

**EQUESTRIAN FEDERATION OF AUSTRALIA
VICTORIA BRANCH INC
TRADING AS EQUESTRIAN VICTORIA**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

**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 Statement of Financial Position as at 30 June 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 Members of the Committee, 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.

Basis for Qualified Auditor's Opinion

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 Auditor's Opinion

In our opinion, except for the effects on the financial report of the matter referred to in the preceding paragraph, the financial report of Equestrian Federation of Australia – Victoria Branch Inc. is in accordance with the Associations Incorporation Act (Vic) 1981 including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2010 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (Vic) 1981.

PKF

J A Mooney
Partner

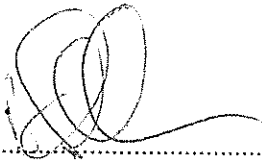
October 2010
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2010

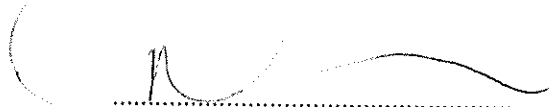
In the opinion of the Members of the Committee of the Equestrian Federation of Australia – Victoria Branch Inc., the financial report:

1. presents a true and fair view of the financial position of the Association as at 30 June 2010 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 Act 1981 (Vic); 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



.....
Michelle Chamberlain
Treasurer

21 October 2010
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
REVENUE	2	3,011,295	2,708,528
EXPENDITURE			
Advertising		87,219	63,532
Allowance for doubtful debts		-	11,112
Catering and refreshments		185,227	168,391
Course building		12,878	-
Depreciation and amortisation		24,280	20,373
Donations, including bushfire donations		2,201	69,197
Event expenses		329,859	180,675
Facility fee to Werribee Park		202,217	94,324
Insurance expenses		137,578	128,427
Hire of equipment		218,490	240,909
Judges expenses		62,806	95,862
Legal fees		4,750	8,127
National membership and ICDF levy		147,977	125,359
Postage		41,214	40,786
Printing – including photocopier rental and fax		187,813	191,427
Prize expenses		54,755	43,671
Rental expenses		23,182	17,320
Sashes, medallions and trophies		84,994	58,735
Sponsor costs		95,931	53,233
Squad / Training Expenses		101,033	106,958
Stock purchases		146,027	93,442
Telephone and facsimile		20,501	17,066
Ticketing expenses		3,168	3,471
Travel and accommodation		138,817	99,776
Venue hire		61,392	146,327
Wages, salaries and related on costs		542,261	432,969
Other expenses		133,461	164,095
Operating (loss)/surplus before income tax expense	3	<u>(38,736)</u>	<u>32,964</u>
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Operating (loss)/surplus after income tax expense		(38,736)	32,964
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(38,736)</u>	<u>32,964</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	4	210,205	222,647
Trade and other receivables	5	219,171	146,451
Other financial assets	6	320,406	308,168
Other assets	7	14,015	108,063
TOTAL CURRENT ASSETS		<u>763,797</u>	<u>785,329</u>
NON-CURRENT ASSETS			
Receivables	5	-	15,576
Property, plant and equipment	8	75,716	30,572
TOTAL NON-CURRENT ASSETS		<u>75,716</u>	<u>46,148</u>
TOTAL ASSETS		<u>839,513</u>	<u>831,477</u>
CURRENT LIABILITIES			
Trade and other payables	9	100,842	119,871
Income in advance	10	503,037	443,423
Provisions	11	26,422	19,465
TOTAL CURRENT LIABILITIES		<u>630,301</u>	<u>582,759</u>
NON-CURRENT LIABILITIES			
Provisions	11	9,216	9,986
TOTAL NON-CURRENT LIABILITIES		<u>9,216</u>	<u>9,986</u>
TOTAL LIABILITIES		<u>639,517</u>	<u>592,745</u>
NET ASSETS		<u>199,996</u>	<u>238,732</u>
MEMBERS FUNDS			
Accumulated Funds		186,627	225,363
Reserves		13,369	13,369
TOTAL MEMBERS FUNDS		<u>199,996</u>	<u>238,732</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Funds \$	Reserve \$	Total Members Funds \$
Balance at 30 June 2008	205,768	-	205,768
Total comprehensive income	32,964	-	32,964
Transfer to bushfire fund reserve	(13,369)	13,369	-
Balance at 30 June 2009	<u>225,363</u>	<u>13,369</u>	<u>238,732</u>
Total comprehensive income	(38,736)	-	(38,736)
Balance at 30 June 2010	<u>186,627</u>	<u>13,369</u>	<u>199,996</u>

The accompanying notes form part of these financial statements.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, customers and fundraising		2,991,704	2,760,457
Interest received		29,471	31,124
Payments to suppliers and employees		<u>(2,946,161)</u>	<u>(2,717,560)</u>
Net cash provided by operating activities	13(b)	<u>75,014</u>	<u>74,021</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(68,172)	(13,257)
Loan advance to Werribee Park		(7,046)	(51,160)
Payments for investments		<u>(12,238)</u>	<u>(17,962)</u>
Net cash used in investing activities		<u>(87,456)</u>	<u>(82,379)</u>
NET DECREASE IN CASH HELD		(12,442)	(8,358)
Cash and cash equivalents at beginning of year		<u>222,647</u>	<u>231,005</u>
Cash and cash equivalents at end of year	13(a)	<u>210,205</u>	<u>222,647</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 2010

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 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. 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) 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 Statement of Financial Position.

