

**EQUESTRIAN VICTORIA INC.**

(Incorporated under the Associations Incorporation Reform Act 2012)

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2014**

## INDEPENDENT AUDITOR'S REPORT

To the members of Equestrian Victoria Incorporated

### Report on the Financial Report

We have audited the accompanying financial report of Equestrian Victoria Incorporated, which comprises the statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

#### Committee Members' Responsibility for the Financial Report

Committee members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, *the Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, and for such internal control as the committee members determine is necessary to enable the preparation and fair presentation of the 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 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 about 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 and fair presentation of the financial report 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 members, 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 accounting bodies.



### Opinion

In our opinion the financial report of Equestrian Victoria Incorporated is in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Reform Act 2012 including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Accounting Standards in Australia, the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012.

**BDO East Coast Partnership**

A handwritten signature in blue ink, consisting of the letters 'BDO' followed by a stylized, cursive signature.

Alex Swansson

Partner

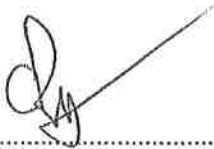
Melbourne, 28 October 2014

**EQUESTRIAN VICTORIA INC.**  
**STATEMENT BY MEMBERS OF THE COMMITTEE**  
**FOR THE YEAR ENDED 30 JUNE 2014**

In the opinion of the Members of the Committee of the Equestrian Victoria Inc., the financial report:

1. presents a true and fair view of the financial position of the Association as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act 2012; and
2. 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 Members of the Committee by:



.....  
Greg Pratt  
CEO

28 October 2014  
Melbourne

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conjunction with the attached audit report*

**Equestrian Victoria Inc.**  
**Statement of Profit or Loss and Comprehensive Income**  
**For the Year ended 30 June 2014**

	Note	2014 \$	2013 \$
Revenue		3,323,125	3,308,419
Employee Benefits Expense		(469,362)	(476,008)
Depreciation and Amortisation		(35,431)	(39,295)
Other Expenses		(3,107,740)	(2,865,975)
<b>Loss before Income Tax</b>		<u>(289,408)</u>	<u>(72,859)</u>
<b>Total Comprehensive Income</b>		<u>(289,408)</u>	<u>(72,859)</u>

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**Equestrian Victoria Inc.**  
**Statement of Financial Position**  
**As at 30 June 2014**

	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	2	93,441	89,619
Trade and Other Receivables	3	55,939	76,480
Financial Assets	4	28,047	92,985
Other Current Assets		36,572	7,261
<b>Total Current Assets</b>		<u>213,999</u>	<u>266,345</u>
<b>Non-Current Assets</b>			
Inventories		4,950	4,950
Property, Plant and Equipment	5	54,940	59,199
<b>Total Non-Current Assets</b>		<u>59,890</u>	<u>64,149</u>
<b>Total Assets</b>		<u>273,889</u>	<u>330,494</u>
<b>Current Liabilities</b>			
Trade and Other Payables	6	153,560	117,890
Short-Term Financial Liabilities		4,469	3,106
Provisions	8	44,394	57,675
Other	7	441,897	240,995
<b>Total Current Liabilities</b>		<u>644,320</u>	<u>419,666</u>
<b>Total Liabilities</b>		<u>644,320</u>	<u>419,666</u>
<b>Net Assets</b>		<u>(370,432)</u>	<u>(89,172)</u>
<b>Equity</b>			
Accumulated Losses		(370,432)	(89,172)
<b>Total Equity</b>		<u>(370,432)</u>	<u>(89,172)</u>

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**Equestrian Victoria Inc.  
Statement of Changes in Equity  
For the Year ended 30 June 2014**

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	2014 \$	2013 \$
<b>Retained Earnings</b>		
Balance at 1 July 2013	(81,024)	(16,313)
Total Comprehensive Income	(289,408)	<u>(72,859)</u>
Balance at 30 June 2014	<u>(370,432)</u>	<u>(89,172)</u>

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**Equestrian Victoria  
Statement of Cash Flows  
For the Year ended 30 June 2014**

