



**EQUESTRIAN VICTORIA INC.  
TRADING AS EQUESTRIAN VICTORIA**

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011**



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF :  
EQUESTRIAN VICTORIA INC.**

We have audited the accompanying financial report of Equestrian Victoria Inc. (the Association), which comprises the statement of financial position as at 30 June 2011 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 the Members of the Committee.

*The Responsibility of the Members of the Committee for the Financial Report*

The Members of the Committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (Vic) 1981 and for such internal control as the Members of the Committee 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. 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 followed applicable independence requirements of Australian professional ethical pronouncements.

*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 Victoria Inc.

*Qualified Audit Opinion*

In our opinion, the financial report of Equestrian Victoria 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 2011 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Associations Incorporation Act (Vic) 1981.

**PKF**

3 November 2011  
Melbourne

**J A Mooney**  
Partner

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**EQUESTRIAN VICTORIA INC**  
**STATEMENT BY MEMBERS OF THE COMMITTEE**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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 2011 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:



.....  
Barry Roycroft  
President

.....  
Michelle Chamberlain  
Treasurer

25 October 2011  
Melbourne

**EQUESTRIAN VICTORIA INC.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
REVENUE	2	3,192,867	3,011,295
EXPENDITURE			
Advertising		94,187	87,219
Bad and doubtful debts		23,213	-
Catering and refreshments		212,371	185,227
Course building		41,992	12,878
Depreciation and amortisation		21,350	24,280
Donations		71,958	2,201
Event expenses		472,295	329,859
Facility fee to Werribee Park		234,067	202,217
Insurance expenses		159,311	137,578
Hire of equipment		164,456	218,490
Judges expenses		62,477	62,806
Legal fees		16,058	4,750
National membership and ICDF levy		151,089	147,977
Postage		45,755	41,214
Printing – including photocopier rental and fax		179,118	187,813
Prize expenses		87,501	54,755
Rental expenses		12,990	23,182
Sashes, medallions and trophies		76,209	84,994
Sponsor costs		86,313	95,931
Squad / Training Expenses		85,714	101,033
Stock purchases		136,203	146,027
Telephone and facsimile		24,109	20,501
Ticketing expenses		1,405	3,168
Travel and accommodation		152,173	138,817
Venue hire		50,355	61,392
Wages, salaries and related on costs		547,550	542,261
Other expenses		128,918	133,461
Operating loss before income tax expense		<u>(146,270)</u>	<u>(38,736)</u>
Income tax expense	1(c)	<u>-</u>	<u>-</u>
Operating loss after income tax expense		(146,270)	(38,736)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(146,270)</u>	<u>(38,736)</u>

The accompanying notes form part of these financial statements.



**EQUESTRIAN VICTORIA INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	137,054	210,205
Trade and other receivables	5	146,272	219,171
Other financial assets	6	347,783	320,406
Other assets	7	-	14,015
<b>TOTAL CURRENT ASSETS</b>		<u>631,109</u>	<u>763,797</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>109,780</u>	<u>75,716</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>109,780</u>	<u>75,716</u>
<b>TOTAL ASSETS</b>		<u>740,889</u>	<u>839,513</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	216,846	100,842
Income in advance	10	412,574	503,037
Provisions	11	<u>43,866</u>	<u>26,422</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>673,286</u>	<u>630,301</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	<u>13,877</u>	<u>9,216</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>13,877</u>	<u>9,216</u>
<b>TOTAL LIABILITIES</b>		<u>687,163</u>	<u>639,517</u>
<b>NET ASSETS</b>		<u>53,726</u>	<u>199,996</u>
<b>MEMBERS FUNDS</b>			
Accumulated Funds		40,357	186,627
Reserves		<u>13,369</u>	<u>13,369</u>
<b>TOTAL MEMBERS FUNDS</b>		<u>53,726</u>	<u>199,996</u>

The accompanying notes form part of these financial statements.

