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Independent Audit Report to the Members of Riding Pony Stud Book Society Ltd

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, which comprises the Statement of Financial Position as at 31 March 2023, Statement of Comprehensive Income, and Cashflow Statement for the year ended 31 March 2023, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

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 2023 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 to maintain an effective system of internal control over all 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 office.

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 Organisation'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 Organisation'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 Organisation 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

/ /2023

Riding Pony Stud Book Society Limited
National Office Committee Accounts

FINANCIAL REPORT
FOR THE YEAR ENDED
31 March 2023

Riding Pony Stud Book Society Limited
National Office Accounts March 2023

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**RIDING PONY STUD BOOK SOCIETY LTD
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31st MARCH 2023**

Director's 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 2023 and the auditor's report thereon.

Directors

The names and details of the Directors of the Company in office at the end of the year are:

Sandra James
Director

Dr Andrew Hunt
Director

Mr Mark Lilley
Director

Greg Gerry
Director

Fiona Clark
Director

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.

The above listing captures 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 2023 was \$23,714 (2022: Profit of \$10,943).

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.

**RIDING PONY STUD BOOK SOCIETY LTD
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31st MARCH 2023**

Director's Report (Continued)

Director's Meetings

There have been quarterly meetings of Directors (including meetings of committees) held during the year ended 31 March 2023. 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.

Member 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.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration that follows forms part of the Director's report for the financial year ended 31 March 2023.

Director's 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.

Dated: / / 2023

Signed in accordance with a resolution of the Directors.

Andrew Hunt
Director

Greg Gerry
Director

RIDING PONY STUD BOOK SOCIETY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31st March 2023

		2023 \$	2022 \$
ASSETS	Note		
Current Assets			
Cash at Bank	2	213,354	186,497
Trade and Other Receivables	3	(3,655)	(363)
Inventory		7,929	5,840
Other Investments	4	259,617	258,889
Total Current Assets		<u>477,245</u>	<u>450,863</u>
Non Current Assets			
Property, plant and equipment	5	542	922
Total Non Current Assets		<u>542</u>	<u>922</u>
TOTAL ASSETS		<u>477,787</u>	<u>451,785</u>
CURRENT LIABILITIES			
Trade and other payables	6	2,312	24
TOTAL LIABILITIES		<u>2,312</u>	<u>24</u>
NET ASSETS		<u>475,475</u>	<u>451,761</u>
Equity			
Retained Earnings		451,761	440,818
Current Year Result		23,714	10,943
TOTAL EQUITY		<u>475,475</u>	<u>451,761</u>

The accompanying Notes form part of these financial statements

RIDING PONY STUD BOOK SOCIETY LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st MARCH 2023

	2023	2022
	\$	\$
Revenue		
Membership fees	101,880	101,129
Registration fees	52,406	56,916
Show entry fees	35,897	10,101
Sponsorship	13,675	7,107
Donations	3,625	-
Interest Revenue	892	1,567
Other Income	933	5,072
Total Revenue	209,308	181,892
Expenses		
Accountancy	3,396	5,494
Administration costs	71,380	97,891
Advertising and promotion	25,010	24,310
Audit fees	6,976	6,300
Bank fees	3,290	3,013
Depreciation	380	300
Insurance	14,820	14,758
Meeting expenses	8,495	248
Prizes	5,808	4,039
Honorarium Payment - Secretary	4,250	-
Judges, Stewards & Rewards	3,406	979
Show Expenses	27,929	5,161
Sponsorship	6,185	5,796
Travel & Accommodation	-	280
Venue Hire	649	1,455
Other Expenses	3,620	925
Total Expenses	185,594	170,949
Profit/(Loss) for the year	23,714	10,943
Other Comprehensive Income	-	-
Total Profit/(Loss) for the year	23,714	10,943

The accompanying Notes form part of these financial statements

RIDING PONY STUD BOOK SOCIETY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2023

Balance 1st April 2021	\$ 440,818
Profit / (Loss) for the year	10,943
Balance at 31 March 2022	<u>451,761</u>
 Balance at 1 April 2022	 451,761
Profit / (Loss) for the year	23,714
Balance at 31 March 2023	<u>475,475</u>

The accompanying Notes form part of these financial statements

RIDING PONY STUD BOOK SOCIETY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st March 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts in the course of operations		207,360	178,902
Cash payments in the course of operations		(181,395)	(172,711)
Interest received		892	1,528
Net cash (used in)/provided by operating activities	8	26,857	7,719
Cash flows from investing activities			
Purchase of investments		-	-
Purchases of equipment		-	-
Net cash flows provided by/(used in) investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash held		26,857	7,719
Cash at the beginning of the financial period		186,497	178,778
Cash at the end of the financial period	2	213,354	186,497

The accompanying Notes form part of these financial statements

RIDING PONY STUD BOOK SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2023

The Riding Pony Stud Book Society Ltd National Office Committee heads up a number of state based divisions of the Riding Pony Stud Book Society Ltd. This financial report is a special purpose financial report prepared in order to satisfy the requirements of the corporations Act 2001. The directors have determined that the company is not a reporting entity because there are no users dependent on financial statements.

