



# **Equestrian Queensland Inc.**

## **Financial Statements**

**For the Year Ended 31 December 2020**

**Equestrian Queensland Inc.**

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**For the Year Ended 31 December 2020**

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**Equestrian Queensland Inc.**

**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Equestrian Queensland Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Charles Oosthuizen  
Moore Australia Audit NSW  
10 March 2021

Level 14, 9 Castlereagh Street, Sydney, NSW, 2000

Equestrian Queensland Inc.

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2020**

		2020	2019
	Note	\$	\$
Revenue	4	1,970,858	2,177,553
Expenses	5	(1,648,882)	(2,129,934)
<b>Net Surplus</b>		<b>321,976</b>	47,619
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>321,976</b>	47,619

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

**Statement of Financial Position**

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	1,533,507	1,047,711
Trade and other receivables	6	18,795	19,190
Inventories		25,093	23,362
Prepayments		13,381	28,948
<b>TOTAL CURRENT ASSETS</b>		<b>1,590,776</b>	<b>1,119,211</b>
NON-CURRENT ASSETS			
Property, plant and equipment	8	125,093	136,662
<b>TOTAL NON-CURRENT ASSETS</b>		<b>125,093</b>	<b>136,662</b>
<b>TOTAL ASSETS</b>		<b>1,715,869</b>	<b>1,255,873</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	131,396	100,828
Unearned Income	9	209,141	113,014
Employee Entitlements - Annual Leave		33,537	20,800
Employee Entitlements - Long service leave		25,816	22,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>399,890</b>	<b>257,142</b>
NON-CURRENT LIABILITIES			
Employee Entitlements - Long service leave		-	4,728
<b>TOTAL LIABILITIES</b>		<b>399,890</b>	<b>261,870</b>
<b>NET ASSETS</b>		<b>1,315,979</b>	<b>994,003</b>
<b>EQUITY</b>			
Retained earnings		1,315,979	994,003
<b>TOTAL EQUITY</b>		<b>1,315,979</b>	<b>994,003</b>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

## Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 January 2020</b>	<b>994,003</b>	<b>994,003</b>
Comprehensive income for the year	<b>321,976</b>	<b>321,976</b>
<b>Balance at 31 December 2020</b>	<b>1,315,979</b>	<b>1,315,979</b>

2019

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 January 2019</b>	946,384	946,384
Comprehensive income for the year	47,619	47,619
<b>Balance at 31 December 2019</b>	<b>994,003</b>	<b>994,003</b>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

**Statement of Cash Flows**  
**For the Year Ended 31 December 2020**

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and grants from governments	2,057,561	2,098,177
Payments to suppliers and employees	(1,558,866)	(2,123,009)
Interest received	9,820	18,157
Net cash provided by/(used in) operating activities	11 <u>508,515</u>	<u>(6,675)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	<u>(22,719)</u>	<u>(39,693)</u>
Net cash provided by/(used in) investing activities	<u>(22,719)</u>	<u>(39,693)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	485,796	(46,368)
Cash and cash equivalents at beginning of year	<u>1,047,711</u>	<u>1,094,079</u>
Cash and cash equivalents at end of financial year	7 <u><u>1,533,507</u></u>	<u><u>1,047,711</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 1 Basis of Preparation

In the opinion of those charged with Governance the association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

### 2 Summary of Significant Accounting Policies

#### 2.1. Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the association, commencing when the asset is ready for use. 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 disposal 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.

#### 2.2. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### 2.3. Financial instruments

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.



## Notes to the Financial Statements

### For the Year Ended 31 December 2020

## 2 Summary of Significant Accounting Policies

### 2.3. Financial instruments

#### Financial assets

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The association's trade and other receivables fall into this category of financial instruments.

In some circumstances, the association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the association to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The association has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

## Notes to the Financial Statements

For the Year Ended 31 December 2020

### 2 Summary of Significant Accounting Policies

#### 2.3. Financial instruments

##### Impairment of Financial Assets

At the end of the reporting period the association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### 2.4. Income Tax

The association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### 2.5. Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

#### 2.6. Adoption of new and revised accounting standards

The association has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the association.

#### 2.7. Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 2 Summary of Significant Accounting Policies

##### 2.7. Revenue and other income

###### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

###### Subscriptions

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.

