



Equestrian Queensland Inc.

Financial Statements

For the Year Ended 31 December 2022

Equestrian Queensland Inc.

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For the Year Ended 31 December 2022

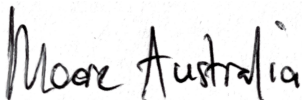
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Equestrian Queensland Inc.

Auditor's Independence Declaration 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 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Moore Australia Audit NSW



Dudley Belling
Audit Director

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

21 March 2023

Equestrian Queensland Inc.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Revenue	4	2,167,145	2,162,736
Expenses	5	(2,252,077)	(2,051,602)
Net (deficit)/surplus		(84,932)	111,134
Other comprehensive income		-	-
Total (deficit)/surplus for the period		(84,932)	111,134

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,551,146	1,640,451
Trade and other receivables	7	95,268	47,931
Inventories		16,600	25,025
Prepayments		4,382	4,300
TOTAL CURRENT ASSETS		<u>1,667,396</u>	<u>1,717,707</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	119,365	116,162
TOTAL NON-CURRENT ASSETS		<u>119,365</u>	<u>116,162</u>
TOTAL ASSETS		<u>1,786,761</u>	<u>1,833,869</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	88,251	97,559
Deferred income	10	282,123	243,873
Employee benefits	11	74,206	65,324
TOTAL CURRENT LIABILITIES		<u>444,580</u>	<u>406,756</u>
TOTAL LIABILITIES		<u>444,580</u>	<u>406,756</u>
NET ASSETS		<u>1,342,181</u>	<u>1,427,113</u>
EQUITY			
Accumulated surplus		<u>1,342,181</u>	<u>1,427,113</u>
TOTAL EQUITY		<u>1,342,181</u>	<u>1,427,113</u>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Changes in Equity
For the Year Ended 31 December 2022

2022

	Accumulated surplus	Total
	\$	\$
Balance at 1 January 2022	1,427,113	1,427,113
Deficit for the period	<u>(84,932)</u>	<u>(84,932)</u>
Balance at 31 December 2022	<u>1,342,181</u>	<u>1,342,181</u>

2021

	Accumulated surplus	Total
	\$	\$
Balance at 1 January 2021	1,315,979	1,315,979
Surplus for the period	<u>111,134</u>	<u>111,134</u>
Balance at 31 December 2021	<u>1,427,113</u>	<u>1,427,113</u>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Cash Flows
For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and government grants	2,150,383	2,166,733
Payments to suppliers and employees	(2,213,792)	(2,048,607)
Interest received	7,675	6,598
Net cash (used in)/provided by operating activities	12 <u>(55,734)</u>	<u>124,724</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	<u>(33,571)</u>	<u>(17,780)</u>
Net cash used in investing activities	<u>(33,571)</u>	<u>(17,780)</u>
Net (decrease)/increase in cash and cash equivalents held	(89,305)	106,944
Cash and cash equivalents at beginning of financial year	<u>1,640,451</u>	<u>1,533,507</u>
Cash and cash equivalents at end of financial year	6 <u>1,551,146</u>	<u>1,640,451</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2022

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 *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*.

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

(a) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, current accounts, deposits at call 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.

(b) 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).

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(b) Financial Instruments

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(b) Financial Instruments

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Any gains or losses recognised in OCI will be reclassified to profit or loss upon derecognition of the asset. This category includes corporate bonds that were previously classified as 'available-for-sale' under AASB 139.

(c) Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade receivables are financial assets stated initially at fair value which is taken to be their transaction cost and subsequently at their amortised cost less any loss allowance. Loss allowance is based on lifetime expected credit losses assessed and determined at initial recognition and subsequently adjusted for any changes in expectation.

(d) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid and arise when the entity becomes obliged to make future payments in respect of purchase of these goods and services. These amounts are unsecured.

(e) Property, Plant and Equipment

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

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the association, commencing when the asset is ready for use. Depreciation rates vary from 10% to 67%.

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.

(f) 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.

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(g) 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.

(h) Revenue and Other Income

When the association receives income, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with the applicable accounting standards.

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the transaction;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable standards;
- recognises related amounts (provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(h) Revenue and Other Income

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.

(i) Income Tax

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

3. Critical Accounting Estimates and Judgments

The responsible persons 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 - 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.

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.

