

**EQUESTRIAN FEDERATION OF AUSTRALIA
VICTORIA BRANCH INC**

(Incorporated under the Associations Incorporation Act (Vic) 1981)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC**

We have audited the accompanying financial report of Equestrian Federation of Australia – Victoria Branch Inc. (the association) comprising the Balance Sheet as at 30 June 2008 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, notes to the financial statements and the Statement by Members of the Committee.

Committee's Responsibility for the Financial Report

The members of the committee of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Qualification

In carrying out our audit, it was not practicable to positively confirm all income from social functions and event gate takings beyond accounting for amounts received as shown in the books and records of Equestrian Federation of Australia - Victoria Branch Inc.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report of Equestrian Federation of Australia – Victoria Branch Inc. is in accordance with:

- (a) the Associations Incorporation Act 1981 including:
 - (i) giving a true and fair view of the Association's financial position as at 30 June 2008 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia; and
- (b) other mandatory professional reporting requirements in Australia.

PKF
East Coast Practice

J A Mooney
Partner

October 2008
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

STATEMENT BY MEMBERS OF THE COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2008

In the opinion of the Members of the Committee of the Equestrian Federation of Australia – Victoria Branch Inc., the financial report:

1. presents a true and fair view of the financial position of the Association as at 30 June 2008 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting standards Board; 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:

.....
Bruce Chamberlain
President

.....
Neil Clinton
Treasurer

28 October 2008
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
REVENUE	2	2,185,594	2,466,597
EXPENDITURE			
Advertising		30,271	24,333
Auction / raffle expenses		-	42,529
Catering and refreshments		115,049	115,976
Course building		48,899	53,015
Depreciation and amortisation		17,065	13,014
Donations		23,372	48,099
Event expenses		115,038	153,443
Facility fee to Werribee Park		15,947	36,959
Insurance expenses		178,261	200,061
Hire of equipment		148,813	166,793
Judges expenses		71,478	108,582
Legal fees		5,535	6,790
National membership levy		131,905	145,085
On-line revenue collection fees		-	20,335
Photocopier – rental		17,887	10,908
Photocopying and fax		18,920	9,194
Postage		22,615	37,216
Printing		156,864	147,454
Prize expenses		49,214	140,746
Rental expenses – including office rental		17,320	90,909
Sashes, medallions and trophies		33,391	38,961
Sponsor costs		49,715	67,358
Squad / Training Expenses		135,808	209,477
Stabling expenses		28,731	44,699
Staging costs		22,538	49,588
State government grant expense		3,482	16,820
Stock purchases		51,814	37,985
Strategic planning		25,510	-
Telephone and facsimile		18,375	24,734
Ticketing expenses		6,360	15,437
Trade stand expenses		32,943	64,480
Travel and accommodation		22,112	11,529
Venue hire		68,742	-
Wages, salaries and related on costs		381,139	356,942
Other expenses		128,099	128,754
Operating surplus/(loss) before income tax expense	3	(7,618)	(171,608)
Income tax expense	1(b)	-	-
Operating surplus/(loss) after income tax expense		<u>(7,618)</u>	<u>(171,608)</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	4	231,005	353,758
Trade and other receivables	5	79,377	42,805
Other financial assets	6	290,206	263,937
Other assets	7	2,356	32,221
TOTAL CURRENT ASSETS		<u>602,944</u>	<u>692,721</u>
NON-CURRENT ASSETS			
Receivables	5	6,667	13,333
Property, plant & equipment	8	37,688	44,719
TOTAL NON-CURRENT ASSETS		<u>44,355</u>	<u>58,052</u>
TOTAL ASSETS		<u>647,299</u>	<u>750,773</u>
CURRENT LIABILITIES			
Trade and other payables	9	90,676	272,924
Income in advance	10	324,374	237,982
Provisions	11	12,667	16,789
TOTAL CURRENT LIABILITIES		<u>427,717</u>	<u>527,695</u>
NON-CURRENT LIABILITIES			
Provisions	11	13,814	9,692
TOTAL NON-CURRENT LIABILITIES		<u>13,814</u>	<u>9,692</u>
TOTAL LIABILITIES		<u>441,531</u>	<u>537,387</u>
NET ASSETS		<u>205,768</u>	<u>213,386</u>
MEMBERS FUNDS		<u>205,768</u>	<u>213,386</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2008