	Note	2014 \$	2013 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers		3,556,968	3,094,104
Payments to Suppliers and Employees		(3,606,416)	(3,349,246)
Dividends Received		-	-
Interest Received		7,594	6,981
<b>Net Cash Outflow from Operating Activities</b>	<b>10(b)</b>	<b>(41,854)</b>	<b>(248,161)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from/ (Payments for) Investments		33,771	226,241
Loan Repayments Received from Werribee Park		-	-
Proceeds from Sale of Investments		4,261	38,317
Payments for Plant & Equipment		-	-
<b>Net Cash Outflow from Investing Activities</b>		<b>38,032</b>	<b>264,558</b>
<b>Net Increase in Cash Held</b>		<b>3,822</b>	<b>16,397</b>
Cash and Cash Equivalents as at 1 July 2013		89,619	73,222
<b>Cash and Cash Equivalents as at 30 June 2014</b>	<b>10(a)</b>	<b>93,441</b>	<b>89,619</b>

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act 2012.

The financial report covers Equestrian Victoria Inc. (formerly Equestrian Federation of Australia-Victorian Branch Inc.) as an individual entity. Equestrian Victoria Inc. is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012. The financial report is presented in Australian dollars.

The financial report was authorised for issue by the Members of the Committee on the date of signing of the Statement by Members of the Committee.

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

**(a) Basis of Preparation**

The financial report has been prepared on an accruals basis and is based on the historical cost convention and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets. The association is considered to be a Not-for-Profit entity and has prepared the financial statements in accordance with the requirements regarding Not-for-Profit entities as contained in Australian Accounting Standards.

**(b) Going Concern**

The association has an excess of current liabilities over current assets of \$430,321 and negative cash flows from operations of \$(41,854) as at 30 June 2014. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the ordinary course of operations. The going concern basis is considered appropriate as included in current liabilities are amounts for prepaid income of \$441,897 which are to be satisfied through the delivery of membership services over the next twelve months. The ability of the association to continue as a going concern is dependent on it continuing to receive income from membership subscriptions and membership related activities. In the event of any significant reduction in these sources on income, the activities of the association would need to be reduced. The committee is not anticipating a significant reduction in Equestrian Victoria's core operations or membership related activities during the next twelve months from the date of signing this report. Equestrian Victoria continues to be solvent and can pay its debts as and when they are due.

**(c) Income Tax**

Any income derived by the association is exempt from Income Tax under section 50-45 of the Income Tax Assessment Act 1997.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Revenue**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services rendered. Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and in the accounting period which the services are rendered.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Interest income is recognised using the effective interest method.

**(e) 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 an asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(g) Receivables**

Trade accounts receivable are generally settled within 30 days and are carried at amounts due. An allowance is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

**(h) Financial Instruments**

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 and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Financial Instruments (Continued)**

*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.

*Financial liabilities*

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

**(i) Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The carrying amount of assets is immediately written down to its recoverable amount if greater than its estimated recoverable amount.

***Depreciation***

The depreciable amount of all items of plant and equipment is depreciated on a straight-line basis over their estimated useful lives to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Trailers	25%
Computer Equipment	33%
Office Furniture and Equipment	20%
Site Improvements	50%

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at each balance date.

**(j) Impairment of Assets**

At each reporting date, the association reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**(j) Impairment of Assets (Continued)**

If such an indication exists, the recoverable amount of the asset, being the higher of the assets 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 Comprehensive Income.

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

**(k) Accounts Payable**

Trade accounts payable, including accruals not yet billed, are recognised when the association becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days.

**(l) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**(m) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(n) Critical Accounting Estimates and Judgements**

The committee members evaluate estimates and judgments 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 both externally and within the association. There are no significant judgements or key assumptions made by management in the application of accounting policies that are considered to have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

**(o) Impact of new or revised Australian Accounting Standards or Interpretations that are not yet effective**

There have been a number of amendments made to Accounting Standards issued by the Australian Accounting Standards Board ("AASB") that are not yet effective. The committee members do not believe that the new and revised standards issued by the AASB that are not yet effective will have any material impact on the financial statements.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash at bank - NAB current account	80,076	89,137
Petty Cash	490	482
Fire Relief Account	1,870	-
Event Petty Cash Float	11,005	-
	<u>93,441</u>	<u>89,619</u>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	61,449	87,869
Less allowance for doubtful debts	(5,510)	(13,504)
	<u>55,939</u>	<u>74,365</u>
Sundry Debtors	-	1,635
Overpayments	-	480
	<u>55,939</u>	<u>76,480</u>

