

**Riding Pony Stud
Book Society Ltd**

ACN 129 850 531

**Statutory statements for the
year ended
31 March 2014**

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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 2014 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: 64
Appointed: 22/7/2008

Elizabeth Francis
Director
Age: 69
Appointed: 22/02/2008

Eleanor Gerry
Director
Age: 69
Appointed: 22/02/2008

Kerrie-Lyn Patchett
Director
Age: 52
Appointed: 06/06/2013

Alison Doyle
Director
Age: 58
Appointed: 17/07/2009

Robyn Vale
Director
Age: 68
Appointed: 22/02/2008

Catherine Way
Director
Age: 51
Appointed: 29/5/2011

Michelle Labahn
Director
Age: 48
Appointed: 24/6/2011

Amanda Jefferys
Director
Age: 52
Appointed: 17/06/2012
Resigned: 06/06/2013

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 continues to act in this capacity post year end.

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 loss for the year ended 31 March 2014 was \$14,381 (2013: Profit \$25,962).

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 2014. 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 2014.

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 of June 2014.
Signed in accordance with a resolution of the Directors.

Michelle Labahn
Treasurer

Alison Doyle
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 2014 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 day of June 2014

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 \$	2013 \$
Revenue	3	341,334	347,679
Administration costs		218,613	205,229
Employee expenses		4,190	5,681
Events		55,125	52,614
Depreciation and amortisation expenses		2,700	1,069
Membership		32,438	27,380
Insurance		12,857	12,933
Other expenses		38,802	24,624
Result from operating activities		(23,391)	18,149
Financial income		9,010	7,813
Financial expense		-	-
Net financing income		9,010	7,813
Profit / (loss) for the period		(14,381)	25,962

The Income Statement is to be read in conjunction with
the accompanying notes set out on pages 10 to 18

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 \$	2013 \$
Net income recognised directly in equity		-	-
Profit/ (Loss) for the period		(14,381)	25,962
Total recognised income and expense for the period		<u>(14,381)</u>	<u>25,962</u>

The Statement of recognised Income and Expenditure is are to be read in conjunction with the accompanying notes set out on pages 10 to 18

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	5	86,367	100,791
Trade and other receivables	6	4,744	6,204
Inventory		5,800	6,000
Other investments	7	240,806	237,601
TOTAL CURRENT ASSETS		337,717	350,596
NON-CURRENT ASSETS			
Property, plant and equipment	8	7,411	9,299
TOTAL NON-CURRENT ASSETS		7,411	9,299
TOTAL ASSETS		345,128	359,895
CURRENT LIABILITIES			
Trade and other payables	9	962	1,348
TOTAL CURRENT LIABILITIES		962	1,348
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		962	1,348
NET ASSETS		344,166	358,547
EQUITY			
Retained earnings	12	344,166	358,547
TOTAL EQUITY		344,166	358,547

The Statement of Financial Position is to be read in conjunction with
the accompanying notes set out on pages 10 to 18

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Cash receipts in the course of operations		369,536	375,604
Cash payments in the course of operations		(388,954)	(347,673)
Interest received		9,010	7,813
Net cash used in operating activities	11	(10,408)	35,744
Cash flows from investing activities			
Purchase of investments		(3,205)	(77,412)
Proceeds from redemption of investments		-	-
Payments for property, plant and equipment		(811)	(1,324)
Proceeds from sale of property, plant and equipment		-	-
Net cash flows used in investing activities		(4,016)	(78,736)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash held		(14,424)	(42,992)
Cash at the beginning of the financial period		100,791	143,783
Cash at the end of the financial period	5	86,367	100,791

The Statement of Cash Flows is to be read in conjunction with
the accompanying notes set out on pages 10 to 18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 14 June 2014.

(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 2014**

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 2014**

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 2014**

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 2014**

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 2014**

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 2014**

	2014	2013
	\$	\$
3. REVENUE		
Events	48,330	19,731
Advertising/sponsorship	9,611	20,523
Membership and administration fee	181,767	201,323
Registration	88,586	92,664
Other	13,040	9,188
Grants and donations	-	4,250
Total revenue	341,334	347,679
4. OTHER EXPENSES		
Profit/(Loss) from activities has been arrived at after charging the following:		
Employee entitlements	4,190	5,681
Auditors' remuneration – audit services	9,201	9,077
5. CASH AND CASH EQUIVALENTS		
Business accounts	86,243	99,746
Cash on hand	124	1,045
Total cash	86,367	100,791
6. TRADE AND OTHER RECEIVABLES		
Debtors	2,596	5,651
GST (net)	2,148	553
	4,744	6,204
7. OTHER INVESTMENTS		
Bank term deposits	240,806	237,601

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	2014	2013
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
<i>Furniture and fittings</i>		
At cost	20,653	20,502
Less accumulated depreciation	(13,242)	(11,203)
Total property plant and equipment	7,411	9,299
 Fixed asset reconciliation		
<i>Furniture and fittings</i>		
At beginning of period	9,299	9,044
Additions	812	1,324
Disposals	-	-
Depreciation	(2,700)	(1,069)
Impairment of asset	-	-
Carrying amount at end of period	7,411	9,299
Total property plant and equipment	7,411	9,299
 9. TRADE AND OTHER PAYABLES		
Trade payables	962	1,218
GST (net)	-	130
Other	-	-
	962	1,348
 10. FINANCIAL ASSETS AND LIABILITIES		

All financial assets and liabilities have been disclosed at their carrying value. At 31 March 2014 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 2014**

	2014	2013
	\$	\$
11. RECONCILIATION OF OPERATING DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net surplus/ (deficit)	(14,381)	25,962
Non cash flows in operating surplus/deficit		
Depreciation	2,700	1,069
Net cash used in operating activities before changes in assets and liabilities	(11,681)	27,031
(Increase)/decrease in inventories	200	1,794
(Increase)/decrease in receivables	1,460	6,483
Increase/(decrease) in payables	(387)	436
	(10,408)	35,744
12. RETAINED PROFITS		
Retained profits at the beginning of the reporting period	358,547	332,585
Net surplus / (loss) for the period	(14,381)	25,962
Retained profits at the reporting date	344,166	358,547
13. KEY MANAGEMENT PERSONNEL		
Short-term employee benefits	-	-
Other long term benefits	-	-
Post employment benefits	-	-
	-	-
14. EVENTS SUBSEQUENT TO BALANCE DATE		
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.		
15. RELATED PARTIES		
<i>Transactions with Directors</i>		
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.		

DIRECTORS' DECLARATION

The directors of the Company declare that:-

The financial statements and notes, set out on pages 6 to 18, are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of its financial position as at 31 March 2014 and of its performance for the period 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 of June 2014.

Michelle Labahn
Treasurer

Alison Doyle
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 2014, and the income statement, statement of recognised income and expenditure 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 above qualification, 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 2014 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 of June 2014.