The special purpose financial report complies with the mandatory Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdraft facilities

b. Trade Debtors and Other Receivables

Trade debtors are recognised and carried forward at invoice amount. Receivables are stated at their cost less impairment losses. Receivables are due for settlement no more than 30 days from the date of recognition unless specific payment arrangements have been approved.

c. Investments

All investments are measured at market value. Movements are recognised as income.

d. Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services rendered.

e. Revenue Recognition

When the Company receives operating revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. Revenue is recognised as performance obligations are met.

Member rebates, newcomer and state show revenues are recognised as performance obligations are met

f. Expenses

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.

RIDING PONY STUD BOOK SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2023

g. 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.

h. 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 asset's 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 and loss

i. Income Tax

The company is exempt from paying income tax due to its being an entity not for profit under s50-5 of the Income Tax Assessment Act 1997.

j. Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with

There have been no events which meet the definition of an event as per AASB 110 Para 3. There are no contingent assets, contingent liabilities or any obligations as per AASB 137 Para 10.

k. Payables

Payables amounts represent liabilities for goods and services provided to the company prior to the reporting date which are unpaid. These amounts are unsecured and are usually paid within 30 days of being recognised.

RIDING PONY STUD BOOK SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2023

l. Goods and Services Tax (GST)

The company is registered for GST. All amounts are stated as exclusive of GST.

m. 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 recreational 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.

The 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 company and state based sub committees are eliminated for financial reporting purposes at the end of financial year.

2 Cash and Cash Equivalents

	2023	2022
Business Accounts:	\$	\$
Cash on hand	213,354	183,543
	<u>213,354</u>	<u>183,543</u>
State break up		
Nat Office	139,357	101,633
NSW	6,225	7,899
VIC	21,752	21,266
WA	12,863	12,986
SA	3,271	5,786
TAS	8,415	9,858
QLD	21,471	24,115
	<u>213,354</u>	<u>183,543</u>

RIDING PONY STUD BOOK SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2023

	2023	2022
	\$	\$
3 Trade and Other Receivables		
Trade Debtors:	(3,923)	(363)
GST receivable:	268	-
	<u>(3,655)</u>	<u>(363)</u>
State wise break up		
Nat Office	(6,088)	(1,263)
NSW	165	-
SA	-	-
QLD	2,000	900
	<u>(3,923)</u>	<u>(363)</u>
4 Other Investments		
Bank term deposits	259,617	258,889
	<u>259,617</u>	<u>258,889</u>
State wise break up		
Nat Office	206,258	205,570
NSW	20,000	20,000
VIC	30,000	30,000
TAS	3,359	3,319
	<u>259,617</u>	<u>258,889</u>
5 Property, Plant and Equipment		
Furniture and fittings:		
At cost	11,253	12,313
Less accumulated depreciation	(10,711)	(11,391)
Total property, plant and equipment	<u>542</u>	<u>922</u>
Fixed asset reconciliation		
Furniture and fittings		
At beginning of period	922	1,222
Additions	-	-
Disposals	-	-
Depreciation	(380)	(300)
Carrying amount at end of period	<u>542</u>	<u>922</u>
State wise break up		
Nat Office	542	542
VIC	-	380
	<u>542</u>	<u>922</u>

RIDING PONY STUD BOOK SOCIETY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
2023

	2022	2022
	\$	\$
6 Trade and Other Payables		
Trade payables	-	-
Accrued expenses	418	-
GST payable	1,894	24
	<u>2,312</u>	<u>24</u>

7 Financial Assets and Liabilities

All financial assets and liabilities have been disclosed at amortised cost. At 31 March 2023 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. Interest earned from cash assets is at variable rates.

8 Reconciliation of Operating Surplus to Net Cash Provided by Operating Activities

Net surplus/(deficit)	23,714	10,943
Non cash flows in operating surplus/(deficit)		
Depreciation	380	300
Interest directly credited	(892)	(1,345)
(Increase)/decrease in inventories	(2,089)	-
(Increase)/decrease in receivables	3,292	412
Increase/(decrease) in payables	2,452	(2,591)
Agrees to Net cash flows provided by/(used in) operating activities	<u>26,857</u>	<u>7,719</u>

9 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.

10 Related Parties

Transactions with Directors:

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.

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 2023 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.



Luke Williams CA, CPA, Registered Company Auditor
Partner

RIDING PONY STUD BOOK SOCIETY LTD
STATUTORY STATEMENTS FOR THE YEAR ENDED
31st MARCH 2023

DIRECTORS' DECLARATION

The directors of the Company declare that:-

The financial statements and notes, set out on pages 3 to 13 are in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of its financial position as at 31 March 2023 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 this day the June 2023



Andrew Hunt
Director

Dated the 24 day of June 2023



Greg Gerry
Director

Dated the day of June 2023