As at 30 June 2014, the ageing of trade receivables is as follows:

	2014		2013	
	Debtors	Allowance	Debtors	Allowance
	\$	\$	\$	\$
0 – 30 days	22,329	-	30,563	-
31 – 60 days	24,942	-	25,865	-
61 – 90 days	1,312	-	4,191	-
90 days +	12,866	(5,510)	27,250	(13,504)
	<u>61,449</u>	<u>(5,510)</u>	<u>87,869</u>	<u>(13,504)</u>

Receivables past due but not considered impaired are: \$14,178 (2013 \$31,441).  
Management is satisfied payment will be received in full.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>3. TRADE AND OTHER RECEIVABLES (CONT'D)</b>		
The movement in the allowance for doubtful debts is detailed below:		
Opening balance	13,504	13,504
Charge for the year	<u>(7,994)</u>	<u>-</u>
Closing balance	<u>5,510</u>	<u>13,504</u>
The allowance for doubtful debts is based upon a review of the actual debtors outstanding and an assessment of the recoverability of overdue balances		
<b>4. OTHER FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Term Deposit	<u>28,047</u>	<u>92,985</u>
	<u>28,047</u>	<u>92,985</u>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Property Improvements	163,244	146,064
Less accumulated depreciation	<u>(127,282)</u>	<u>(103,160)</u>
	<u>35,962</u>	<u>42,904</u>
Office furniture and equipment (at cost)	123,547	134,071
Less accumulated depreciation	<u>(104,571)</u>	<u>(117,777)</u>
	<u>18,976</u>	<u>16,294</u>
Trophies (at cost)	<u>4,950</u>	<u>4,950</u>
	4,950	4,950
	<u>59,890</u>	<u>64,149</u>

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)</b>		
<b>Reconciliation of movements in carrying amounts of plant and equipment:</b>		
Trophies		
Opening balance	— 4,950	4,950
Closing balance	— 4,950	4,950
Office furniture and equipment		
Opening balance	16,294	12,697
Additions	13,992	6,040
Depreciation	— (11,310)	(2,443)
Closing balance	— 18,976	16,294
Site improvements and equipment for events		
Opening balance	42,904	83,458
Disposals	-	(22,290)
Additions	17,179	-
Depreciation	— (24,121)	(18,264)
Closing balance	— 35,962	42,904
<b>6. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
GST Payable	64,704	6,385
Sundry creditors and accruals	— 88,856	111,505
	— 153,560	117,890
<b>7. INCOME IN ADVANCE</b>		
<b>CURRENT</b>		
Prepaid income	— 441,897	240,995

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>8. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for Superannuation	-	8,148
Provision for annual leave	25,764	25,950
Provision for long service leave	<u>18,630</u>	<u>23,577</u>
	44,394	57,675
<b>9. AUDITOR'S REMUNERATION</b>		
For auditing the financial report	<u>10,859</u>	<u>9,500</u>
	<u>10,859</u>	<u>9,500</u>
<b>10. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash</b>		

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

	2014	2013
	\$	\$
Cash at bank – NAB current account	80,076	89,138
Petty Cash	490	482
Fire Relief Account	1,870	-
Event Petty Cash Float	<u>11,005</u>	<u>-</u>
	<u>93,441</u>	<u>89,620</u>

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**(b) Reconciliation of Net Cash (Used in) Operating Activities to Loss for the year**

Loss for the year	(289,408)	(72,859)
<b>Non cash items:</b>		
Depreciation expense	35,431	39,295
Gain on Provision Reversal	(5,133)	(31,968)
Interest from Investing Activities	-	(8,098)
<b>Change in assets and liabilities:</b>		
(Increase)/Decrease in trade and other receivables	25,940	63,460
Decrease in prepayments	(27,196)	(9,376)
Provision for Doubtful Debts	(7,994)	-
(Decrease)/Increase in creditors and accruals	30,740	(77,154)
(Decrease) in income in advance	200,902	(119,495)
Increase in provisions	(5,133)	(31,967)
Net cash (used in) operating activities	<u>(41,857)</u>	<u>(248,162)</u>