	2008	2007
	\$	\$
Members Funds - Beginning of the Year	213,386	384,994
Net Surplus/(Loss) for the year	<u>(7,618)</u>	<u>(171,608)</u>
Members Funds - End of the Year	<u>205,768</u>	<u>213,386</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, customers and fundraising		2,164,528	2,537,604
Interest received		27,643	35,548
Payments to suppliers and employees		<u>(2,278,620)</u>	<u>(2,540,340)</u>
Net cash provided by/(used in) operating activities	13(b)	<u>(86,449)</u>	<u>32,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(10,035)	(28,371)
Proceeds from disposal of fixed assets		-	181
Proceeds from/(payment for) investments		<u>(26,269)</u>	<u>235,887</u>
Net cash provided by/(used in) investing activities		<u>(36,304)</u>	<u>207,697</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan advance to Werribee Park		<u>-</u>	<u>(20,000)</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>(20,000)</u>
NET INCREASE/(DECREASE) IN CASH HELD		(122,753)	220,509
Cash and cash equivalents at beginning of year		<u>353,758</u>	<u>133,249</u>
Cash and cash equivalents at end of year	13(a)	<u>231,005</u>	<u>353,758</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1981 (Vic).

The financial report covers Equestrian Federation of Australia - Victoria Branch Inc. as an individual entity. Equestrian Federation of Australia - Victoria Branch Inc. is an association incorporated in Victoria under the Associations Incorporation Act (Vic) 1981. 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 historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

(b) Income Tax

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

(c) Revenue

Grants received that relate to periods beyond balance date have been treated as grants received in advance and appear as current liabilities in the balance sheet.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(d) 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 Balance Sheet are shown inclusive of GST.

Cash flows are included in the Cash Flow Statement 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.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

(f) 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.

(g) 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 the income statement

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 income statement in the period in which they arise.

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.

(h) 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.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Plant and Equipment (Continued)

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:

Trailer	25%
Office furniture and Equipment	20%
Computer Equipment	33%
Site improvements	50%

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

(i) 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. 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 Income Statement.

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.

(j) Accounts Payable

Trade accounts payable, including accruals not yet billed, are recognised when the Company 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.

(k) 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.

(l) Comparative Figures

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

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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.

	2008	2007
	\$	\$
2. REVENUE		
Subscriptions	671,727	680,624
Horse registrations, renewals and transfers	126,596	124,933
Performance cards	60,781	80,283
Advertising income	29,538	18,791
Dinner / BBQ	28,834	50,431
Donations	62,551	24,050
Entry fees	288,287	327,135
Facility fees	11,385	26,566
Grants	10,000	15,177
HPP/ICDF funding	25,000	34,927
Management fees	18,182	-
Raffle / auction income	4,585	27,957
Sales of publication and merchandise	39,941	87,033
Special clinics and tickets income	42,088	26,054
Sponsorships	207,599	334,064
Stabling income	39,605	72,062
Trade stands and camping income	83,952	96,046
Ticket sales	223,458	202,723
Training income	160,868	171,608
Interest	27,643	35,548
Other income	22,974	30,585
Total revenue	<u>2,185,594</u>	<u>2,466,597</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
3. RESULT		
Result before income tax has been arrived at after charging		
Depreciation of:		
- Plant and equipment	17,065	13,014
Loss on disposal of assets	-	6,350
Superannuation contributions	28,020	30,914
Loan forgiven – Donation to Werribee Park	-	8,000
	<u> </u>	<u> </u>
4. CASH AND CASH EQUIVALENTS		
Cash at bank - NAB current account	229,979	353,758
Petty cash	1,026	-
	<u> </u>	<u> </u>
	231,005	353,758
	<u> </u>	<u> </u>
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	68,544	38,638
Less allowance for doubtful debts	(2,500)	(2,500)
	<u> </u>	<u> </u>
	66,044	36,138
Werribee Park National Equestrian Centre loan	13,333	6,667
	<u> </u>	<u> </u>
	79,377	42,805
	<u> </u>	<u> </u>
NON-CURRENT		
Werribee Park National Equestrian Centre loan	6,667	13,333
	<u> </u>	<u> </u>
As at 30 June 2008, the ageing of trade receivables is as follows:		
0 – 30 days	53,097	22,175
31 – 60 days	4,878	11,722
61 – 90 days	1,612	93
90 days +	6,457	2,148
	<u> </u>	<u> </u>
	66,044	36,138
	<u> </u>	<u> </u>