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 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.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

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

(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 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.

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 2010

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

(h) Plant and Equipment (Cont'd)

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.

(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 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.

(j) 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.

(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 2010

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

(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.

	2010	2009
	\$	\$
2. REVENUE		
Subscriptions	483,533	466,305
Insurance levies income from members	129,243	124,684
National levies income from members	149,354	125,546
Horse registrations, renewals and transfers	140,426	125,711
Performance cards	85,314	77,262
Advertising income	42,107	18,881
Dinner / BBQ	82,912	30,056
Donations	132,259	98,007
Entry fees	584,185	432,329
Facility fees	111,404	81,510
Grants	15,000	15,000
HPP/ICDF funding	37,109	40,500
Management fees	24,160	22,500
Raffle / auction income	13,085	-
Sales of publication and merchandise	39,149	50,559
Special clinics and tickets income	16,971	12,956
Sponsorships	226,341	217,532
Sponsorships – in kind	59,309	53,096
Stabling income	92,567	68,844
Trade stands and camping income	107,603	93,186
Ticket sales	217,420	242,466
Training income	142,418	214,816
Interest	28,788	31,124
Donations for Bushfire	200	29,347
Profit on disposal of assets	1,252	-
Other income	49,186	36,311
Total revenue	3,011,295	2,708,528

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
3. RESULT		
Result before income tax has been arrived at after charging as expenses:		
Allowance for doubtful debts	-	11,112
Depreciation of:		
- Plant and equipment	24,280	20,373
Superannuation contributions	38,483	31,194
4. CASH AND CASH EQUIVALENTS		
Cash at bank - NAB current account	209,309	214,867
Petty cash	896	7,780
	210,205	222,647
5. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade debtors	141,311	92,146
Less allowance for doubtful debts	(13,612)	(13,612)
	127,699	78,534
Accrued income	-	683
GST receivable	13,266	11,650
Werribee Park National Equestrian Centre loan	78,206	55,584
	219,171	146,451
NON-CURRENT		
Werribee Park National Equestrian Centre loan	-	15,576

As at 30 June 2010, the ageing of trade receivables is as follows:

	2010		2009	
	Debtors	Allowance	Debtors	Allowance
	\$	\$	\$	\$
0 – 30 days	32,295	-	18,351	-
31 – 60 days	8,928	-	29,702	-
61 – 90 days	11,857	-	335	-
90 days +	88,231	(13,612)	43,758	(13,612)
	141,311	(13,612)	92,146	(13,612)

Receivables past due but not considered impaired are: \$95,404 (2009 \$60,183).
Management is satisfied 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 2010

	2010	2009
	\$	\$
5. TRADE AND OTHER RECEIVABLES (CONT'D)		
The movement in the allowance for doubtful debts is detailed below:		
Opening balance	13,612	2,500
Charge for the year	-	11,112
Closing balance	<u>13,612</u>	<u>13,612</u>
The allowance for doubtful debts is based upon a review of outstanding and an assessment of the recoverability of overdue balances the actual debtors		
6. OTHER FINANCIAL ASSETS		
CURRENT		
EFA term deposit	289,714	278,649
LSL term deposit	30,692	29,519
	<u>320,406</u>	<u>308,168</u>
7. OTHER ASSETS		
CURRENT		
Prepayments	<u>14,015</u>	<u>108,063</u>
8. PROPERTY, PLANT AND EQUIPMENT		
Trailers (at cost)	19,158	19,158
Less accumulated depreciation	<u>(19,158)</u>	<u>(17,701)</u>
	-	1,457
Computer equipment (at cost)	51,183	47,009
Less accumulated depreciation	<u>(38,499)</u>	<u>(36,381)</u>
	12,684	10,628
Office furniture and equipment (at cost)	48,919	46,566
Less accumulated depreciation	<u>(42,645)</u>	<u>(39,794)</u>
	6,274	6,772
Trophies (at cost)	<u>4,950</u>	<u>4,950</u>
Site improvements and equipment for events (at cost)	96,541	42,638
Less accumulated depreciation	<u>(44,733)</u>	<u>(35,873)</u>
	51,808	6,765
	<u>75,716</u>	<u>30,572</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
Reconciliation of movements in carrying amounts of plant and equipment:		
Trailers		
Opening balance	1,457	3,165
Additions	-	-
Depreciation	(1,457)	(1,708)
Closing balance	<u>-</u>	<u>1,457</u>
Computer equipment		
Opening balance	10,628	19,680
Additions	13,416	2,600
Disposals	(248)	-
Depreciation	(11,112)	(11,652)
Closing balance	<u>12,684</u>	<u>10,628</u>
Office furniture and equipment		
Opening balance	6,772	9,893
Additions	2,353	1,007
Depreciation	(2,851)	(4,128)
Closing balance	<u>6,274</u>	<u>6,772</u>
Site improvements and equipment for events		
Opening balance	6,765	-
Additions	53,903	9,650
Depreciation	(8,860)	(2,885)
Closing balance	<u>51,808</u>	<u>6,765</u>
9. TRADE AND OTHER PAYABLES		
CURRENT		
Sundry creditors and accruals	<u>100,842</u>	<u>119,871</u>
10. INCOME IN ADVANCE		
CURRENT		
Prepaid income	<u>503,037</u>	<u>443,423</u>

