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INDEPENDENT AUDITOR'S REPORT

To the Committee Members of Riding Pony Stud Book Society Ltd Qld Branch

Report on the Audit of the Financial Report

Qualified Audit Opinion

We have audited the accompanying special purpose financial report of Riding Pony Stud Book Society Ltd Qld Branch, which comprises the profit and loss statement, balance sheet as at 31 March 2021, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the committee of management.

In our opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion section of our report, the financial report presents fairly, in all material respects in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the company's financial position as at 31 March 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Riding Pony Stud Book Society Ltd QLD Branch. to maintain an effective system of internal control overall income from various sources prior to its receipt. Accordingly, it was not practicable for our examination of those areas to extend beyond amounts recorded in the accounting records of the Branch.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Committee Members' Responsibility for the Financial Report

The committee members of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the Corporations Act 2001. The committee members' responsibility also includes such internal controls as the committee members determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Luke Williams CA, CPA Registered Company Auditor
Partner