



Equestrian Queensland Inc.

Financial Statements

For the Year Ended 31 December 2021

Equestrian Queensland Inc.

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For the Year Ended 31 December 2021

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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 2021, 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.



Charles Oosthuizen
Moore Australia Audit NSW
17 March 2022

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 2021

		2021	2020
	Note	\$	\$
Revenue	4	2,162,736	1,970,858
Expenses	5	(2,051,602)	(1,648,882)
Net surplus		111,134	321,976
Other comprehensive income		-	-
Total surplus for the period		111,134	321,976

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,640,451	1,533,507
Trade and other receivables	7	47,931	18,795
Inventories		25,025	25,093
Prepayments		4,300	13,381
TOTAL CURRENT ASSETS		<u>1,717,707</u>	<u>1,590,776</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	116,162	125,093
TOTAL NON-CURRENT ASSETS		<u>116,162</u>	<u>125,093</u>
TOTAL ASSETS		<u>1,833,869</u>	<u>1,715,869</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	97,559	131,396
Unearned income	10	243,873	209,141
Employee benefits	11	65,324	59,353
TOTAL CURRENT LIABILITIES		<u>406,756</u>	<u>399,890</u>
TOTAL LIABILITIES		<u>406,756</u>	<u>399,890</u>
NET ASSETS		<u>1,427,113</u>	<u>1,315,979</u>
EQUITY			
Accumulated surplus		<u>1,427,113</u>	<u>1,315,979</u>
TOTAL EQUITY		<u>1,427,113</u>	<u>1,315,979</u>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Changes in Equity
For the Year Ended 31 December 2021

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>

2020

	Accumulated surplus	Total
	\$	\$
Balance at 1 January 2020	994,003	994,003
Surplus for the period	<u>321,976</u>	<u>321,976</u>
Balance at 31 December 2020	<u>1,315,979</u>	<u>1,315,979</u>

The accompanying notes form part of these financial statements.

Equestrian Queensland Inc.

Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and government grants	2,166,733	2,057,561
Payments to suppliers and employees	(2,048,607)	(1,558,866)
Interest received	6,598	9,820
Net cash provided by operating activities	12	508,515
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(17,780)	(22,719)
Net cash used in investing activities	(17,780)	(22,719)
Net increase in cash and cash equivalents held	106,944	485,796
Cash and cash equivalents at beginning of financial year	1,533,507	1,047,711
Cash and cash equivalents at end of financial year	6	1,533,507

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

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

2.1. 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.

2.2. 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 are divided into the following categories which are described in detail below:

- loans and receivables; and
- 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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies

2.2. Financial Instruments

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.

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies

2.2. Financial Instruments

Impairment of Financial Assets

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.

2.3. 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 assets useful life to the association, commencing when the asset is ready for use. Depreciation rates vary from 10% to 67% 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.

2.4. 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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Summary of Significant Accounting Policies

2.6. 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.

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.

2.7. 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

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 - 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 2021

4. Revenue

4.1. Revenue has been incurred by function as follows:

	2021	2020
	\$	\$
Membership fees	898,459	830,389
Events	750,788	404,154
Government grants	204,545	229,354
Horse registration	154,415	129,457
Squads and teams	65,479	46,913
Administration	51,163	295,959
Clinics, courses and seminars	21,381	23,804
Interest received	6,598	9,820
Other revenues	9,908	1,008
Total revenue by function	<u>2,162,736</u>	<u>1,970,858</u>

4.2. Revenue has been incurred by the various disciplines as follows:

Queensland Government Grant	204,545	229,354
Equestrian Queensland	1,081,564	1,256,575
Dressage Queensland	323,565	197,096
Interschool Queensland	267,982	130,788
Show Jumping Queensland	208,058	94,628
Show Horse Queensland	96,722	113,248
Eventing Queensland	94,397	81,279
Carriage Driving Queensland	11,543	4,296
Vaulting Queensland	3,653	3,666
Less: Inter-discipline Transactions	(129,293)	(140,072)
Total revenue by discipline	<u>2,162,736</u>	<u>1,970,858</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

