

# **Australian Quarter Horse Association**

**ABN: 41 000 964 643**

## **Financial Statements**

**For the Year Ended 30 June 2019**

# Australian Quarter Horse Association

ABN: 41 000 964 643

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For the Year Ended 30 June 2019

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# Australian Quarter Horse Association

ABN: 41 000 964 643

## Directors' Report For the Year Ended 30 June 2019

Your directors present their report on Australian Quarter Horse Association for the financial year ended 30 June 2019.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Carol Faye Ricketts

Qualifications	Retired
Experience	2 Years as a Director
Special responsibilities	President

Wendy Kim Johnson

Qualifications	Manager Equine Breeding Centre
Experience	18 years as a Director
Special responsibilities	Deputy President, International, Stud Book

John Christopher Steel

Qualifications	Manager for Out of Home Care for High Risk Adolescents
Experience	4 years as a Director
Special responsibilities	Vice President, Investigative Officer and Affiliates

Paul Gerrard Lorimer

Qualifications	Company Director
Experience	24 years as a Director
Special responsibilities	Vice-President, Show and Performance Portfolio

Patricia Sharon Wettenhall

Qualifications	Business Owner, Horse breeder and Trainer
Experience	14 years as a Director
Special responsibilities	Treasurer

Ricky Noble Glen

Qualifications	Horse Stud Manager
Experience	25 years as a Director
Special responsibilities	Hall of Fame and Cattle & Timed Events Portfolios

Lorelei Jean Payne

Qualifications	Professional Horseman and Clinician
Experience	4 years as a Director
Special responsibilities	Non-Traditional Portfolio

Joanne Gregory

Qualifications	Business Analyst
Experience	4 years as a Director
Special responsibilities	Judging Portfolio

# Australian Quarter Horse Association

ABN: 41 000 964 643

## Directors' Report

For the Year Ended 30 June 2019

### Information on directors

Craig Alexander Rath

Qualifications	Business Analyst
Experience	4 years as a Director
Special responsibilities	Youth Portfolio holder October 2018 to April 2019

Kyle Mobberley

Qualifications	Professional Trainer
Experience	3 years as a Director
Special responsibilities	Professional Trainers and Clinicians, National Show

Kate Suzanne Elliott

Qualifications	Professional Trainer
Experience	3 years as a Director
Special responsibilities	Amateur Portfolio

Nicole Davison

Qualifications	Business Owner, Breeder and Trainer
Experience	2 Years as a Director
Special responsibilities	Youth Portfolio from May 2019

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

The principal activity of Australian Quarter Horse Association during the financial year was the promotion of the Quarter Horse in Australia.

No significant changes in the nature of the entity's activity occurred during the financial year.

### Short term objectives

The Company's short term objectives are to:

- To broaden the membership base and promote further growth;
- Implement technology to ensure the Association provided beneficial member services.

## **Australian Quarter Horse Association**

ABN: 41 000 964 643

# **Directors' Report**

**For the Year Ended 30 June 2019**

### **Long term objectives**

The Company's long term objectives are to:

- To promote and encourage the breeding and exhibiting of Quarter Horse in Australia;
- To develop diverse educational programs, material, curriculum to foster the growth and development of our members, including, but not limited to, Youth Development and Professional Trainers Division;
- To provide services to Australian Quarter Horse Association members; and
- To maintain the Stud Book of Quarter Horses in Australia and preserve the pedigrees of Quarter Horses in Australia.

### **Strategy for achieving the objectives**

To achieve these objectives, the Company has adopted the following strategies:

- To adopt any internal processes that requires change, after consideration by the Board of directors;
- The Associations funds will continue to be managed on a day to day basis that realises more benefits for members and membership participation throughout.

### **Performance measures**

The Company measures its performance in terms of financial surpluses, levels of membership, registration numbers as well as breed promotions (via events, media and member communication) and genetic protection of the breed.

### **Members guarantee**

Australian Quarter Horse Association is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up is limited to \$20 subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$ 81,680 (2018 loss: \$ 102,540).