**EQUESTRIAN VICTORIA INC.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<b>Accumulated Funds \$</b>	<b>Reserves \$</b>	<b>Total Members Funds \$</b>
<b>Balance at 30 June 2009</b>	225,363	13,369	238,732
Total comprehensive income	(38,736)	-	(38,736)
Transfer to bushfire fund reserve	-	-	-
<b>Balance at 30 June 2010</b>	186,627	13,369	199,996
Total comprehensive income	(146,270)	-	(146,270)
<b>Balance at 30 June 2011</b>	40,357	13,369	53,726

The accompanying notes form part of these financial statements.

**EQUESTRIAN VICTORIA INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, customers and fundraising		3,032,027	2,991,704
Interest received		22,548	29,471
Payments to suppliers and employees		<u>(3,084,799)</u>	<u>(2,946,161)</u>
Net cash (used in) / provided by operating activities	13(b)	<u>(30,224)</u>	<u>75,014</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(55,414)	(68,172)
Loan repayment / (advance) from / (to) Werribee Park		39,864	(7,046)
Payments for investments		<u>(27,377)</u>	<u>(12,238)</u>
Net cash used in investing activities		<u>(42,927)</u>	<u>(87,456)</u>
<b>NET DECREASE IN CASH HELD</b>		(73,151)	(12,442)
Cash and cash equivalents at beginning of year		<u>210,205</u>	<u>222,647</u>
Cash and cash equivalents at end of year	13(a)	<u>137,054</u>	<u>210,205</u>

The accompanying notes form part of these financial statements.

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

**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 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 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) Going Concern**

The association has an excess of current liabilities over current assets of \$42,177 and negative cash flows from operations of \$30,224 as at 30 June 2011. 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 \$412,574 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.

**(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.



**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

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

**(d) 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).

**(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.

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

**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. 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.

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

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

**(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.

EQUESTRIAN VICTORIA INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<b>2. REVENUE</b>		
Subscriptions	514,982	483,533
Insurance levies income from members	158,247	129,243
National levies income from members	156,329	149,354
Horse registrations, renewals and transfers	145,826	140,426
Performance cards	84,958	85,314
Advertising income	30,319	42,107
Dinner / BBQ	58,796	82,912
Donations	153,296	132,259
Entry fees	515,049	584,185
Facility fees	122,423	111,404
Grants	22,500	15,000
HPP/ICDF funding	63,650	37,109
Management fees	19,689	24,160
Raffle / auction income	90,630	13,085
Sales of publication and merchandise	36,677	39,149
Special clinics and tickets income	11,288	16,971
Sponsorships	236,287	226,341
Sponsorships – in kind	65,668	59,309
Stabling income	110,608	92,567
Trade stands and camping income	136,847	107,603
Ticket sales	268,448	217,420
Training income	129,999	142,418
Interest	23,579	28,788
Donations for Bushfire	-	200
Profit on disposal of assets	-	1,252
Other income	36,772	49,186
Total revenue	<u>3,192,867</u>	<u>3,011,295</u>

	2011 \$	2010 \$
<b>3. RESULT</b>		
Result before income tax has been arrived at after charging as expenses:		
Allowance for doubtful debts	13,505	-
Depreciation of:		
- Plant and equipment	21,350	24,280
Superannuation contributions	37,945	38,483

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash at bank - NAB current account	134,654	209,309
Petty cash	2,400	896
	137,054	210,205
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	121,441	141,311
Less allowance for doubtful debts	(27,117)	(13,612)
	94,324	127,699
GST receivable	12,575	13,266
Werribee Park National Equestrian Centre loan	38,342	78,206
Accrued interest on loan	1,031	-
	146,272	219,171

As at 30 June 2011, the ageing of trade receivables is as follows:

	2011		2010	
	Debtors	Allowance	Debtors	Allowance
	\$	\$	\$	\$
0 – 30 days	25,023	-	32,295	-
31 – 60 days	33,956	-	8,928	-
61 – 90 days	5,593	-	11,857	-
90 days +	56,869	(27,117)	88,231	(13,612)
	121,441	(27,117)	141,311	(13,612)

Receivables past due but not considered impaired are: \$69,301 (2010 \$95,404).

