

Equestrian Western Australia Inc

ABN 53 591 481 584

Financial Statements

For the year ended 31 December 2022

Equestrian Western Australia Inc
ABN 53 591 481 584
Board's Report
For the year ended 31 December 2022

Your board members submit the financial accounts of the Equestrian Western Australia Inc for the financial year ended 31 December 2022.

Board Members

The names of officeholders of the Board at the date of this report are:

Chairperson - Anne Wilkins

Financial Director - Roslyn O'Halloran

Other members of the Board at the date of this report are:

Rory Hovell

Geoff Edwards

PollyAnn Huntington

Alexandra Daniels

Principal Activities

The principal activities of the association during the financial year were: Equestrian services.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Subsequent Events

To the best knowledge of the Equestrian Western Australia Directors, there has not been any material change in the financial position of Equestrian Western Australia since 31 December 2022.

Going Concern

Refer to Note 1 Statement of Significant Accounting Policies for details on items affecting the entity that may cast significant doubt on the entity's ability to continue as a going concern. The entity may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Operating Result

The profit / (loss) from ordinary activities after providing for income tax amounted to:

	Year ended 31 December 2022	Year ended 31 December 2021
Profit / (loss) from ordinary activities	\$7,144	\$40,369

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Board's Report
For the year ended 31 December 2022

Signed in accordance with a resolution of the Members of the Board on : 14 April 2023



Chairperson – Anne Wilkins



Financial Director - Roslyn O'Halloran

Equestrian Western Australia Inc
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Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	Note	Year ended 31 December 2022 \$	Year ended 31 December 2021 \$
Revenue	2	2,577,435	2,407,375
Gross profit		2,577,435	2,407,375
SEC Grant Expended	3	(311,688)	(229,488)
Operating expenses	3	(2,258,603)	(2,137,518)
Profit (deficit) before income tax		7,144	40,369
Income tax expense		-	-
Profit (deficit) for the year		7,144	40,369
Other comprehensive income:			
Other comprehensive items			
Total other comprehensive income		-	-
Total comprehensive income (loss) for the year		7,144	40,369

Equestrian Western Australia Inc
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Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
			*
Cash assets	5	1,478,914	533,262
Trade and other receivables	6	281,447	487,723
Total Current Assets		1,760,361	1,020,985
Non-Current Assets			
Property, plant and equipment	7	1,925,450	1,949,706
Total Non-Current Assets		1,925,450	1,949,706
Total Assets		3,685,811	2,970,691
Liabilities			
Current Liabilities			
Trade and other payables	8	942,595	327,085
Provisions	9	105,600	88,134
Total Current Liabilities		1,048,195	415,219
Total Liabilities		1,048,195	415,219
Net Assets		2,637,616	2,555,471
Equity			
Reserves	4	680,000	605,000
Retained profits	4	1,957,616	1,950,471
Total Members' Funds		2,637,616	2,555,471

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Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Receipts from customers and government grants		2,783,711	2,407,375
Payments to suppliers and employees		(1,838,059)	(2,141,088)
Net cash provided by (used in) operating activities	11	945,652	(266,287)
Net increase (decrease) in cash held		945,652	(266,287)
Cash at the beginning of the year		533,262	799,549
Cash at the end of the year	5	1,478,914	533,262

Equestrian Western Australia Inc
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Notes to the Financial Statements
For the year ended 31 December 2022

Note 1: Statement of Significant Accounting Policies

The financial report is a special purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 2015.

The financial report covers Equestrian Western Australia Inc as an individual entity. Equestrian Western Australia Inc is an association incorporated in Western Australia under the Associations Incorporation Act 2015.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income tax

Equestrian Western Australia Inc is a not for profit association and management has self-assessed that its operations are exempt from income tax under the provisions of the Income Tax Assessment Act (1997) as amended.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

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For the year ended 31 December 2022

b) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Equestrian Western Australia Inc commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Rate %
Leasehold improvements	2.5% - 15%
Plant and equipment	5% - 50%
Office equipment	20%
Motor vehicles	22.5%

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by Equestrian Western Australia Inc to an employee superannuation fund and are charged as expenses when incurred.

Equestrian Western Australia Inc does not have an employer established defined benefit superannuation scheme.

Equestrian Western Australia Inc does not operate an ownership-based remuneration scheme, nor any similar scheme.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

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Notes to the Financial Statements
For the year ended 31 December 2022

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Deferral and presentation of government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Subsequent Event(s)

To the best knowledge of the Equestrian Western Australia Directors, there has not been any material change in the financial position of Equestrian Western Australia since 31 December 2022.