### **Operating results and review of operations for the year**

The result of the Company for the financial year amounted to a profit of \$ 22,192 (2018 loss: \$ (65,886)).

**Directors' Report  
For the Year Ended 30 June 2019**

**Meetings of directors**

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Wendy Kim Johnson	8	7
John Christopher Steel	8	6
Paul Gerrard Lorimer	8	7
Patricia Sharon Wettenhall	8	8
Ricky Noble Glen	8	7
Joanne Gregory	8	8
Craig Alexander Rath	8	6
Kyle Mobberley	8	5
Kate Suzanne Elliott	8	7
Nicole Davison	8	6
Carol Faye Ricketts	8	8
Lorelei Jean Payne	8	6

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 5 of the financial statements.

Signed in accordance with a resolution of the Board of Directors:



Director: .....

Carol Faye Ricketts



Director: .....

Patricia Sharon Wettenhall

Dated 8 August 2019

**Australian Quarter Horse Association**

ABN: 41 000 964 643

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Quarter Horse Association**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Paul Cornall  
Principal  
Forsyths  
Chartered Accountants

08 August 2019

92 Rusden Street, Armidale NSW

# Australian Quarter Horse Association

ABN: 41 000 964 643

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	1,771,536	1,955,597
Administration		(370,838)	(408,039)
Shows		(328,355)	(349,316)
Employee costs		(575,275)	(675,406)
Registry		(143,673)	(182,410)
Board		(47,484)	(58,661)
Depreciation		(81,442)	(70,336)
Other AQHA Divisions		(190,601)	(277,315)
Memberships		(11,676)	-
<b>Surplus for the year</b>		<b>22,192</b>	<b>(65,886)</b>
<b>Other comprehensive income:</b>			
Changes in fair value of land and buildings		-	186,739
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Changes in Fair value gain on available-for-sale financial assets		-	29,733
<b>Items that have been reclassified to profit or loss:</b>			
Reclassification of Fair value gains on available-for-sale financial assets to profit or loss		-	(13,842)
<b>Other comprehensive income</b>		<b>-</b>	<b>202,630</b>
<b>Total comprehensive income for the year</b>		<b>22,192</b>	<b>136,744</b>

The accompanying notes form part of these financial statements.

# Australian Quarter Horse Association

ABN: 41 000 964 643

## Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	1,418,718	1,427,090
Trade and other receivables	5	4,794	9,894
Inventories	6	10,459	8,539
Other assets	7	23,743	52,432
TOTAL CURRENT ASSETS		<u>1,457,714</u>	<u>1,497,955</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,112,420	2,102,513
TOTAL NON-CURRENT ASSETS		<u>2,112,420</u>	<u>2,102,513</u>
TOTAL ASSETS		<u>3,570,134</u>	<u>3,600,468</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	70,110	93,386
Employee benefits	10	49,680	66,563
TOTAL CURRENT LIABILITIES		<u>119,790</u>	<u>159,949</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	-	12,368
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>12,368</u>
TOTAL LIABILITIES		<u>119,790</u>	<u>172,317</u>
NET ASSETS		<u>3,450,344</u>	<u>3,428,151</u>
<b>EQUITY</b>			
Land and Buildings revaluation reserve		807,174	807,174
Accumulated surpluses		2,643,170	2,620,977
TOTAL EQUITY		<u>3,450,344</u>	<u>3,428,151</u>

The accompanying notes form part of these financial statements.

## Australian Quarter Horse Association

ABN: 41 000 964 643

### Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Accumulated Surpluses	Financial Assets Reserve	Land and Buildings Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2018	2,620,977	-	807,174	3,428,151
Surplus for the year	22,192	-	-	22,192
<b>Balance at 30 June 2019</b>	<b>2,643,170</b>	<b>-</b>	<b>807,174</b>	<b>3,450,344</b>

2018

	Accumulated Surpluses	Financial Assets Reserve	Land and Buildings Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2017	2,686,863	(15,891)	620,435	3,291,407
Surplus for the year	(65,886)	-	-	(65,886)
Other comprehensive income for the year	-	15,891	186,739	202,630
<b>Balance at 30 June 2018</b>	<b>2,620,977</b>	<b>-</b>	<b>807,174</b>	<b>3,428,151</b>

#### Financial Assets Reserve

The financial assets reserve records revaluation increments and decrements (that do not present impaired write-downs) that relate to financial assets classified as available for sale.