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>11. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short-term employee benefits	—	—
	<u>21,300</u>	<u>25,000</u>
	<u>21,300</u>	<u>25,000</u>

**12. RELATED PARTY TRANSACTIONS**

The names of each person who has been a committee member at any time during the financial year are as follows:

Barry Roycroft - President	Robbie Allen
Rick Howells	Peter Gardiner
Paul Williams	Michael Bragge
Maggie McDonell	Ingrid Green
Duncan Terry	Terry Van Heythuysen

Committee members have been in office since the start of the financial year unless otherwise stated.

The members of the committee do not receive remuneration for their services on the committee, other than Mr Barry Roycroft \$7,500 (includes \$1,500 from 2013FY) (2013: \$6,000) as allowances for the performance of the presidential duties. The following persons received payments for instructor fees during the year: Mr Paul Williams \$7,200 (2013: \$5,900) and Mr Barry Roycroft \$6,600 (2013: \$3,596).

Mr Barry Roycroft & Mrs Maggie McDonell are members of the committee of Equestrian Victoria Inc, and also members of the Committee of Management of the Werribee Park National Equestrian Centre (WPNEC).

During the year the association entered into the following transactions with WPNEC:

- (a) the association incurred rental expenses of \$25,621 (2013: \$20,748) in relation to office space rented from WPNEC;
- (b) the association incurred venue hire expenses of \$297,934 (2013: \$276,593)
- (c) No Loan repayments (2013: NIL) were made.
- (d) eventing, training, stabling and bedding fees of \$25,256 (2013: \$19,721) were collected on behalf of WPNEC and on-forwarded to the centre;
- (e) the association incurred and repairs and maintenance fees of NIL (2013: NIL); and
- (f) the association received management fees of NIL (2013: NIL) and donated NIL (2013: NIL) on behalf of the Barastoc committee.

At year end the association had loans receivable of NIL (2013: NIL), trade receivables of \$7,039 (2013: \$392) and trade payables of NIL (2013: NIL) with WPNEC.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**12. RELATED PARTY TRANSACTIONS (CONT'D)**

Transactions between related parties are on normal commercial terms and conditions and no more favourable than those available to other persons unless otherwise stated.

There were no other related party transactions during the year.

**13. FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management Objectives and Policies**

The association's principal financial instruments comprise receivables, payables, and cash and short-term deposits. These activities expose the association to a variety of financial risks: interest rate risk, credit risk, and liquidity risk.

Although the association does not have documented policies and procedures, the committee manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rates and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

**(b) Risk Exposures and Responses**

**Interest Rate Risk**

The association's exposure to market interest rates relates primarily to short term deposits held.

Management monitors term deposit rates and balances the achievement of high rates against the flexibility offered by at call funds.

*Sensitivity Analysis*

At 30 June 2014, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax surplus and equity would have been affected as follows:

	<b>Net Surplus</b>		<b>Net Assets</b>	
	<b>Higher / (Lower)</b>		<b>Higher / (Lower)</b>	
	<b>Year Ended</b>		<b>As at</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Interest Rate Movement</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
+2.0%	1,210	1,396	1,210	1,396
- 2.0%	(1,210)	(1,396)	(1,210)	(1,396)

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 conjunction with the attached audit report*

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**13. FINANCIAL INSTRUMENTS (CONT'D)**

**Liquidity Risk**

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

*Maturities of Financial Liabilities*

The table below analyses the association's financial liabilities:

	Maturing within 0 – 3 months \$	Maturing within 3 – 12 months \$	Total \$
<b>2014</b>			
Trade and sundry creditors	88,856	-	88,856
Income in advance	<u>441,897</u>	-	<u>441,897</u>
Total financial liabilities	<u>530,753</u>	-	<u>530,753</u>
<b>2013</b>			
Trade and sundry creditors	111,505	-	111,505
Income in advance	<u>240,995</u>	-	<u>240,995</u>
Total financial liabilities	<u>352,500</u>	-	<u>352,500</u>

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

The association trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the association's policy to securitise its trade or other receivables. All sales are on a cash basis and as such, there is no credit risk on trade receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the association's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

**Foreign Currency Risk**

The association is not exposed to any material foreign currency risk.

