

**Riding Pony Stud
Book Society Ltd**

ACN 129 850 531

**Statutory statements for the
year ended
31 March 2015**

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Riding Pony Stud Book Society Ltd ("Riding Pony Stud Book" or the "Company") for the year ended 31 March 2015 and the auditor's report thereon.

Directors

The names and details of the Directors of the Company in office at any time during or since the end of the year are:

Ann Coxon Director Age: 65 Appointed: 22/7/2008	Elizabeth Francis Director Age: 70 Appointed: 22/02/2008
Eleanor Gerry Director Age: 70 Appointed: 22/02/2008	Michelle Labahn Director Age: 49 Appointed: 24/6/2011
Alison Doyle Director Age: 59 Appointed: 17/07/2009	Robyn Vale Director Age: 69 Appointed: 22/02/2008
Catherine Way Director Age: 52 Appointed: 29/5/2011 Resigned: 30/6/2014	Kerrie-Lyn Patchett Director Age: 53 Appointed: 06/06/2013 Resigned: 6/6/2014

All Directors are considered independent, non-executive directors.

Company Secretary

On 05/06/2010 Kaye Rogers was appointed to the position of Company Secretary and acted as such for the year.

Principal activities

The Company was registered with ASIC on 22 February 2008 as an unlisted public company limited by guarantee.

The objects of the Company include inter alia:

- a) To maintain a register of Riding Ponies;
- b) To compile, print and publish at intervals a Stud Book of Riding Ponies;
- c) To prescribe the breed, type and characteristics of the Riding Pony;
- d) To collect, verify and publish information regarding Riding Ponies and keep a register of such information;
- e) To promote and encourage the breeding and exhibition of Riding Ponies; and
- f) To publicise and promote the breeding, ownership, sale and showing of the Riding Pony.

DIRECTORS' REPORT (CONTINUED)

The above listing is a capture of both short term objectives and longer term goals of the Company.

Operating and financial review

The Company's profit for the year ended 31 March 2015 was \$24,850 (2014: Loss \$14,381).

Indemnification and insurance of Directors and Officers

The Company has indemnified all Directors and certain Executive Officers in respect of liabilities to other persons (other than the Company or a related body corporate) that may arise from their positions as Directors or Executive Officers of the Company. The Company has not indemnified its auditors.

Directors' meetings

There have been quarterly meetings of Directors (including meetings of committees) held during the year ended 31 March 2015. These are attended by Board members and certain state subcommittee representatives.

Dividends

Riding Pony Stud Book Society is a Company limited by guarantee and is prevented by its constitution from making a distribution to members by way of dividend.

Members guarantee

In the event of wind up the constitution of the Company indicates that each member will contribute \$10.

State of affairs

There has been no significant change in the state of affairs that has occurred during the financial year and there has been no matter or circumstance that has arisen since the end of the financial year that has 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 subsequent financial years.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, or the state of affairs of the Company in subsequent financial years.

Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Lead auditor's independence declaration

The lead auditor's independence declaration is set on page 5 and forms part of the Directors' report for the financial year ended 31 March 2015.

DIRECTORS' REPORT (CONTINUED)

Directors' benefits

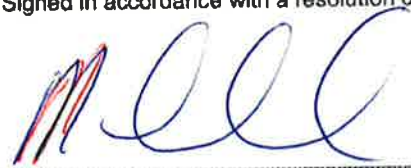
During or since the end of the financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration paid or payable to the Directors as shown in the general purpose financial statements) by reason of a contract entered into by the Company with:

- a Director,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest.

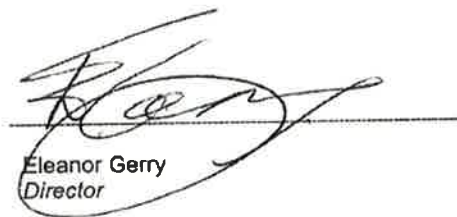
Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Dated at Sydney this 22nd of May 2015.
Signed in accordance with a resolution of the Directors.



Michelle Labahn
Treasurer



Eleanor Gerry
Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: the Directors of Riding Pony Stud Book Society Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 March 2015 there have been:

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



CROWE HORWATH ALBURY



BRADLEY D BOHUN
Partner

Albury

Dated this 22nd day of May 2015

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 \$	2014 \$
Revenue	3	337,575	341,334
Administration costs		211,025	218,613
Employee expenses		3,812	4,190
Events		53,213	55,125
Depreciation and amortisation expenses		1,633	2,700
Membership		12,506	32,438
Insurance		13,510	12,857
Other expenses		23,959	38,802
Result from operating activities		17,919	(23,391)
Financial income		6,931	9,010
Financial expense		-	-
Net financing income		6,931	9,010
Profit / (loss) for the year		24,850	(14,381)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

Opening balance	344,166	358,547
Profit/(loss) for the year	24,850	(14,381)
Closing balance	369,016	344,166