Management is satisfied payment will be received in full.

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>5. TRADE AND OTHER RECEIVABLES (CONT'D)</b>		
The movement in the allowance for doubtful debts is detailed below:		
Opening balance	13,612	13,612
Charge for the year	13,505	-
Closing balance	<u>27,117</u>	<u>13,612</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>6. OTHER FINANCIAL ASSETS</b>		
CURRENT		
EFA term deposit	303,294	289,714
LSL term deposit	44,489	30,692
	<u>347,783</u>	<u>320,406</u>
<b>7. OTHER ASSETS</b>		
CURRENT		
Prepayments	-	14,015
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Trailers (at cost)	19,158	19,158
Less accumulated depreciation	<u>(19,158)</u>	<u>(19,158)</u>
	-	-
Computer equipment (at cost)	51,183	51,183
Less accumulated depreciation	<u>(42,425)</u>	<u>(38,499)</u>
	<u>8,758</u>	<u>12,684</u>
Office furniture and equipment (at cost)	54,810	48,919
Less accumulated depreciation	<u>(45,600)</u>	<u>(42,645)</u>
	<u>9,210</u>	<u>6,274</u>
Trophies (at cost)	<u>4,950</u>	<u>4,950</u>
Site improvements and equipment for events (at cost)	146,064	96,541
Less accumulated depreciation	<u>(59,202)</u>	<u>(44,733)</u>
	<u>86,862</u>	<u>51,808</u>
	<u>109,780</u>	<u>75,716</u>



**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)</b>		
<b>Reconciliation of movements in carrying amounts of plant and equipment:</b>		
Trailers		
Opening balance	-	1,457
Additions	-	-
Depreciation	-	(1,457)
Closing balance	<u>-</u>	<u>-</u>
Computer equipment		
Opening balance	12,684	10,628
Additions	-	13,416
Disposals	-	(248)
Depreciation	(3,926)	(11,112)
Closing balance	<u>8,758</u>	<u>12,684</u>
Office furniture and equipment		
Opening balance	6,274	6,772
Additions	5,891	2,353
Depreciation	(2,955)	(2,851)
Closing balance	<u>9,210</u>	<u>6,274</u>
Site improvements and equipment for events		
Opening balance	51,808	6,765
Additions	49,523	53,903
Depreciation	(14,469)	(8,860)
Closing balance	<u>86,862</u>	<u>51,808</u>
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Sundry creditors and accruals	<u>216,846</u>	<u>100,842</u>
<b>10. INCOME IN ADVANCE</b>		
<b>CURRENT</b>		
Prepaid income	<u>412,574</u>	<u>503,037</u>

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>11. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for annual leave	37,354	21,386
Provision for long service leave	6,512	5,036
	43,866	26,422
<b>NON-CURRENT</b>		
Provision for long service leave	13,877	9,216
Aggregate employee benefits	57,743	35,638
	13,877	9,216
<b>12. AUDITOR'S REMUNERATION</b>		
For auditing the financial report	11,000	10,000
For preparation of financial accounts	3,150	3,500
	14,150	13,500

**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:

	2011	2010
	\$	\$
Cash at bank – NAB current account	134,654	209,309
Petty Cash	2,400	896
	137,054	210,205
<b>(b) Reconciliation of Net Cash (Used In) / Provided By Operating Activities to Loss for the year</b>		
Loss for the year	(146,270)	(38,736)
<b>Non cash items:</b>		
Depreciation expense	21,350	24,280
Profit on disposal of assets	-	(1,252)
Allowance for doubtful debts	13,505	-
<b>Change in assets and liabilities:</b>		
Decrease /(Increase) in trade and other receivables	19,530	(50,098)
Decrease in prepayments	14,015	94,048
Increase / (Decrease) in creditors and accruals	116,004	(19,029)
(Decrease) / Increase in income in advance	(90,463)	59,614
Increase in provisions	22,105	6,187
Net cash (used in) / provided by operating activities	(30,224)	75,014