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
11. PROVISIONS		
CURRENT		
Provision for annual leave	21,386	14,698
Provision for long service leave	5,036	4,767
	26,422	19,465
NON-CURRENT		
Provision for long service leave	9,216	9,986
Aggregate employee benefits	35,638	29,451
	13,500	12,750
12. AUDITOR'S REMUNERATION		
For auditing the financial report	10,000	10,000
For preparation of financial accounts	3,500	2,750
	13,500	12,750

13. CASH FLOW INFORMATION

(a) Reconciliation of Cash

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:

	2010	2009
	\$	\$
Cash at bank – NAB current account	209,309	214,867
Petty Cash	896	7,780
	210,205	222,647
(b) Reconciliation of Net Cash Provided By/(Used In) Operating Activities to (Loss)/Surplus for the year		
(Loss)/surplus for the year	(38,736)	32,964
Non cash items:		
Depreciation expense	24,280	20,373
Profit on disposal of assets	(1,252)	-
Allowance for doubtful debts	-	11,112
Change in assets and liabilities:		
(Increase) in trade and other receivables	(50,098)	(35,935)
Decrease /(Increase) in prepayments	94,048	(105,707)
(Decrease)/Increase in creditors and accruals	(19,029)	29,195
Increase in income in advance	59,614	119,049
Increase in provisions	6,187	2,970
Net cash provided by operating activities	75,014	74,021

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term employee benefits	77,374	65,688
Post-employment benefits	6,675	5,685
Termination benefits	-	-
	<u>84,049</u>	<u>71,373</u>

15. RELATED PARTY TRANSACTIONS

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

Bruce Chamberlain - President	Susannah Clarke
Barry Roycroft - Vice President	Robbie Allen
Rick Howells - Vice President (appointed October 2009)	Peter Gardiner
Michelle Chamberlain - Treasurer	Neil Clinton (resigned October 2009)

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 Bruce Chamberlain, who received \$5,520 (2009: \$5,818) as allowances for the performance of his presidential duties.

The following persons received payments for instructor fees during the year:
Mr Robbie Allen \$6,400 (2009: \$7,200) and Mr Barry Roycroft \$6,010 (2009: \$4,600).

Mr Bruce Chamberlain, Ms Michelle Chamberlain and Mr Rick Howells are members of the committee of the Equestrian Federation of Australia – Victoria Branch 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 \$22,559 (2009: \$17,320) in relation to office space rented from WPNEC;
- (b) the association incurred venue hire expenses of \$197,383 (2009: \$94,348) at discounted rates to other persons, including Werribee Park levy charges of \$36,100 (2009: \$28,880);
- (c) loan advances of \$26,225 (2009: \$51,160) and loan repayments of \$18,779 were made. Interest is being earned at a rate of 8% pa on an initial \$20,000 loan and at 3.165% pa on subsequent loaned amounts;
- (d) eventing, training, stabling and bedding fees of \$101,298 (2009: \$111,760) were collected on behalf of WPNEC and on-forwarded to the centre;
- (e) the association incurred hiring fees of \$9,291 (2009: nil); promotional fees \$6,655 (2009: nil) and repairs and maintenance fees of \$7,691 (2009: nil); and
- (f) the association received management fees of \$24,160 (2009: \$22,500).

At year end the association had loans receivable of \$78,206 (2009: \$71,160), trade receivables of \$24,359 (2009: \$11,269) and trade payables of \$24,539 (2009: \$3,216) with WPNEC.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

15. 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.