The Statement of Financial Performance and Statement of Changes in Equity are to be read in conjunction with the accompanying notes set out on pages 9 to 17

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	106,827	86,367
Trade and other receivables	6	11,678	4,744
Inventory		3,800	5,800
Other investments	7	240,933	240,806
TOTAL CURRENT ASSETS		363,238	337,717
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,778	7,411
TOTAL NON-CURRENT ASSETS		5,778	7,411
TOTAL ASSETS		369,016	345,128
CURRENT LIABILITIES			
Trade and other payables	9	-	962
TOTAL CURRENT LIABILITIES		-	962
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	962
NET ASSETS		369,016	344,166
EQUITY			
Retained earnings	12	369,016	344,166
TOTAL EQUITY		369,016	344,166

The Statement of Financial Position is to be read in conjunction with
the accompanying notes set out on pages 9 to 17

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		371,332	369,536
Cash payments in the course of operations		(357,676)	(388,954)
Interest received		6,931	9,010
Net cash used in operating activities	11	20,587	(10,408)
Cash flows from investing activities			
Purchase of investments		(127)	(3,205)
Payments for property, plant and equipment		-	(811)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(127)	(4,016)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash held		20,460	(14,424)
Cash at the beginning of the financial period		86,367	100,791
Cash at the end of the financial period	5	106,827	86,367

The Statement of Cash Flows is to be read in conjunction with
the accompanying notes set out on pages 9 to 17

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

Riding Pony Stud Book Society Ltd ("Riding Pony Stud Book" or "the Company") is a public company limited by guarantee domiciled in Australia and has its principal place of business located at Unit 3, 2 Alanson Avenue, Bulli NSW 2516.

Under the constitution each member undertakes to contribute \$10.00 (Ten Dollars) to the property of the Company if the company is wound up at a time when that person is a Member, or within one year of the time that the person ceased to be a member, for payment of the debts and liabilities of the Company contracted before that person ceased to be a Member, payment of costs, charges and expenses of winding up the Company, and adjustment of the rights of contributories among themselves.

The financial report was authorised for issue by the Directors on 22 May 2015.

(a) Statement of Compliance

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate the Company has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

(b) Basis of Preparation

The financial report is presented in Australian dollars.

This financial report has been prepared on an accrual basis in accordance with the historical cost convention and, except where stated, does not take into account changing money values or fair value of assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office. Revenue is measured on major income categories as follows:

Membership Income

Membership income is recognised when the Company obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Company and the amount of the contribution can be measured reliably. The membership year is from 1 July to 30 June on an annual basis.

No liability is recognised in respect of membership revenue as it is not deemed to be reciprocal in nature.

Interest Revenue

Interest revenue is recognised as it accrues.

Sale of property, plant and equipment

The profit or loss on sale of an asset is recognised as other income and is determined when control of the asset has irrevocably passed to the buyer.

This is primarily when the purchaser takes delivery of the asset. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

(d) Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income. Borrowing costs are expensed as incurred and included in net financing costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (CONTINUED)

(e) Leases

Leases of Property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Lease payments are accounted for as described in Note 1(d).

(f) Impairment of assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use in respect of not-for-profit entities is represented by the depreciated replacement cost when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows, i.e. Property, plant and equipment.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Receivables

Receivables are stated at their cost less impairment losses (refer Note 1(f)). Receivables are due for settlement no more than 30 days from the date of recognition unless specific payment arrangements have been approved.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (CONTINUED)

(i) Investments

Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the income statement.

Other financial instruments held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the income statement.

The fair value of financial instruments classified as held for trading and available-for-sale is their quoted bid price at the reporting date.

Financial instruments classified as held for trading or available-for-sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investments. Securities held-to-maturity are recognised/derecognised on the day they are transferred to/by the Company.

(j) Property, plant and equipment

All Property, plant and equipment is stated at cost less depreciation and impairment losses.

Items of Property, plant and equipment are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Furniture and Fittings	4 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (CONTINUED)

(k) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the reporting date which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable (more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

(m) Employee benefits

A provision is recognised for employee benefits in respect of service up to the reporting date.

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for **employee benefits in respect of employees' services** up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Company does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

Defined contribution superannuation funds

The Company contributes to employees superannuation plans in accordance with the Superannuation Guarantee Contribution legislation.

(n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the **Company's operational cycle**. In the case of liabilities where the Company does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 31 MARCH 2015**

1. ACCOUNTING POLICIES (CONTINUED)

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Income Tax

The Directors have determined that the Company is exempt from the payment of income tax as it is a non profit Company created to support a sporting pursuit.

2. STATE BODIES

The Company has a number of state based Sub-Committees that receive funding support from the Company on a periodic basis.

These Sub-Committees are subject to individual audit at a state level and are then consolidated into the accounts of the Company as the state bodies are not separate legal entities on a stand alone basis.