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

**13. FINANCIAL INSTRUMENTS (CONT'D)**

**Price Risk**

The association is not exposed to any material commodity price risk.

**(c) Net Fair Values**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	2014		2013	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial Assets</b>				
Cash and cash equivalents	93,441	93,441	89,620	89,620
Trade and sundry debtors	55,939	55,939	76,480	76,480
Loans receivable	-	-	-	-
Other financial assets				
- Term deposits	<u>28,047</u>	<u>28,047</u>	<u>92,985</u>	<u>92,985</u>
<b>Total Financial Assets</b>	<b><u>177,427</u></b>	<b><u>177,427</u></b>	<b><u>259,085</u></b>	<b><u>259,085</u></b>
<b>Financial Liabilities</b>				
Sundry creditors and accruals	88,856	88,856	111,505	111,505
Income in advance	<u>441,897</u>	<u>441,897</u>	<u>240,995</u>	<u>240,995</u>
<b>Total Financial Liabilities</b>	<b><u>530,753</u></b>	<b><u>530,753</u></b>	<b><u>352,500</u></b>	<b><u>352,500</u></b>

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**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b>14. LEASING COMMITMENTS</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating lease contracted for but not capitalised in the financial statements:		
Payable – minimum lease commitments		
- Not later than one year	-	-
- Later than one year but not later than 5 years	-	-
- Later than 5 years	-	-
	-	-
	-	-

There are no operating lease agreements

**15. ASSOCIATION DETAILS**

The registered office and principal place of business of the association is:

Werribee Park National Equestrian Centre  
170 K Road  
WERRIBEE VIC 3030

The principal activity of the association is:

The provision of membership, training and competition services in relation to Equestrian related sporting and recreational pursuits.

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## Equestrian Victoria Inc. Compilation Report To Equestrian Victoria Inc.

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We have compiled the accompanying special purpose financial statements of Equestrian Victoria Inc., which comprise the statement of financial position as at 30 June 2014, the statement of profit and loss, a summary of significant accounting policies and other explanatory notes. The general purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### The Responsibility of the Committee of Management

The Committee of Management is solely responsible for the information contained in the general purpose financial statements and has determined that the basis of accounting used is appropriate to meet the needs of the Committee of Management and for the purpose that the financial statements were prepared.

### Our Responsibility

On the basis of information provided by the Committee of Management, we have compiled the accompanying general purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed by us and accordingly no assurance is expressed. The general purpose financial statements were compiled exclusively for the benefit of the Committee of Management. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

### **BGO Accounting & Business Solutions**

KEW VIC 3101



Lindsay Broadway  
28 October 2014

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**EQUESTRIAN VICTORIA INC.  
DISCLAIMER**

The additional financial data presented on pages 24 to 26 is in accordance with the books and records of the Association which have been subjected to auditing procedures applied in our statutory audit of the Association for the year ended 30 June 2014. It will be appreciated that our statutory audit may not have covered all specific details of the additional financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any persons (other than Equestrian Victoria Inc.) in respect of such data including any errors or omissions therein however caused.