Going Concern

A. Reliance on continued government support

EWA receives grants from the WA Government Department of Local Government, Sport and Cultural Industries ('DLGSC') to support equestrian sport activities and for capital improvements of the SEC, including the recent indoor arena surface upgrade.

In February 2021, the City of Swan provided a once off SEC operational support for 2021 / 2022 for an amount of \$180,000 and a capital grant of \$202,894. These grants were not continued in the 2022/ 2023 year.

Continued support from the State Government is required for the organisation to continue its current level of operations and activities. The Board is currently unable to determine the level of Government support going forward.

B. Lease of Land (lot 43 on Plan 15100 and Lot 31 on Plan 15620)

EWA's lease of the State Equestrian Centre from the City of Swan will expire on the 30 June 2023. The Board intends to renew the SEC lease and has no indication the City of Swan will not extend the lease, nor that the terms of a lease would be more onerous than those currently incurred.

As described in EWA's State Equestrian Centre Facility Funding Proposal - July 2018, the State Equestrian Centre requires funding to undertake the necessary upgrade and refurbishment of the facilities. Additionally,

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Notes to the Financial Statements
For the year ended 31 December 2022

further funding or additional revenue streams are required to cover the annual operating costs. Since the publication of EWA's SEC Facility Funding Proposal, EWA has been liaising with the City of Swan, Department of Local Government, Sport and Culture and Federal Government to secure the required funding to maintain and upgrade the SEC facilities and with DLGSC's support, an independent review of the SEC operating model is currently under way and will feed into further discussions with relevant parties on future operating models and funding. As at the date of signing of the financial report, the funding has not been secured nor has a conclusion been reached on the future operations of the SEC. If EWA chooses not to renew the lease for the SEC, plant and equipment associated with the SEC are unlikely to be recovered in the normal course of operations. The Board is considering the best way forward for EWA and the SEC. EWA is the state sporting organisation for horse sports in WA. Irrespective of the outcome of the SEC lease, the EWA will continue to operate without the SEC operations.

C. Equestrian Australia Limited

The board of Equestrian Australia Limited is investigating restructure options for equestrian sports in Australia. Some of the proposed options may have an effect on the operations of Equestrian Western Australia Inc in the future.

Conclusion

Due to the items stated above, there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. The entity may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

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Notes to the Financial Statements

	2022	2021
	\$	\$
Note 2: Revenue and other income		
Membership & Registrations	603,529	584,210
Horse Cards, Registrations, Transfers	79,825	67,893
Facility Fees SEC	559,425	413,722
Events & Activities EWA	470,228	343,508
Sponsorship & Fundraising	240,783	195,555
Operating Grants	288,568	595,156
Capital Grants	311,688	202,894
Other income	23,388	4,438
Revenue and other income	2,577,435	2,407,375

Note 3: Total expenses

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as Expense:

Audit fees	5,950	5,920
Capital grant expended	311,688	229,488
Depreciation of non-current assets:	112,491	107,266
Financial Costs	4,012	4,225
Insurance	160,316	131,513
Insurance - EA	116,335	113,318
EA Membership Cost	104,171	83,404
SEC Direct Costs	260,269	342,320
Events & Activities	472,154	333,826
Supplies - Food, Beverage, Uniforms	21,346	12,310
Office & Administration	247,169	225,710
Rates & land taxes	13,146	18,299
Wage Related Costs	77,031	87,122
Wages EWA	318,298	330,454
Wages SEC	345,916	341,831
Total expenses	2,570,291	2,367,006

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Notes to the Financial Statements

	2022	2021
	\$	\$
Note 4: Reserves and Retained profits		
Assets revaluation reserve		
Balance at the beginning of the reporting period	605,000	605,000
Increase (decrease) in reserves during the reporting period:	75,000	-
Balance at the reporting date	680,000	605,000
Opening retained profits	1,950,471	1,910,103
Net profit (loss) attributable to the association	7,144	40,369
Closing retained profits	1,957,616	1,950,471

Note 5: Cash assets

Cash and cash equivalents (*)	1,478,914	533,262
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(*) Cash and cash equivalents include cash in bank accounts, prepaid cash cards, cash on hand and short term deposits.

Note 6: Trade and other receivables

Trade debtors (#)	172,349	391,219
Prepayments	92,951	87,596
Other receivables	16,147	8,908
Trade and other receivables	281,447	487,723

(#) Trade debtors includes the following receivables:
City of Swan of \$nil (2021: \$209,023) and
DLGSC of \$99,000 (2021: \$99,000).