Transactions between the Company and the state based Sub Committees are eliminated for financial reporting purposes at the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	\$	\$
3. REVENUE		
Events	41,947	48,330
Advertising/sponsorship	7,613	9,611
Membership and administration fee	188,070	181,767
Registration	85,006	88,586
Other	14,940	13,040
Total revenue	337,575	341,334
4. OTHER EXPENSES		
Profit/(Loss) from activities has been arrived at after charging the following:		
Employee entitlements	3,812	4,190
Auditors' remuneration – audit services	11,099	9,201
5. CASH AND CASH EQUIVALENTS		
Business accounts	106,527	86,243
Cash on hand	300	124
	106,827	86,367
6. TRADE AND OTHER RECEIVABLES		
Debtors	9,573	2,596
GST (net)	2,105	2,148
	11,678	4,744
7. OTHER INVESTMENTS		
Bank term deposits	240,933	240,806

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
<i>Furniture and fittings</i>		
At cost	20,653	20,653
Less accumulated depreciation	(14,875)	(13,242)
Total property plant and equipment	5,778	7,411
 Fixed asset reconciliation		
<i>Furniture and fittings</i>		
At beginning of period	7,411	9,299
Additions	-	812
Disposals	-	-
Depreciation	(1,633)	(2,700)
Impairment of asset	-	-
Carrying amount at end of period	5,778	7,411
Total property plant and equipment	5,778	7,411
 9. TRADE AND OTHER PAYABLES		
Trade payables	-	962
GST (net)	-	-
Other	-	-
	-	962
 10. FINANCIAL ASSETS AND LIABILITIES		

All financial assets and liabilities have been disclosed at their carrying value. At 31 March 2015 these amounts approximated the fair value of the respective assets and liabilities. With the exception of cash assets and term deposits, all financial assets and liabilities are non-interest bearing. Cash assets earn interest at variable rates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

	2015	2014
	\$	\$
11. RECONCILIATION OF OPERATING DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net surplus/ (deficit)	24,850	(14,381)
Non cash flows in operating surplus/deficit		
Depreciation	1,633	2,700
Net cash used in operating activities before changes in assets and liabilities	26,483	(11,681)
(Increase)/decrease in inventories	2,000	200
(Increase)/decrease in receivables	(6,934)	1,460
Increase/(decrease) in payables	(962)	(387)
	20,587	(10,408)
12. RETAINED PROFITS		
Retained profits at the beginning of the reporting period	344,166	358,547
Net surplus / (loss) for the period	24,850	(14,381)
Retained profits at the reporting date	369,016	344,166
13. KEY MANAGEMENT PERSONNEL		
Short-term employee benefits	-	-
Other long term benefits	-	-
Post employment benefits	-	-
	-	-
14. EVENTS SUBSEQUENT TO BALANCE DATE		
<p>Subsequent to the balance sheet date, there has not arisen any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.</p>		
15. RELATED PARTIES		
<i>Transactions with Directors</i>		
<p>During the period the Directors purchased membership packages, attended functions, made donations and contributed towards fundraising activities. The terms and conditions of the transactions with the Directors and their Director related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-Director related entities on an arm's length basis.</p>		

DIRECTORS' DECLARATION

The directors of the Company declare that:-

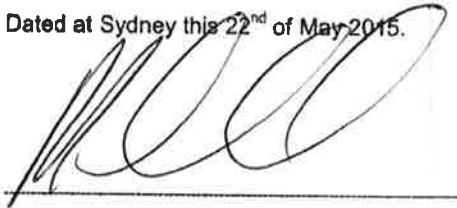
The financial statements and notes, set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of its financial position as at 31 March 2015 and of its performance for the year on that date; and
- (b) complying with the Accounting Standards in Australia and Corporations Regulations 2001; and

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 was made in accordance with a resolution of the Board of Directors:

Dated at Sydney this 22nd of May 2015.



Michelle Labahn
Treasurer



Eleanor Gerry
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIDING PONY STUD BOOK SOCIETY LTD**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of Riding Pony Stud Book Society Ltd (the Company), which comprises the statement of financial position as at 31 March 2015, and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes 1 to 15 and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*. 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a view which is consistent with our understanding of the Company's financial position and of its performance.

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

Qualification

It is not practicable for Riding Pony Stud Book Society Ltd to establish accounting control over all sources of income producing activities prior to the receipt of these funds by the Company. Accordingly, it is not possible for our examination to include procedures, which extend beyond the amounts of such income, recorded in the accounting records of the Company.

Qualified audit opinion

In our opinion except for the effects of the above qualification if any, the financial report of Riding Pony Stud Book Society Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 31 March 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**CROWE HORWATH ALBURY****BRADLEY D BOHUN
PARTNER**

Dated at Albury this 22nd of May 2015.