**BDO East Coast Partnership**



Alex Swansson  
Partner

Melbourne, 28 October 2014



**Equestrian Victoria Inc.**  
**Statement of Revenue & Expenditure**  
**For the Year ended 30 June 2014**

	2014	2013
	\$	\$
<b>Revenue</b>		
Insurance Levies Income from Members	143,973	132,098
National and ICDF Levies Income from Members	157,288	154,030
Horse Registrations, Renewals and Transfers	100,880	97,855
Performance Cards	109,510	86,613
Dinner/ BBQ	41,387	54,561
Donations	111,190	129,892
Entry Fees	696,978	583,767
Facility Fees	85,654	84,900
Grants	35,000	18,000
HPP/ ICDF Funding	61,090	68,365
Management Fees	-	4,558
MIHT Income	220,081	-
Raffle/ Auction Income	50,840	32,024
Sales of Publication & Merchandise	22,233	27,659
Special Clinics and Tickets Income	12,021	13,595
Sponsorships	242,042	266,337
Stabling Income	141,295	80,478
Trade Stands and Camping Income	185,422	229,555
Subscriptions	505,141	623,159
Ticket Sales	210,447	324,539
Interest Income	7,594	15,079
Other Income	105,547	128,212
Training Income	61,944	107,596
Advertising Income	10,435	13,579
Gain on Reversal for LSL / Annual Leave Provision	5,133	31,968
	3,323,125	3,308,419
<b>Expenditure</b>		
Accountancy Fees	7,610	28,835
Administration Costs	-	2,850
Advertising	94,488	46,821
Auditors Remuneration	10,860	-
Bad Debts Written Off	865	11,203
Bank Charges	14,398	27,208
Bookkeeping Expenses	45,454	-
Catering & Refreshments	143,164	177,332
Coach Educator Expense	1,844	4,562
Cleaning	3,431	3,553
Commission Paid	43,614	900
Contractor Costs	73,348	49,686
Coursebuilding	8,612	53,745
Computer Expenses	24,807	29,739
Debt Collection	-	856
Depreciation	35,431	39,295

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**Equestrian Victoria Inc.**  
**Statement of Revenue & Expenditure**  
**For the Year ended 30 June 2014**

	2014	2013
	\$	\$
Donations	3,490	2,727
Doubtful Debts	(7,994)	-
Entry Fee	3,707	-
Expenses Relating to 2012FY	-	70,970
Employees' Amenities	2,363	4,464
Equipment Expense	1,158	2,969
Equestrian Queensland	-	26,923
Event Expense	128,737	166,632
Event Director Fees	43,909	41,912
Event Secretarial Fees	10,755	21,745
Examinations	316	606
Filing Fees	608	210
Float (Event Petty Cash)	-	3,160
Flowers & Decorations	200	254
FEI Calender/ Organisation Dues	13,358	13,745
Freight & Cartage	1,054	2,597
Fuel & Oil	1,429	569
General Expenses	2,693	4,350
HPP Funding Expended	4,147	-
Hire of Equipment	388,791	350,432
Honorariums	15,233	4,025
Insurance	146,921	137,550
International Guest Expenses	385	14,538
Judges Payments	36,836	36,467
Legal Costs	13,186	36,594
Levy	164,612	154,502
MIHT Expenses	206,563	-
Medical Swabbing	24,304	20,949
Medical Expenses	107,664	76,950
Postage	23,849	24,002
Printing & Stationery	126,615	150,724
Prizes	154,481	101,920
Public Arena	3,520	4,350
Pool Horse Expenses	5,400	-
Raffle Expenses	21,324	-
Rebates	8,227	1,131
Rent - Office	25,621	27,311
Rent - Home	14,040	14,040
Repairs & Maintenance	4,437	150
Security Costs	13,657	5,900
Scoring	10,836	7,832
Seminar	2,703	2,506
Sponsorship	9,257	1,668
Stock Purchases	96,257	86,991
Staff Training & Welfare	-	720

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**Equestrian Victoria Inc.**  
**Statement of Revenue & Expenditure**  
**For the Year ended 30 June 2014**

	2014	2013
	\$	\$
Subscriptions	1,584	2,343
Superannuation Contributions	31,863	35,576
Ticketing	409	466
Telephone	16,569	29,259
Traffic Management	773	-
Training Expense	110,226	86,937
Trade Stand Expense	18,585	29,350
Travelling Expenses	151,337	114,531
Trophies	67,167	66,682
Uniforms	6,314	10,929
Utilities	10,314	9,829
Venue Hire	12,800	1,909
Veterinary Expenses	10,212	11,942
Wages	437,499	440,432
Website Contribution EA	5,000	-
WPNEC	383,217	324,382
Workcover	3,080	8,643
Other Expenses	3,010	106,398
	<u>3,612,534</u>	<u>3,381,278</u>
<b>Loss before Income Tax</b>	<u>(289,408)</u>	<u>(72,859)</u>

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