5. Expenses

5.1. Expenditure has been incurred by function as follows:

	2021	2020
	\$	\$
Event expenses	742,265	423,680
Employee benefits expenses	565,387	512,123
Membership and horse registration expenses	276,758	271,972
Administration expenses	227,574	183,444
Depreciation, bad debts and write-offs	26,710	34,288
Other expenses	212,908	223,375
Total expenses by function	<u>2,051,602</u>	<u>1,648,882</u>

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

Equestrian Queensland	1,250,203	1,270,565
Dressage Queensland	314,848	157,932
Interschool Queensland	239,846	124,843
Show Jumping Queensland	180,076	59,330
Show Horse Queensland	101,538	100,233
Eventing Queensland	88,462	72,905
Carriage Driving Queensland	4,499	1,525
Vaulting Queensland	1,423	1,621
Less: Inter-discipline Transactions	(129,293)	(140,072)
Total expenses by discipline	<u>2,051,602</u>	<u>1,648,882</u>

6. Cash and Cash Equivalents

Cash on hand	50	50
Current accounts	56,804	112,409
Deposits at call	809,997	760,042
Short-term deposits	773,600	661,006
Total cash and cash equivalents	<u>1,640,451</u>	<u>1,533,507</u>

7. Trade and Other Receivables

Trade and other receivables	57,931	18,795
Less: Provision for expected credit losses	(10,000)	-
Total trade and other receivables	<u>47,931</u>	<u>18,795</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Property, Plant and Equipment

	2021	2020
	\$	\$
At cost	288,993	271,214
Accumulated depreciation	<u>(179,868)</u>	<u>(155,329)</u>
Total plant and equipment	<u>109,125</u>	<u>115,885</u>
Motor vehicles		
At cost	40,206	40,206
Accumulated depreciation	<u>(33,169)</u>	<u>(30,998)</u>
Total motor vehicles	<u>7,037</u>	<u>9,208</u>
Total property, plant and equipment	<u>116,162</u>	<u>125,093</u>

9. Trade and Other Payables

Trade payables	1,742	4,651
GST payable	32,940	13,875
Sundry payables and accrued expenses	37,635	92,577
Other payables	<u>25,242</u>	<u>20,293</u>
Total trade and other payables	<u>97,559</u>	<u>131,396</u>

10. Unearned Income

Unearned membership income	143,873	109,141
Funding received in advance	<u>100,000</u>	<u>100,000</u>
Total unearned income	<u>243,873</u>	<u>209,141</u>

11 Employee Benefits

Long service leave	28,816	25,816
Annual leave	<u>36,508</u>	<u>33,537</u>
Total employee benefits	<u>65,324</u>	<u>59,353</u>

Notes to the Financial Statements

For the Year Ended 31 December 2021

12. Cash Flow Information

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

	2021	2020
	\$	\$
Comprehensive income for the period	111,134	321,976
Non-cash flows in profit:		
Depreciation, bad debts and write-offs	26,710	34,288
Changes in assets and liabilities:		
- Decrease / (Increase) in trade receivables and prepayments	(20,055)	15,962
- (Decrease) / Increase in trade and other payables	(33,835)	30,568
- Increase in unearned income	34,731	96,127
- Increase in accrued employee entitlements	5,971	11,325
- Decrease / (Increase) in Inventories	68	(1,731)
Cash flows from operating activities	124,724	508,515

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 2021 (31 December 2020: 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; 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 

Dated 16 March 2022

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 2021, 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 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 2021 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.

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 persons.
- Conclude on the appropriateness of the responsible persons' 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.

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 Audit NSW

A handwritten signature in black ink, appearing to read 'C. Oosthuizen', written over a light blue circular stamp.

Charles Oosthuizen
Partner - Audit and Assurance
Level 14, 9 Castlereagh Street, Sydney, NSW, 2000
17 March 2022