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2010**

	2011 \$	2010 \$
<b>14. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short-term employee benefits	72,568	77,374
Post-employment benefits	6,123	6,675
	<u>78,691</u>	<u>84,049</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 - (resigned April 2011)	Susannah Clarke
Barry Roycroft - (Appointed President April 2011)	Robbie Allen
Rick Howells - Vice President	Peter Gardiner
Michelle Chamberlain - Treasurer	Maggie McDonell (Appointed October 2010)

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 \$6,000 (2010: \$5,520) and Mr Barry Roycroft \$1,500 (2010: Nil) as allowances for the performance of the presidential duties.

The following persons received payments for instructor fees during the year:  
Mr Robbie Allen \$4,000 (2010: \$6,400) and Mr Barry Roycroft \$2,500 (2010: \$6,010).

Ms Michelle Chamberlain and Mr Rick Howells, and previously Mr Bruce Chamberlain, 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 \$12,990 (2010: \$22,559) in relation to office space rented from WPNEC;
- (b) the association incurred venue hire expenses of \$154,639 (2010: \$197,383) at discounted rates to other persons, including Werribee Park levy charges of \$22,205 (2010: \$36,100);
- (c) Loan repayments of \$33,864 (2010: advances of \$26,225 and loan repayments of \$18,779) were made. Interest is being earned at a rate of 3.165% pa on loaned amounts;
- (d) eventing, training, stabling and bedding fees of \$144,071 (2010: \$101,298) were collected on behalf of WPNEC and on-forwarded to the centre;
- (e) the association incurred hiring fees of \$12,592 (2010: \$9,291); promotional fees \$nil (2010: \$6,655) and repairs and maintenance fees of \$1,816 (2010: 7,691); and
- (f) the association received management fees of \$19,689 (2010: \$24,160) and donated \$10,796 (2010: nil) on behalf of the Barastoc committee.

At year end the association had loans receivable of \$38,342 (2010: \$78,206), trade receivables of \$11,662 (2010: \$24,359) and trade payables of (\$5,002) (2010: \$24,539) with WPNEC.

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

**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 2011, 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 Higher / (Lower) Year Ended 30 June</b>		<b>Net Assets Higher / (Lower) As at 30 June</b>	
	2011	2010	2011	2010
<b>Interest Rate Movement</b>	\$	\$	\$	\$
+2.0%	9,697	10,594	9,697	10,594
- 2.0%	(9,697)	(10,594)	(9,697)	(10,594)

**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

**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:

	<b>Maturing within 0 – 3 months \$</b>	<b>Maturing within 3 – 12 months \$</b>	<b>Total \$</b>
<b>2011</b>			
Trade and sundry creditors	216,846	-	216,846
Income in advance	412,574	-	412,574
Total financial liabilities	629,420	-	629,420
<b>2010</b>			
Trade and sundry creditors	100,842	-	100,842
Income in advance	503,037	-	503,037
Total financial liabilities	603,879	-	603,879

**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 VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

**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.

	2011		2010	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial Assets</b>				
Cash and cash equivalents	137,054	137,054	210,205	210,205
Trade and sundry debtors	107,930	107,930	140,965	140,965
Loans receivable	38,342	38,342	78,206	78,206
Other Financial Assets				
- Term deposits	347,783	347,783	320,406	320,406
<b>Total Financial Assets</b>	<u>631,109</u>	<u>631,109</u>	<u>749,782</u>	<u>749,782</u>
<b>Financial Liabilities</b>				
Sundry creditors and accruals	216,846	216,846	100,842	100,842
Income in advance	412,574	412,574	503,037	503,037
<b>Total Financial Liabilities</b>	<u>629,420</u>	<u>629,420</u>	<u>603,879</u>	<u>603,879</u>