## Australian Quarter Horse Association

ABN: 41 000 964 643

### Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,927,625	2,111,898
Payments to suppliers and employees	(1,862,926)	(2,138,357)
Interest Received	20,087	17,568
Net cash provided by (used in) operating activities	14 <u>84,786</u>	<u>(8,891)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(93,158)	(3,043)
Proceeds from sale property, plant and equipment	-	300
Proceed from sale of investment	-	603,842
Net cash used by investing activities	<u>(93,158)</u>	<u>601,099</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in cash and cash equivalents held	(8,372)	592,208
Cash and cash equivalents at beginning of year	1,427,090	834,882
Cash and cash equivalents at end of financial year	4 <u>1,418,718</u>	<u>1,427,090</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

These financial statements covers Australian Quarter Horse Association as an individual entity. Australian Quarter Horse Association is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Australian Quarter Horse Association is Australian dollars.

#### **1 Summary of Significant Accounting Policies**

##### **(a) Basis of preparation**

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts in the financial statements have been rounded to the nearest dollar.

##### **(b) Comparative figures**

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

##### **(c) Revenue and other income**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Australian Quarter Horse Association's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

##### **Donations**

Donations and bequests are recognised as revenue when received.

##### **Interest revenue**

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### **Provision of services**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **1 Summary of Significant Accounting Policies**

#### **(c) Revenue and other income**

##### **Memberships**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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

#### **(d) Income tax**

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

#### **(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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

#### **(f) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

#### **(g) Inventories**

Inventories are measured at the lower of cost and current replacement cost.

#### **(h) Property, plant and equipment**

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

##### **Property**

Land and buildings are measured at fair value less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal or deprival value basis (see impairment policy). The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **1 Summary of Significant Accounting Policies**

##### **(h) Property, plant and equipment**

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

##### **Plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

##### **Depreciation**

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Land is not depreciated.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%- 5%
Plant and Equipment	7.5 % - 67%
Motor Vehicles	25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

##### **Impairment**

At the end of each reporting year, the Company reviews the carrying values of its tangible 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **1 Summary of Significant Accounting Policies**

#### **(i) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid.

#### **(j) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### **(k) Employee benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee render the related services, including wages and salaries. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled excluding on-costs.

The accruals for long-service leave are based on the years of service pro-rata entitlement and is measured at the undiscounted amounts based on current wage rates excluding on-costs.

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

#### **(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(m) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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 Company.

##### **Key estimates - impairment**

The Company assesses impairment at the end of the reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers.

##### **Key estimates - fair value of land and buildings**

The Company carries its land and buildings at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained every three to five years and at the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (n) Adoption of new and amended accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

#### (o) New accounting standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards as none of the changes are expected to have a material effect on the Company.

### 2 Revenue and Other Income

#### Revenue from continuing operations

	2019	2018
	\$	\$
Revenue		
- Administration membership fees	131,900	143,022
- Registry fees	679,453	756,111
- Youth World Cup event income	-	591
- Show fees, charges and sponsorship	289,262	270,239
- Other AQHA Divisions	86,102	145,323
- Member subscriptions	564,732	600,135
Other income		
- Interest revenue	20,087	17,568
- Investment income	-	8,766
- Gain on Disposal of Financial Assets	-	13,842
<b>Total Revenue</b>	<b>1,771,536</b>	<b>1,955,597</b>

# Australian Quarter Horse Association

ABN: 41 000 964 643

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Result for the Year

The result for the year includes the following specific expenses

	2019	2018
	\$	\$
<b>Other expenses:</b>		
Superannuation contributions	46,428	53,111
	<hr/>	<hr/>
	2019	2018
	\$	\$
<b>Remuneration of auditor:</b>		
- Audit of financial statements	12,470	11,443
- Taxation Services	380	380
- Other Services	1,500	3,000
	<hr/>	<hr/>
	14,350	14,823
	<hr/>	<hr/>