Receivables past due but not considered impaired are:
\$12,947 (2007 \$13,963).
Management is satisfied that payment will be received in full.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
6. OTHER FINANCIAL ASSETS		
CURRENT		
EFA term deposit	262,407	245,793
LSL term deposit	27,799	18,144
	<u>290,206</u>	<u>263,937</u>
7. OTHER ASSETS		
CURRENT		
Prepayments	<u>2,356</u>	<u>32,221</u>
8. PROPERTY, PLANT AND EQUIPMENT		
Trailers (at cost)	19,158	19,158
Less accumulated depreciation	<u>(15,993)</u>	<u>(14,285)</u>
	<u>3,165</u>	<u>4,873</u>
Computer equipment (at cost)	44,415	41,255
Less accumulated depreciation	<u>(24,735)</u>	<u>(13,965)</u>
	<u>19,680</u>	<u>27,290</u>
Office equipment (at cost)	45,559	38,684
Less accumulated depreciation	<u>(35,666)</u>	<u>(31,078)</u>
	<u>9,893</u>	<u>7,606</u>
Trophies (at cost)	<u>4,950</u>	<u>4,950</u>
Site improvements (at cost)	32,988	32,988
Less accumulated depreciation	<u>(32,988)</u>	<u>(32,988)</u>
	<u>-</u>	<u>-</u>
	<u>37,688</u>	<u>44,719</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT (Continued)		
Reconciliation of movements in carrying amounts of plant and equipment:		
Trailers		
Opening balance	4,873	7,830
Additions	-	
Depreciation	<u>(1,708)</u>	<u>(2,957)</u>
Closing balance	<u>3,165</u>	<u>4,873</u>
Computer equipment		
Opening balance	27,290	10,651
Additions	3,159	26,996
Disposals	-	(5,911)
Depreciation	<u>(10,769)</u>	<u>(4,446)</u>
Closing balance	<u>19,680</u>	<u>27,290</u>
Office equipment		
Opening balance	7,606	10,610
Additions	6,875	1,375
Disposals	-	(620)
Depreciation	<u>(4,588)</u>	<u>(3,759)</u>
Closing balance	<u>9,893</u>	<u>7,606</u>
Site improvements		
Opening balance	-	1,852
Depreciation	<u>-</u>	<u>(1,852)</u>
Closing balance	<u>-</u>	<u>-</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
9. TRADE AND OTHER PAYABLES		
CURRENT		
Sundry creditors and accruals	84,719	266,892
G.S.T. payable	5,957	6,032
	<u>90,676</u>	<u>272,924</u>
10. INCOME IN ADVANCE		
CURRENT		
Subscriptions in advance	409	194,225
Prepaid income	323,965	43,757
	<u>324,374</u>	<u>237,982</u>
11. PROVISIONS		
CURRENT		
Provision for annual leave	12,667	12,667
Provision for long service leave	-	4,122
	<u>12,667</u>	<u>16,789</u>
NON-CURRENT		
Provision for long service leave	13,814	9,692
Aggregate employee benefits	26,481	26,481
	<u>26,481</u>	<u>26,481</u>
12. AUDITOR'S REMUNERATION		
For auditing the financial report	9,000	8,000
For preparation of financial accounts	2,000	2,000
	<u>11,000</u>	<u>10,000</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