Notes to the Financial Statements
For the Year Ended 31 December 2022

4 Revenue

(a) Revenue has been incurred by function as follows:

	2022	2021
	\$	\$
Membership fees	946,603	898,459
Events	490,996	750,788
Government grants	226,830	204,545
Horse registration	141,226	154,415
Squads and teams	61,624	65,479
Administration	131,870	51,163
Clinics, courses and seminars	145,116	21,381
Interest received	7,675	6,598
Other revenue	15,205	9,908
Total revenue by function	<u>2,167,145</u>	<u>2,162,736</u>

(b) Revenue has been incurred by the various disciplines as follows:

Queensland Government Grant	226,830	204,545
Equestrian Queensland	1,222,058	1,081,564
Dressage Queensland	297,838	323,565
Inter-school Queensland	328,247	267,982
Show Jumping Queensland	6,806	208,058
Show Horse Queensland	100,233	96,722
Eventing Queensland	69,209	94,397
Carriage Driving Queensland	5,955	11,543
Vaulting Queensland	11,707	3,653
Less: Inter-discipline transactions	(101,738)	(129,293)
Total revenue by discipline	<u>2,167,145</u>	<u>2,162,736</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

5. Expenses

(a) Expenditure has been incurred by function as follows:

	2022	2021
	\$	\$
Event expenses	712,220	742,265
Employee benefits expenses	634,747	565,387
Membership and horse registration expenses	309,493	276,758
Administration expenses	204,718	227,574
Depreciation expense	30,368	26,710
Other expenses	360,531	212,908
Total expenses by function	<u>2,252,077</u>	<u>2,051,602</u>

(b) Expenditure has been incurred by the various disciplines as follows:

Equestrian Queensland	1,454,649	1,250,203
Dressage Queensland	341,959	314,848
Inter-school Queensland	338,781	239,846
Show Jumping Queensland	12,843	180,076
Show Horse Queensland	126,429	101,538
Eventing Queensland	69,932	88,462
Carriage Driving Queensland	1,173	4,499
Vaulting Queensland	8,050	1,423
Less: Inter-discipline transactions	(101,739)	(129,293)
Total expenses by discipline	<u>2,252,077</u>	<u>2,051,602</u>

6. Cash and Cash Equivalents

Cash on hand	50	50
Current accounts	85,031	56,804
Deposits at call	863,008	809,997
Short-term deposits	603,057	773,600
Total cash and cash equivalents	<u>1,551,146</u>	<u>1,640,451</u>

7. Trade and Other Receivables

Trade and other receivables	105,268	57,931
Less: Provision for expected credit losses	(10,000)	(10,000)
Total trade and other receivables	<u>95,268</u>	<u>47,931</u>

Notes to the Financial Statements
For the Year Ended 31 December 2022

8. Property, Plant and Equipment

	2022	2021
	\$	\$
Plant and equipment		
At cost	322,564	288,993
Accumulated depreciation	(208,581)	(179,868)
Total plant and equipment	113,983	109,125
Motor vehicles		
At cost	40,206	40,206
Accumulated depreciation	(34,824)	(33,169)
Total motor vehicles	5,382	7,037
Total property, plant and equipment	119,365	116,162

9. Trade and Other Payables

Trade payables	27,215	1,742
GST payable	12,660	32,940
Sundry payables and accrued expenses	23,763	37,635
Other payables	24,613	25,242
Total trade and other payables	88,251	97,559

10. Unearned Income

Unearned membership income	182,123	143,873
Funding received in advance	100,000	100,000
Total unearned income	282,123	243,873

11 Employee Benefits

Long service leave	33,039	28,816
Annual leave	41,167	36,508
Total employee benefits	74,206	65,324

Notes to the Financial Statements

For the Year Ended 31 December 2022

12. Cash Flow Information

Reconciliation of (deficit)/surplus to net cash provided by operating activities:

	2022	2021
	\$	\$
(Deficit)/surplus for the period	(84,932)	111,134
Non-cash flows in (deficit)/surplus:		
Depreciation expense	30,368	26,710
Changes in assets and liabilities:		
- (Increase) in trade receivables and prepayments	(47,419)	(20,055)
- (Decrease) in trade and other payables	(9,308)	(33,835)
- Increase in unearned income	38,250	34,731
- Increase in accrued employee entitlements	8,882	5,971
- Decrease in inventories	8,425	68
Cash flows from operating activities	(55,734)	124,724

13. 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.

14. Contingencies

In the opinion of those charged with governance, the association did not have any contingencies at 31 December 2022 (31 December 2021: Nil).

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;
- the financial statements and notes comply with the basis of accounting described in Note 1 to the financial report; and
- the financial statements and notes satisfy the requirements of the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*.

Signed in accordance with the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*.



Responsible person ...Nicholas Ballard.....

Dated 20 March 2023

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. (the Registered Entity), which comprises the statement of financial position as at 31 December 2022, 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 accompanying financial report of the Registered Entity has been prepared in accordance with the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*.

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 *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* 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 *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)*. 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 Persons for the Financial Report

The responsible persons 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 *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* and the needs of the members. The responsible persons' responsibility also includes such internal control as they 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.

In preparing the financial report, the responsible persons 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 persons either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

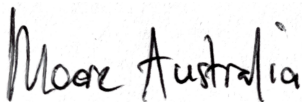
Equestrian Queensland Inc.

Independent Audit Report to the Members of Equestrian Queensland Inc.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'Moore Australia'.

Moore Australia Audit NSW

A handwritten signature in black ink, appearing to be 'Dudley Belling'.

Dudley Belling
Audit Director

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

21 March 2023