### 4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and on hand	1,418,718	1,427,090
	<hr/>	<hr/>

### 5 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	4,794	5,360
Other receivables	-	4,534
	<hr/>	<hr/>
<b>Total current trade and other receivables</b>	<b>4,794</b>	<b>9,894</b>
	<hr/>	<hr/>

### 6 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost		
Merchandise	10,459	8,539
	<hr/>	<hr/>

## Australian Quarter Horse Association

ABN: 41 000 964 643

### Notes to the Financial Statements

For the Year Ended 30 June 2019

#### 7 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	23,743	52,432
	<u>23,743</u>	<u>52,432</u>

#### 8 Property, Plant and Equipment

	2019	2018
	\$	\$
LAND AND BUILDINGS		
Land		
At fair value	440,000	440,000
Total Land	<u>440,000</u>	<u>440,000</u>
Building		
At fair value	1,560,000	1,560,000
Accumulated depreciation	(45,118)	-
Total buildings	<u>1,514,882</u>	<u>1,560,000</u>
Motor vehicles		
At cost	52,537	52,537
Accumulated depreciation	(23,086)	(13,268)
Total motor vehicles	<u>29,451</u>	<u>39,269</u>
Office equipment		
At cost	188,988	165,108
Accumulated depreciation	(119,669)	(112,845)
Total office equipment	<u>69,319</u>	<u>52,263</u>
Computer equipment		
At cost	128,656	80,419
Accumulated depreciation	(69,888)	(69,438)
Total computer equipment	<u>58,768</u>	<u>10,981</u>
<b>Total property, plant and equipment</b>	<u><b>2,112,420</b></u>	<u><b>2,102,513</b></u>

The Company's land and buildings were revalued on 16 July 2018 by independent valuers for the year ended 30 June 2018. Valuations were made on the basis of open market value in an arm's length transaction based on similar properties.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 9 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	70,110	93,386
	<u>70,110</u>	<u>93,386</u>

#### 10 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Provision for long service leave	27,190	28,588
Provision for annual leave	22,490	37,975
	<u>49,680</u>	<u>66,563</u>
NON-CURRENT		
Provision for long service leave	-	12,368
	<u>-</u>	<u>12,368</u>

#### 11 Leasing Commitments

##### Operating leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	5,474	5,474
- between one year and five years	16,422	21,896
	<u>21,896</u>	<u>27,370</u>

The Company has an operating lease in place for a multi-function device and printer.

#### 12 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

#### 13 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Australian Quarter Horse Association

ABN: 41 000 964 643

# Notes to the Financial Statements

For the Year Ended 30 June 2019

### 14 Cash Flow Information

#### Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
Surplus/ Deficit for the year	22,192	(65,886)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	81,442	70,336
- net (gain) loss on disposal of property, plant and equipment	1,810	(178)
- net (gain)/loss on disposal of investments	-	(13,842)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	5,100	(6,092)
- (increase)/decrease in prepayments	28,689	8,037
- (increase)/decrease in inventories	(1,920)	(452)
- increase/(decrease) in trade and other payables	(19,579)	(135)
- increase/(decrease) in employee benefits	(29,251)	(679)
Cashflow from operations	<u>88,483</u>	<u>(8,891)</u>

### 15 Company Details

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

Australian Quarter Horse Association  
Lot 13 Jack Smyth Drive  
Hillvue  
NSW 2340

**Australian Quarter Horse Association**

ABN: 41 000 964 643

**Directors' Declaration**

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 1 of the financial statements.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director .....  
Carol Faye Ricketts



Director .....  
Patricia Sharon Wettenhall

Dated 08 August 2019

## Australian Quarter Horse Association

# Independent Audit Report to the members of Australian Quarter Horse Association

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements, being special purpose financial statements of Australian Quarter Horse Association (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial statements of the Company are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## **Responsibilities of Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements are appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

*Forsyths*

Chartered Accountants

Paul Cornall  
Partner

08 August 2019