##### 2.8. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**4 Revenue**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Queensland Government Grant	<b>229,354</b>	245,000
Equestrian Queensland	<b>1,256,575</b>	1,128,565
Carriage Driving Queensland	<b>4,296</b>	4,250
Dressage Queensland	<b>197,096</b>	369,890
Eventing Queensland	<b>81,279</b>	120,953
Show Horse Queensland	<b>113,248</b>	88,954
Show jumping Queensland	<b>94,628</b>	184,533
Vaulting Queensland	<b>3,666</b>	8,133
Interschool Queensland	<b>130,788</b>	187,512
	<b>2,110,930</b>	2,337,790
Less: inter-discipline transactions	<b>(140,072)</b>	(160,237)
<b>Total Revenue</b>	<b>1,970,858</b>	<b>2,177,553</b>

**5 Expenses**

**5.1. Expenses by function**

Administration expenses	<b>183,444</b>	241,120
Depreciation and write-offs	<b>34,288</b>	41,692
Employee benefits expenses	<b>512,123</b>	490,893
Membership and horse registration expenses	<b>271,972</b>	284,727
Event Expenses	<b>423,680</b>	759,882
Other	<b>223,375</b>	311,620
<b>Total expenses</b>	<b>1,648,882</b>	<b>2,129,934</b>

**5.2. Expenditure has been incurred by the various disciplines as follows**

(i) <b>Expenditure has been incurred by the various disciplines as follows</b>		
Equestrian Queensland	<b>1,270,565</b>	1,314,716
Carriage Driving Queensland	<b>1,525</b>	1,597
Dressage Queensland	<b>157,932</b>	406,943
Eventing Queensland	<b>72,905</b>	99,540
Show Horse Queensland	<b>100,233</b>	73,452
Showjumping Queensland	<b>59,330</b>	192,633
Vaulting Queensland	<b>1,622</b>	6,531
Interschool Queensland	<b>124,843</b>	194,758
Less: inter-discipline transactions	<b>(140,072)</b>	(160,236)
<b>Total expenses by discipline</b>	<b>1,648,883</b>	<b>2,129,934</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2020**

**6 Trade and Other Receivables**

	2020	2019
	\$	\$
CURRENT		
Trade and other receivables	<u>18,795</u>	19,190
<b>Total current trade and other receivables</b>	<u><u>18,795</u></u>	<u>19,190</u>

**7 Cash and Cash Equivalents**

Cash at bank and in hand	<u>1,533,507</u>	1,047,711
Cash and cash equivalents	<u><u>1,533,507</u></u>	<u>1,047,711</u>

**8 Plant and equipment**

Plant and equipment		
At cost	271,214	286,548
Accumulated depreciation	<u>(155,329)</u>	<u>(161,952)</u>
Total plant and equipment	<u>115,885</u>	124,596
Motor vehicles		
At cost	40,206	40,206
Accumulated depreciation	<u>(30,998)</u>	<u>(28,140)</u>
Total motor vehicles	<u>9,208</u>	12,066
<b>Total property, plant and equipment</b>	<u><u>125,093</u></u>	<u>136,662</u>

**9 Unearned income**

CURRENT		
Unearned membership income	109,141	91,314
Funding received in advance	<u>100,000</u>	<u>21,700</u>
<b>Total</b>	<u><u>209,141</u></u>	<u>113,014</u>

**10 Trade and Other Payables**

Current		
Trade payables	4,651	15,071
GST payable	13,875	2,986
Sundry payables and accrued expenses	92,577	63,030
Other payables	<u>20,293</u>	<u>19,741</u>
	<u><u>131,396</u></u>	<u>100,828</u>

## Notes to the Financial Statements

### For the Year Ended 31 December 2020

#### 11 Cash Flow Information

##### 11.1. Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	<b>321,976</b>	47,618
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation expense	<b>34,288</b>	41,692
Changes in assets and liabilities:		
- Decrease / (Increase) in trade receivables and prepayments	<b>15,962</b>	(13,497)
-(Decrease) / Increase in trade and other payables	<b>30,568</b>	(29,494)
- (Decrease) / Increase in unearned income	<b>96,127</b>	(48,552)
- (Decrease) / Increase in accrued employee entitlements	<b>11,325</b>	(2,514)
- Decrease / (Increase) in Inventories	<b>(1,731)</b>	(1,928)
Cashflows from operations	<b><u>508,515</u></b>	<b><u>(6,675)</u></b>

#### 12 Events after the end of the Reporting Period

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

#### 13 Contingencies

In the opinion of those charged with governance, the association did not have any contingencies at 31 December 2020 (31 December 2019:None).

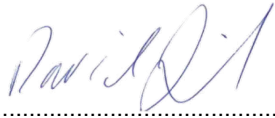
**Equestrian Queensland Inc.**

## **Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Responsible person .....

Dated 10 March 2021



**Equestrian Queensland Inc.**

## **Independent Audit Report to the members of Equestrian Queensland Inc.**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Equestrian Queensland Inc., which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Equestrian Queensland Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### **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 Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### **Responsibilities of Responsible Entities for the Financial Report**

The responsible entities of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.





**Equestrian Queensland Inc.**

## **Independent Audit Report to the members of Equestrian Queensland Inc.**

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity 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.



**Equestrian Queensland Inc.**

## **Independent Audit Report to the members of Equestrian Queensland Inc.**

We communicate with those charged with governance 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.

*Moore Australia*

**Moore Australia Audit NSW**

A handwritten signature in black ink, appearing to read 'C. Oosthuizen'.

Charles Oosthuizen  
Partner - Audit and Assurance  
Level 14, 9 Castlereagh Street, Sydney, NSW, 2000  
10 March 2021