13. CASH FLOW INFORMATION

a) Reconciliation of Cash

For the purposes of the Cash Flow Statement, 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 Cash Flow Statement, is reconciled to the related items in the Balance Sheet as follows:

	2008	2007
	\$	\$
Cash at bank – NAB current account	229,979	353,758
Petty Cash	1,026	-
	<hr/>	<hr/>
	231,005	353,758
	<hr/>	<hr/>

b) Reconciliation of Net Cash Provided By/(Used In) Operating Activities to Surplus/(Loss) for the year

Surplus / (Loss) for the year	(7,618)	(171,608)
Non cash items:		
Depreciation expense	17,065	13,014
Loss on disposal of fixed assets	-	6,350
Loan forgiven – Donation to Werribee Park	-	8,000
Change in assets and liabilities:		
(Increase)/decrease in receivables	(29,906)	39,817
Decrease/(increase) in prepayments	29,865	(15,538)
Decrease/(increase) in creditors & accruals	(182,247)	91,522
Increase in income in advance	86,392	66,667
(Decrease) in provisions	-	(5,412)
Net cash provided by/(used in) operating activities	<hr/>	<hr/>
	(86,449)	32,812
	<hr/>	<hr/>

14. KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	64,880	84,474
Post-employment benefits	4,248	8,504
Termination benefits	-	9,198
	<hr/>	<hr/>
	69,128	102,176
	<hr/>	<hr/>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

15. RELATED PARTY TRANSACTIONS

During the year Mr Bruce Chamberlain received \$8,000 (2007: \$2,000) and Ms Clare Lewin received \$nil (2007: \$3,000) as allowances for the performance of their presidential duties. Ms Jackie Woodhead received \$22,400 (2007: \$5,600) for acting as the Chief Executive Officer.

The following persons received payments for instructor fees during the year: Mr Robbie Allen \$8,000 (2007: \$14,520), Ms Sue Chandler \$800 (2007: \$330), Mr Barry Roycroft \$5,334 (2007: \$5,720) and Ms Sue Leslie \$3,000 (2007: \$1,600).

Payments for event management services were also received as follows: Mr Allan Bruno \$8,192 (2007: \$7,920).

Ms Jackie Woodhead, Mr Bruce Chamberlain, Ms Susannah Clarke, and Mr Barry Roycroft, members of the committee of the Equestrian Federation of Australia – Victoria Branch Inc, are 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 \$17,320 (2007: \$17,320) in relation to office space rented from WPNEC;
- (b) the association incurred venue hire expenses of \$61,580 (2007: \$73,589) at discounted rates to other persons, including Werribee Park levy charges of \$28,880 (2007: \$28,880);
- (c) a loan advance of Nil (2007: \$20,000). Interest is being earned on normal commercial terms at a rate of 8% per annum;
- (d) eventing, training, stabling and bedding fees of \$111,034 (2007: \$160,740) were collected on behalf of WPNEC and on-forwarded to the centre; and
- (e) the association made cash and in-kind donations of \$11,995 (2007: \$15,338); and
- (f) the association received management fees of \$18,182 (2007: \$nil).

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

The association also has a loan receivable with WPNEC of \$20,000 (2007: \$20,000).

There were no other related party transactions during the year.

The committee does not receive any remuneration.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

16. 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 company 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 rate 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 entity'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 2008, 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:

	Net Surplus		Net Assets	
	Higher / (Lower)		Higher / (Lower)	
	Year Ended		As at	
	30 June		30 June	
	2008	2007	2008	2007
Interest rate movement	\$	\$	\$	\$
+2.0%	11,389	12,508	11,389	12,508
- 2.0%	(11,389)	(12,508)	(11,389)	(12,508)

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

16. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

The company 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 company's financial liabilities:

	Maturing within 0 – 3 months	Maturing within 3 – 12 months	Total
	\$	\$	\$
2008			
Trade and sundry creditors	84,720	-	84,720
Other payables	5,957	-	5,957
Income in advance	324,374	-	324,374
Total financial liabilities	<u>415,051</u>	<u>-</u>	<u>415,051</u>
2007			
Trade and sundry creditors	266,892	-	266,892
Other payables	6,032	-	6,032
Income in advance	237,982	-	237,982
Total financial liabilities	<u>510,906</u>	<u>-</u>	<u>510,906</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 balance sheet and notes to the financial report.

