

Riding Pony Stud Book Society Ltd

ACN 129 850 531

**Statutory statements for the
year ended
31 March 2016**

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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 2016 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:

Robyn Vale Director Appointed: 22/02/2008	Robert Cockram Director Appointed: 6/9/2015	Eleanor Gerry Director Appointed: 22/2/2008
Elizabeth Francis Director Appointed: 22/2/2008	Dalveen Gregory Director Appointed: 13/6/2015	Tania Hay Director Appointed: 28/9/2015
Sally George Director Appointed: 3/6/2015 Resigned: 28/8/2015	Margaret Fricker Director Appointed: 3/6/2015 Resigned: 19/4/2016	Ann Maree Coxon Director Appointed: 22/7/2008 Resigned: 28/8/2015
Michelle Labahn Director Appointed: 24/6/2011 Resigned: 28/8/2015	Alison Doyle Director Appointed: 17/7/2009 Resigned: 13/6/2015	

All Directors are considered independent, non-executive directors.

Company Secretary

Kayne Rogers
Company Secretary
Appointed: 05/06/2010
Resigned: 28/08/2015

On the 28/8/2015 Margaret Fricker 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 loss for the year ended 31 March 2016 was \$28,311, (2015: Profit \$24,850).

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 2016. 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 2016.

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 16 of June 2016.

Signed in accordance with a resolution of the Directors.



Robyn Vale
Chairperson
16 June 2016



Eleanor Gerry
Director
17 June 2016

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 2016 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 16th day of June 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
Revenue	2	299,487	335,732
Interest income	2	6,137	6,931
Expenditure			
Depreciation	7	(2,113)	(1,633)
Show expenses		(81,490)	(68,315)
Administration expenses		(247,435)	(243,335)
Other expenses		(2,897)	(4,530)
Profit / (loss) for the year		(28,311)	24,850
Other comprehensive income		-	-
Total other comprehensive income for the year		(28,311)	24,850

The Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes set out on pages 10 to 17

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	160,249	106,828
Trade and other receivables	5	1,058	11,677
Inventory		883	3,800
Other investments	6	186,417	240,933
TOTAL CURRENT ASSETS		348,607	363,238
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,665	5,778
TOTAL NON-CURRENT ASSETS		3,665	5,778
TOTAL ASSETS		352,272	369,016
CURRENT LIABILITIES			
Trade and other payables	8	11,567	-
TOTAL CURRENT LIABILITIES		11,567	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		11,567	-
NET ASSETS		340,705	369,016
EQUITY			
Retained earnings	11	340,705	369,016
TOTAL EQUITY		340,705	369,016

The Statement of Financial Position is to be read in conjunction with
the accompanying notes set out on pages 10 to 17

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Total Equity \$
Balance at 1 April 2015	369,016
Profit/Loss for the year	(28,311)
Balance at 31 March 2016	<u>340,705</u>

	Total Equity \$
Balance at 1 April 2014	344,166
Profit/Loss for the year	24,850
Balance at 31 March 2015	<u>369,016</u>

The Statement of Changes in Equity is to be read in conjunction with
the accompanying notes set out on pages 10 to 17

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Cash receipts in the course of operations		341,118	371,332
Cash payments in the course of operations		(348,349)	(357,676)
Interest received		6,137	6,931
Net cash (used in)/provided by operating activities	10	(1,094)	20,587
Cash flows from investing activities			
Purchase of investments		-	(127)
Redemption of investments		54,516	-
Proceeds from sale of property, plant and equipment		-	-
Net cash flows provided by/(used in) investing activities		54,516	(127)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash held		53,422	20,460
Cash at the beginning of the financial period		106,827	86,367
Cash at the end of the financial period	4	160,249	106,827

The Statement of Cash Flows is to be read in conjunction with
the accompanying notes set out on pages 10 to 17

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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 16 June 2016.

(a) Statement of Compliance

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as appropriate for 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 Australian Accounting Standards 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 2016**

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 and Registration 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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 2016**

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 profit or loss.

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

Financial instruments classified as held for trading 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 accumulated 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 profit or loss during the financial period in which they are incurred.

Depreciation 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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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) 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.

(n) 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.

1. 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 2016**

	2016	2015
	\$	\$
2. REVENUE		
Membership fees	161,402	164,806
Registration fees	71,464	86,501
Newcomers	3,469	2,095
Show entry fees	33,851	32,226
Sponsorship	25,495	40,242
Other income	3,806	9,862
Total revenue	299,487	335,732
Other income		
Interest revenue	6,137	6,931
3. EXPENSES		
Accountancy	17,339	11,942
Administration costs	153,165	155,841
Advertising and promotion	57,119	51,815
Audit fees	7,200	7,180
Depreciation	2,113	1,633
Insurance	12,612	16,557
Judges, Stewards & Rewards	5,764	6,723
Meeting expenses	24,054	10,439
Prizes	40,207	15,682
Show expenses	8,053	27,431
Sponsorship	2,897	4,530
Travel & Accommodation	3,412	8,040
	333,935	317,813
4. CASH AND CASH EQUIVALENTS		
Business accounts	160,249	106,528
Cash on hand	-	300
	160,249	106,828
5. TRADE AND OTHER RECEIVABLES		
Trade debtors	300	9,663
GST receivable	758	2,014
	1,058	11,677
6. OTHER INVESTMENTS		
Bank term deposits	186,417	240,933

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016	2015
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT		
<i>Furniture and fittings</i>		
At cost	20,653	20,653
Less accumulated depreciation	(16,988)	(14,875)
Total property plant and equipment	3,665	5,778
 Fixed asset reconciliation		
<i>Furniture and fittings</i>		
At beginning of period	5,778	7,411
Additions	-	-
Disposals	-	-
Depreciation	(2,113)	(1,633)
Impairment of asset	-	-
Carrying amount at end of period	3,665	5,778
Total property plant and equipment	3,665	5,778
 8. TRADE AND OTHER PAYABLES		
Trade payables	3,798	-
Accrued expenses	7,200	-
GST payable	569	-
	11,567	-
 9. FINANCIAL ASSETS AND LIABILITIES		

All financial assets and liabilities have been disclosed at amortised cost. At 31 March 2016 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 2016**

	2016 \$	2015 \$
10. RECONCILIATION OF OPERATING DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net surplus/ (deficit)	(28,311)	24,850
Non cash flows in operating surplus/deficit		
Depreciation	2,113	1,633
(Increase)/decrease in inventories	2,917	2,000
(Increase)/decrease in receivables	10,620	(6,934)
Increase/(decrease) in payables	11,567	(962)
	<u>(1,094)</u>	<u>20,587</u>
11. RETAINED PROFITS		
Retained profits at the beginning of the reporting period	369,016	344,166
Net profit / (loss) for the year	(28,311)	24,850
Retained profits at the reporting date	<u>340,705</u>	<u>369,016</u>
12. 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.		
13. 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 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 2016 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 the Corporations Act 2001 and with a resolution of the Board of Directors:

Dated at Sydney this of June 2016.

R. m Vale

Robyn Vale
Chairperson

16 June 2016

E. Gerry

Eleanor Gerry
Director

*16 June
2016*

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 2016, and the statement of profit or loss and other comprehensive income, 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 13 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 2016 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 16th of June 2016.