Note 7: Property, plant and equipment

Freehold land:		
- At Valuation (Note: An independent valuation of the land being Lot 33 adjacent to the main pavilion was obtained in February 2023 and is shown at this value.)	750,000	675,000
Leasehold improvements		
- At cost	1,633,090	1,633,090
- Less: Accumulated depreciation	(656,292)	(586,338)
	976,798	1,046,752
Plant and equipment:		
- At cost	557,293	545,689
- Less: Accumulated depreciation	(358,642)	(317,735)
	198,651	227,954

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Notes to the Financial Statements

	1,925,450	1,949,706
	2022	2021
	\$	\$
Note 8: Trade and other payables		
Unsecured:		
- Trade creditors	42,013	102,408
- Other creditors (^)	877,628	219,896
- GST control account	22,955	4,781
	942,595	327,085

(^) includes unexpended grants of \$678,312 (2021: \$28,331)
and memberships paid in advance of \$147,260 (2021: \$143,296)

Note 9: Provisions

Current

Employee entitlements	105,600	88,134
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There were 13 (2021:11) employees at the end of the year.

Note 10: Contingent liabilities

During the period, EWA arranged a private donation to support the funding of consultants fees engaged to further investigate the SEC Concept Plan. The consultants fees are up to \$30,000 (excl GST) and the private donation will cover 50% (up to \$15,000) of these fees with the remainder to be funded directly by EWA. To the extent, EWA recovers these fees from future government funding or grants, EWA will reimburse the private donors for the funds received. This arrangement will cease within 5 years at which point the funding provided will be considered a donation to EWA.

**Note 11: Reconciliation Of Net Cash Provided By / Used
In Operating Activities To Operating Profit After
Income Tax**

Operating profit after income tax	7,144	40,369
Depreciation	112,491	107,266
Changes in assets and liabilities:		
(Increase) decrease in plant, improvements	(13,235)	(73,770)
(Increase) decrease in trade and other receivables	206,276	(203,873)
Increase (decrease) in trade and other payables	615,510	(123,184)
Increase (decrease) in provisions	17,466	(13,095)
Net cash provided by operating activities	945,652	(266,287)

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Notes to the Financial Statements

	2022	2021
	\$	\$
Note 12: Auditors' Remuneration		
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	5,950	5,920

Equestrian Western Australia Inc
ABN 53 591 481 584
Statement by Members of the Board
For the year ended 31 December 2022

In the opinion of the Board the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Equestrian Western Australia Inc as at 31 December 2022 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The reports are special purpose financial reports and have been prepared in accordance with the accounting policies in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.


This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Chairperson – Anne Wilkins

14 April 2023

Date



Financial Director - Roslyn O'Halloran

14 April 2023

Date

The Members
Equestrian Western Australia Inc.
303 Cathedral Avenue
BRIGADOON WA 6069

Auditor's Independence Declaration

This declaration is made in connection with my audit of the financial report of the Equestrian Western Australia Inc. for the year ended 31 December 2022 and in accordance with the Corporations Act 2001.

I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to this audit.



Dennis B Yagmich
Registered Company Auditor - 13597

Dated this 6th of April 2023

INDEPENDENT AUDITOR'S REPORT

The Members
Equestrian Western Australia Inc.
303 Cathedral Avenue
BRIGADOON WA 6069

Opinion

We have audited the special purpose financial report of Equestrian Western Australia Inc. which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial report presents fairly, in all material respects, the financial position of the Equestrian Western Australia Inc. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian accounting standards to the extent described in Note 1.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Equestrian Western Australia Inc. in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist Equestrian Western Australia Inc. to meet the requirements of the Association Incorporations Act 2015 and the reporting requirements as set out in the constitution of Equestrian Western Australia Inc. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Dennis B. Yagmich
Registered Company Auditor - 13597
D B Yagmich & Co

Dated this 6th day of April, 2023

Equestrian Western Australia Inc ABN 53 591 481 584

**Certificate by Member of the Board
For the year ended 31 December 2022**

I, Chairperson – Anne Wilkins, and I, Financial Director - Roslyn O'Halloran certify that:

- a. We will attend the annual general meeting of the association to be held.
- b. The financial statements for the year ended 31 December 2022 will be submitted to the members of the association at its annual general meeting.

Dated : 14 April 2023



Chairperson – Anne Wilkins



Financial Director - Roslyn O'Halloran

