. Depreciation rates vary from 10% to 30% and are applied on a diminishing value basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

b) *Cash and cash equivalents*

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdrafts.

c) *Financial instruments*

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

EQUESTRIAN QUEENSLAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of profit or loss and other comprehensive income.

Loans and receivables

Loans and receivables are non – derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held – to – maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held – to – maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available – for – sale financial assets

Available – for – sale financial assets include any financial assets not included in the above categories. Available – for – sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised as other comprehensive income.

Financial liabilities

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

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available – for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

EQUESTRIAN QUEENSLAND INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d) *Impairment of assets*

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash – generating unit to which the asset belongs.

e) *Income Tax*

No provision is made for income tax as the Committee considers the Association to be exempt from income tax pursuant to Section 50.5 of *The Income Tax Assessment Act 1997*.

f) *Employee entitlements*

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

A liability for long service leave is recognised, and its measured as the value of unconditional entitlements in respect of service periods exceeding five years, at pay rates applicable at the end of each reporting period.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

EQUESTRIAN QUEENSLAND INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method.

Membership income is recognised as revenue over the membership period. Unearned membership income in the statement of financial position represents amounts collected for memberships which have not yet been earned.

Grant income received from Government is brought to account when received except where unspent amounts are refundable, in which case the funding is recognised over the period of expenditure.

h) 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 Australian Taxation 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 positions are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Critical estimates and judgements

The committee evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the Association.

There were no significant estimates or judgements used by the committee in the preparation of these financial statements.

EQUESTRIAN QUEENSLAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the association, together with an assessment of the potential impact of such pronouncements on the association when adopted in future periods, are discussed below:

- **AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the committee anticipates that the adoption of AASB 16 will impact the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

EQUESTRIAN QUEENSLAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards for Application in Future Periods

- **AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).**

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

EQUESTRIAN QUEENSLAND INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards for Application in Future Periods

- **AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).**

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

Although the committee anticipates that the adoption of AASB 1058 may impact the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- **AASB 2016-4: *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2017)**

This Standard amends AASB 136: *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: *Intangible Assets* but applies to such assets accounted for under the cost model in those Statements.

AASB 2016-4 is not expected to have a significant impact on the association's financial statements.

EQUESTRIAN QUEENSLAND INC.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | | 2017 | 2016 |
|----------------------------------------------------------------------|-----|------------------|------------------|
| | | \$ | \$ |
| 2. REVENUE | | | |
| Queensland Government Grant | (9) | 200,000 | 200,000 |
| Equestrian Queensland | | 983,148 | 946,307 |
| Carriage Driving Queensland | | 3,500 | 4,000 |
| Dressage Queensland | | 604,564 | 288,880 |
| Eventing Queensland | | 114,416 | 49,462 |
| Show Horse Queensland | | 59,651 | 60,308 |
| Show jumping Queensland | | 160,008 | 138,899 |
| Vaulting Queensland | | 12,768 | 9,129 |
| Interschool Queensland | | 487,680 | 191,402 |
| | | <u>2,625,735</u> | <u>1,888,387</u> |
| Less: inter-discipline transactions | | <u>(130,517)</u> | <u>(105,350)</u> |
| Total Revenue | | <u>2,495,218</u> | <u>1,783,037</u> |
| 3. EXPENSES | | | |
| Administration expenses | | 203,173 | 179,193 |
| Depreciation | | 41,916 | 28,593 |
| Employee benefits expenses | | 479,816 | 454,259 |
| Membership and horse registration expenses | | 228,363 | 216,874 |
| Event expenses | | 1,123,777 | 511,776 |
| Other | | 236,404 | 266,508 |
| | | <u>2,313,449</u> | <u>1,657,203</u> |
| Total Expenses | | <u>2,313,449</u> | <u>1,657,203</u> |
| Expenditure has been incurred by the various disciplines as follows: | | | |
| Equestrian Queensland | | 1,120,715 | 1,069,841 |
| Carriage Driving Queensland | | 2,555 | 2,584 |
| Dressage Queensland | | 549,811 | 292,793 |
| Eventing Queensland | | 91,067 | 40,750 |
| Show Horse Queensland | | 48,032 | 47,941 |
| Show Jumping Queensland | | 133,883 | 112,183 |
| Vaulting Queensland | | 11,505 | 8,213 |
| Interschool Queensland | | 486,398 | 188,248 |
| | | <u>2,443,966</u> | <u>1,762,553</u> |
| Less: inter-discipline transactions | | <u>(130,517)</u> | <u>(105,350)</u> |
| | | <u>2,313,449</u> | <u>1,657,203</u> |

EQUESTRIAN QUEENSLAND INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| | 2017 | 2016 |
|--------------------------------------------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| 4. TRADE AND OTHER RECEIVABLES | | |
| Trade and other receivables | 14,110 | 8,170 |
| Less: provision for impaired debts | - | - |
| | <u>14,110</u> | <u>8,170</u> |
| 5. PLANT AND EQUIPMENT | | |
| Cost | 279,634 | 260,529 |
| Less: accumulated depreciation | <u>(135,753)</u> | <u>(148,033)</u> |
| Total plant and equipment | <u>143,881</u> | <u>112,496</u> |
| 6. UNEARNED INCOME | | |
| Unearned membership income | <u>159,419</u> | <u>96,695</u> |
| | <u>159,419</u> | <u>96,695</u> |
| 7. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH NET SURPLUS | | |
| Net Surplus | 181,769 | 125,834 |
| Non – cash flows items | | |
| Depreciation | 32,962 | 28,593 |
| Write off of equipment | 8,954 | 1,832 |
| Changes in assets and liabilities | | |
| Decrease / (Increase) in trade receivables and prepayments | (4,177) | 6,820 |
| (Decrease) / Increase in trade and other payables | 13,539 | (18,521) |
| (Decrease) / Increase in unearned income | 62,724 | (21,045) |
| (Decrease) / Increase in accrued employee entitlements | 1,128 | 2,239 |
| Decrease/(Increase) in inventory | <u>1,833</u> | <u>(1,844)</u> |
| Cash flows from operating activities | <u>298,732</u> | <u>123,908</u> |
| 8. OPERATING LEASE COMMITMENTS | | |
| Non – cancellable operating leases contracted for but not recognised in the financial statements | | |
| Payable – minimum lease payments | | |
| Not later than 12 months | 19,090 | 21,756 |
| Between 12 months and five years | - | 6,441 |
| | <u>19,090</u> | <u>28,197</u> |
| 9. GOVERNMENT GRANTS | | |
| Grant received from State of Queensland (1) | <u>200,000</u> | <u>200,000</u> |
| | <u>200,000</u> | <u>200,000</u> |

(1) This grant is through the Department of National Parks, Recreation, Sport and Racing. It represents 8% of total revenue for 2017. (2016: 11.2%)

EQUESTRIAN QUEENSLAND INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the year end of the financial year which significantly affected or may affect the operations of the Association, the result of those operations, or the state of affairs of the Association in the future.

11. CONTINGENT LIABILITIES

There are no contingent liabilities or contingent assets as at the balance date.