



**EQUESTRIAN QUEENSLAND INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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## Independent Auditor's Report to the Members of Equestrian Queensland Inc.

### **Report on the Financial Report**

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 2016, 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.

### *Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Equestrian Queensland Inc. as at 31 December 2016, 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.

### *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.

*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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 Committee, 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 our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

*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.



Elizabeth Perez  
Partner – Auditor  
Moore Stephens NSW

Date: 22 February 2017

**EQUESTRIAN QUEENSLAND INC. STATEMENT BY THE COMMITTEE**

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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 2016;
- 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 2016; 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 - 21 FEB 2017

**EQUESTRIAN QUEENSLAND INC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

		<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	1,783,037	1,741,753
Expenses	3	(1,657,203)	(1,668,743)
Net Surplus		<u>125,834</u>	<u>73,010</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>125,834</u>	<u>73,010</u>

The accompanying notes form part of these financial statements

**EQUESTRIAN QUEENSLAND INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		736,636	629,260
Trade and other receivables	4	8,170	10,065
Prepayments		20,205	25,130
Inventory		15,571	13,727
<b>TOTAL CURRENT ASSETS</b>		<u>780,582</u>	<u>678,182</u>
<b>NON – CURRENT ASSETS</b>			
Plant and equipment	5	112,496	126,389
<b>TOTAL ASSETS</b>		<u>893,078</u>	<u>804,571</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		21,985	40,506
Unearned income	6	96,695	117,740
Employees entitlements – annual leave		28,859	30,321
Employees entitlements – long service leave		14,921	12,983
<b>TOTAL CURRENT LIABILITIES</b>		<u>162,460</u>	<u>201,550</u>
<b>NON – CURRENT LIABILITIES</b>			
Employees entitlements – long service leave		9,026	7,263
<b>TOTAL LIABILITIES</b>		<u>171,486</u>	<u>208,813</u>
<b>NET ASSETS</b>		<u>721,592</u>	<u>595,758</u>
<b>EQUITY</b>			
Accumulated surplus		<u>721,592</u>	<u>595,758</u>

The accompanying notes form part of these financial statements

**EQUESTRIAN QUEENSLAND INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and grants from government		1,776,839	1,778,058
Payments to suppliers		(1,661,024)	(1,656,773)
Interest Received		8,093	11,062
<b>Net cash generated from operating activities</b>	<b>7</b>	<b>123,908</b>	<b>132,347</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(16,532)	(33,219)
<b>Net cash (used) in investing activities</b>		<b>(16,532)</b>	<b>(33,219)</b>
<b>Net increase in cash and cash equivalents held</b>		<b>107,376</b>	<b>99,128</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>629,260</b>	<b>530,132</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>736,636</b>	<b>629,260</b>

The accompanying notes form part of these financial statements

**EQUESTRIAN QUEENSLAND INC.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>Accumulated surplus</b>	<b>\$</b>
Balance 31 December 2014	522,748
Comprehensive income for the year	<u>73,010</u>
Balance 31 December 2015	595,758
Comprehensive income for the year	<u>125,834</u>
Balance 31 December 2016	<u>721,592</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 2016**

**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:

*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

**EQUESTRIAN QUEENSLAND INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

*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.

**EQUESTRIAN QUEENSLAND INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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.

**EQUESTRIAN QUEENSLAND INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**i) *Adoption of New and revised Accounting Standards***

There are no accounting standards issued between the previous financial statements and the current reporting date that have a material impact in the Association.

**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 2016**

		<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>			
Queensland Government Grant	(9)	200,000	200,000
Equestrian Queensland		946,307	824,187
Carriage Driving Queensland		4,000	5,133
Dressage Queensland		288,880	387,872
Eventing Queensland		49,462	46,963
Show Horse Queensland		60,308	42,374
Show jumping Queensland		138,899	103,772
Vaulting Queensland		9,129	42,347
Interschool Queensland		191,402	221,468
		<u>1,888,387</u>	<u>1,874,116</u>
Less: inter-discipline transactions		<u>(105,350)</u>	<u>(132,363)</u>
Total Revenue		<u>1,783,037</u>	<u>1,741,753</u>
<b>3. EXPENSES</b>			
Administration expenses		179,193	166,977
Depreciation		28,593	33,440
Employee benefits expenses		454,259	456,636
Membership and horse registration expenses		216,874	205,416
Event expenses		511,776	599,745
Other		266,508	206,529
		<u>1,657,203</u>	<u>1,668,743</u>
Total Expenses		<u>1,657,203</u>	<u>1,668,743</u>
Expenditure has been incurred by the various disciplines as follows:			
Equestrian Queensland		1,069,841	993,687
Carriage Driving Queensland		2,584	1,114
Dressage Queensland		292,793	391,381
Eventing Queensland		40,750	45,823
Show Horse Queensland		47,941	38,426
Show Jumping Queensland		112,183	96,770
Vaulting Queensland		8,213	34,589
Interschool Queensland		188,248	199,316
		<u>1,762,553</u>	<u>1,801,106</u>
Less: inter-discipline transactions		<u>(105,350)</u>	<u>(132,363)</u>
		<u>1,657,203</u>	<u>1,668,743</u>

**EQUESTRIAN QUEENSLAND INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	8,170	10,065
Less: provision for impaired debts	-	-
	<u>8,170</u>	<u>10,065</u>
<b>5. PLANT AND EQUIPMENT</b>		
Cost	260,529	249,070
Less: accumulated depreciation	<u>(148,033)</u>	<u>(122,681)</u>
Total plant and equipment	<u>112,496</u>	<u>126,389</u>
<b>6. UNEARNED INCOME</b>		
Unearned membership income	<u>96,695</u>	<u>117,740</u>
	<u>96,695</u>	<u>117,740</u>
<b>7. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH NET SURPLUS</b>		
Net Surplus	125,834	73,010
Non – cash flows items		
Depreciation	28,593	19,568
Write off of equipment	1,832	13,873
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in trade receivables and prepayments	6,820	(15,454)
(Decrease) / Increase in trade and other payables	(18,521)	8,721
(Decrease) / Increase in unearned income	(21,045)	35,119
Increase in accrued employee entitlements	2,239	11,237
(Increase) in inventory	<u>(1,844)</u>	<u>(13,727)</u>
Cash flows from operating activities	<u>123,908</u>	<u>132,347</u>
<b>8. OPERATING LEASE COMMITMENTS</b>		
Non – cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments		
Not later than 12 months	21,756	18,060
Between 12 months and five years	6,441	-
	<u>28,197</u>	<u>18,060</u>
<b>9. GOVERNMENT GRANTS</b>		
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 11.2% of total revenue for 2016. (2015: 11.5%)

**EQUESTRIAN QUEENSLAND INC.  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