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 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 2010, 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 Higher / (Lower) Year Ended 30 June		Net Assets Higher / (Lower) As at 30 June	
	2010	2009	2010	2009
Interest Rate Movement	\$	\$	\$	\$
+2.0%	10,594	10,520	10,594	10,520
- 2.0%	(10,594)	(10,520)	(10,594)	(10,520)

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

16. 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 \$
2010			
Trade and sundry creditors	100,842	-	100,842
Income in advance	503,037	-	503,037
Total financial liabilities	603,879	-	603,879
2009			
Trade and sundry creditors	119,871	-	119,871
Income in advance	443,423	-	443,423
Total financial liabilities	563,294	-	563,294

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.

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

16. 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.

		2010		2009
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	210,205	210,205	222,647	222,647
Trade and sundry debtors	140,965	140,965	90,867	90,867
Loans receivable	78,206	78,206	71,160	71,160
Other Financial Assets				
- Term deposits	320,406	320,406	308,168	308,168
	-----	-----	-----	-----
Total Financial Assets	749,782	749,782	692,842	692,842
	=====	=====	=====	=====
Financial Liabilities				
Sundry creditors and accruals	100,842	100,842	119,871	119,871
Income in advance	503,037	503,037	443,423	443,423
	-----	-----	-----	-----
Total Financial Liabilities	603,879	603,879	563,294	563,294
	=====	=====	=====	=====

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
17. LEASING COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating lease contracted for but not capitalised in the financial statements:		
Payable – minimum lease commitments		
- Not later than one year	40,434	40,434
- Later than one year but not later than 5 years	67,390	107,824
- Later than 5 years	-	-
	<u>107,824</u>	<u>148,258</u>

The lease is a non-cancellable lease for printing and photocopying equipment with a five-year term, with rent payable monthly in advance

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 2010. 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.

**J A Mooney
Partner
PKF**

October 2010
Melbourne

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
REVENUE AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
REVENUE		
Subscriptions	483,533	466,305
Insurance levies income from members	129,243	124,684
National and ICDF levies income from members	149,354	125,546
Horse registrations, renewals and transfers	140,426	125,711
Performance cards	85,314	77,262
Advertising income	42,107	18,881
Dinner / BBQ	82,912	30,056
Donations	132,259	98,007
Entry fees	584,185	432,329
Facility fees	111,404	81,510
Grants	15,000	15,000
HPP/ICDF funding	37,109	40,500
Management fees	24,160	22,500
Raffle / auction income	13,085	-
Sales of publication and merchandise	39,149	50,559
Special clinics and tickets income	16,971	12,956
Sponsorships	226,341	217,532
Sponsorships – in kind	59,309	53,096
Stabling income	92,567	68,844
Trade stands and camping income	107,603	93,186
Ticket sales	217,420	242,466
Training income	142,418	214,816
Interest	28,788	31,124
Donations for Bushfire	200	29,347
Profit on disposal of assets	1,252	-
Other income	49,186	36,311
Total revenue	3,011,295	2,708,528
EXPENDITURE		
Advertising	87,219	63,532
Allowances/honorariums	8,753	14,147
Audit and accounting fees	21,018	27,181
Bank charges	21,242	15,904
Bad and doubtful debts	-	11,112
Catering and refreshments	185,227	168,391
Course building	12,878	-
Depreciation and amortisation	24,280	20,373
Donations, including bushfire donations	2,201	69,197
Event expenses	329,859	180,675
Facility fee to Werribee Park	202,217	94,324
Hire of equipment	218,490	240,909
Information technology	7,450	16,785
Insurance expenses	137,578	128,427

EQUESTRIAN FEDERATION OF AUSTRALIA - VICTORIA BRANCH INC
REVENUE AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
EXPENDITURE (CONT'D)		
Judges expenses	62,806	95,862
Legal fees	4,750	8,127
Meeting expense	45	491
National membership and ICDF levy	147,977	125,359
Office expenses	-	1,325
Office rental expenses	23,182	17,320
On-line revenue collection fees	61	114
Postage	41,214	40,786
Printing and stationery, including photocopier rent	187,813	191,427
Prize money and prizes	54,755	43,671
Sashes, medallions and trophies	84,994	58,735
Sponsor costs	36,622	5,463
Sponsor costs – in kind	59,309	47,770
Squad / training expenses	101,033	106,958
Stock purchases	146,027	93,442
Superannuation	38,483	31,194
Telephone and facsimile	20,501	17,066
Ticketing expenses	3,168	3,471
Travel and accommodation	138,817	99,776
Venue hire	61,392	146,327
Wages	503,778	401,775
Other expenditure	74,892	88,148
Total expenditure	3,050,031	2,675,564
OPERATING (LOSS)/SURPLUS	(38,736)	32,964