The association trades only with recognised, creditworthy third parties, and as such collateral is not requested not is it the company's policy to securitise its trade or other receivables. All sales are on 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 company'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.

Price risk

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

(c) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2008**

17. SEGMENT INFORMATION

Equestrian Federation of Australia – Victoria Branch Inc. operates in Australia as a non-profit organisation providing membership, training and competition services in relation to Equestrian related sporting and recreational pursuits.

18. 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.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

DISCLAIMER

The additional financial data presented in the following pages numbered 21 and 22 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 2008. 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 Federation of Australia – Victoria Branch Inc.) in respect of such data including any errors or omissions therein however caused.

PKF
East Coast Practice

October 2008
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**REVENUE AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
REVENUE		
Subscriptions	671,727	680,624
Horse registrations, renewals and transfers	126,596	124,933
Performance cards	60,781	80,283
Advertising income	29,538	18,791
Dinner / BBQ	28,834	50,431
Donations	62,551	24,050
Entry fees	288,287	327,135
Facility fees	11,385	26,566
Grants	10,000	15,177
HPP/ICDF funding	25,000	34,927
Management fees	18,182	-
Raffle / auction income	4,585	27,957
Sales of publication and merchandise	39,941	87,033
Special clinics and tickets income	42,088	26,054
Sponsorships	207,599	334,064
Stabling income	39,605	72,062
Trade stands and camping income	83,952	96,046
Ticket sales	223,458	202,723
Training income	160,868	171,608
Interest	27,643	35,548
Other income	22,974	30,585
	<hr/>	<hr/>
Total revenue	2,185,594	2,466,597
 EXPENDITURE		
Advertising	30,271	24,333
Affiliation fees	4,586	3,458
Allowances / honorariums	16,358	8,760
Auction / raffle expenses	-	42,529
Audit fees	12,751	9,183
Bank charges	8,617	8,907
Bad and doubtful debts	2,040	115,976
Catering and refreshments	115,049	53,015
Course building	48,899	13,014
Depreciation and amortisation	17,065	48,099
Donations	23,372	153,443
Event expenses	115,038	36,959
Facility fee to Werribee Park	15,947	166,793
Hire of equipment	148,813	12,336
Information technology	10,163	200,061
Insurance expenses	178,261	108,582
Judges expenses	71,478	6,790
Legal fees	5,535	13,343
Meeting expense	10,895	145,085
National membership levy	131,905	14,882

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC

**REVENUE AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
EXPENDITURE (CONT'D)		
Office expense	20,549	20,335
On-line revenue collection fees	-	10,908
Photocopier – rental	17,887	9,194
Photocopying and fax	18,920	37,216
Postage	22,615	147,454
Printing and stationery	156,864	140,746
Prize money and prizes	49,214	-
Refunds for events	-	17,320
Rental expenses – office rental	17,320	38,961
Sashes, medallions and trophies	33,391	12,957
Secretarial services	9,819	67,358
Sponsor costs	49,715	209,477
Squad / training expenses	135,808	44,699
Stabling expenses	28,731	49,588
Staging costs	22,538	16,820
State Government grant expense	3,482	37,985
Stock purchases	51,814	-
Strategic planning	25,510	-
Superannuation	26,470	30,914
Telephone and facsimile	18,375	24,734
Ticketing expenses	6,360	15,437
Trade stand costs	32,943	64,480
Travel and accommodation	22,112	11,529
Venue hire	68,742	
Wages	354,669	326,028
Werribee Park – hire and quarterly levy charges	-	73,589
Other expenditure	32,321	44,928
	<hr/>	<hr/>
Total expenditure	2,193,212	2,638,205
	<hr/>	<hr/>
OPERATING SURPLUS/(LOSS)	(7,618)	(171,608)