**EQUESTRIAN VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
<b>17. 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	40,434	40,434
- Later than one year but not later than 5 years	26,956	67,390
- Later than 5 years	-	-
	<u>67,390</u>	<u>107,824</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 VICTORIA INC.  
DISCLAIMER**

The additional financial data presented in the following pages numbered 22 and 23 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 2011. 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.



**J A Mooney**  
Partner  
PKF

3 November 2011  
Melbourne

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Liability limited by a scheme approved under Professional Standards Legislation.

**EQUESTRIAN VICTORIA INC.**  
**REVENUE AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2011	2010
	\$	\$
<b>REVENUE</b>		
Subscriptions	514,982	483,533
Insurance levies income from members	158,247	129,243
National and ICDF levies income from members	156,329	149,354
Horse registrations, renewals and transfers	145,826	140,426
Performance cards	84,958	85,314
Advertising income	30,319	42,107
Dinner / BBQ	58,795	82,912
Donations	153,296	132,259
Entry fees	515,049	584,185
Facility fees	122,423	111,404
Grants	22,500	15,000
HPP/ICDF funding	63,650	37,109
Management fees	19,689	24,160
Raffle / auction income	90,630	13,085
Sales of publication and merchandise	36,677	39,149
Special clinics and tickets income	11,288	16,971
Sponsorships	236,287	226,341
Sponsorships – in kind	65,668	59,309
Stabling income	110,608	92,567
Trade stands and camping income	136,847	107,603
Ticket sales	268,448	217,420
Training income	129,999	142,418
Interest	23,579	28,788
Donations for Bushfire	-	200
Profit on disposal of assets	-	1,252
Other income	36,772	49,186
<b>Total revenue</b>	<b>3,192,867</b>	<b>3,011,295</b>
<b>EXPENDITURE</b>		
Advertising	94,187	87,219
Allowances/honorariums	11,336	8,753
Audit and accounting fees	19,900	21,018
Bank charges	24,794	21,242
Bad debts	9,708	-
Doubtful debts	13,505	-
Catering and refreshments	212,371	185,227
Course building	41,992	12,878
Depreciation and amortisation	21,350	24,280
Donations	71,958	2,201
Event expenses	472,295	329,859
Facility fee to Werribee Park	234,067	202,217
Hire of equipment	164,456	218,490
Information technology	7,247	7,450
Insurance expenses	159,311	137,578

**EQUESTRIAN VICTORIA INC.**  
**REVENUE AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
<b>EXPENDITURE (CONT'D)</b>		
Judges expenses	62,477	62,806
Legal fees	16,058	4,750
Meeting expense	41	45
National membership and ICDF levy	151,089	147,977
Office rental expenses	12,990	23,182
On-line revenue collection fees	-	61
Postage	45,755	41,214
Printing and stationery, including photocopier rent	179,118	187,813
Prize money and prizes	87,501	54,755
Sashes, medallions and trophies	76,209	84,994
Sponsor costs	20,645	36,622
Sponsor costs – in kind	65,668	59,309
Squad / training expenses	85,714	101,033
Stock purchases	136,203	146,027
Superannuation	37,945	38,483
Telephone and facsimile	24,109	20,501
Ticketing expenses	1,405	3,168
Travel and accommodation	152,173	138,817
Venue hire	50,355	61,392
Wages	509,605	503,778
Other expenditure	65,600	74,892
<b>Total expenditure</b>	<b>3,339,137</b>	<b>3,050,031</b>
<b>OPERATING LOSS</b>	<b>(146,270)</b>	<b>(38,736)</b>