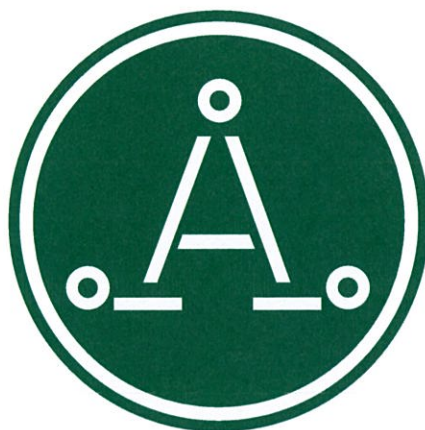


The Australian Stock Horse Society Limited

A Company Limited by Guarantee

ABN 35 001 440 437

ACN 001 440 437



Australian Stock Horse

FINANCIAL REPORT

1st April 2018 – 31st March 2019

Chairman's Annual Report



Chairman of the Board
Larry Cutler

Vision

The Australian Stock Horse Society wants the Australian Stock Horse to have the highest profile of any breed of horse in Australia with worldwide recognition.

Aims

To preserve the heritage and identity of the Australian Stock Horse.
To promote the development and popularity of Australian Stock Horses throughout Australia and the world. To maximise the benefits of owning a Registered Australian Stock Horse and being a Member of The Australian Stock Horse Society.

Mission

To maintain the heritage and to promote the bloodlines and high performance of the Australian Stock Horse among equestrian activities and the general public.

Well what a huge twelve months we have had with one of the most challenging droughts for many years as well as a soul destroying flood in QLD destroying many cattle that had battled through the drought. Mother Nature can certainly be cruel. My thoughts and the thoughts of all of the Directors are with any member still affected by the harsh seasonal conditions.

This year we have had one of our biggest National Shows on record and took part in the Polocrosse World Cup at Warwick QLD with the Australian team victorious. Unfortunately though, we have had another disappointing financial loss due mainly to the drought. We have implemented some strategies that we are confident will see us in the black this time next year.

I would like to thank all of our hard working Board who give up a lot of their own time to benefit the members. First and foremost, all Board members are passionate ASH enthusiasts and they are on the Board because you the members voted them there. Thank you especially to the two Directors that have served the Society so well who will not be serving as Directors on the next Board; Craig Young and Codie Law. Craig has put nine years into the Society at this level and his contribution has been enormous. Codie too, whilst not having spent the same time, contributed greatly during his term. I am sure you will all join me in expressing our thanks for a job well done.

The strength of our great Society is in the members and the structure. A big thankyou to all of the Branches that respond to the needs of their members and run campdrafts, shows, training days and youth camps. Our State Management Councils bring concerns and concepts to the Board, that have come via Branches, where we can work out ways to best implement the good ideas.

We are well under way planning events for our 50th Anniversary celebration in 2021. Our aim is to involve as many members as possible from all over Australia. The intention will be to highlight Australian Stock Horses at many events around the country, including featuring the ASH breed at Royal Shows and other equestrian events nationwide. We would like to include as many different equine pursuits including showing, polocrosse, campdrafting, Pony Club Australia and adult riding club participation. The ASH is certainly the "Breed for Every Need".

I am also looking forward to some great stories associated with our first 50 years dominating our Journal and our Social Media platforms in the year ahead.

A big thank you to our CEO Steve Guihot and the hard working staff in the office at Scone. Steve has been a great mentor to me in my first year as Chairman and also has been a great source of information and experience in Board meetings. Susan Haggarty has also been outstanding in her role as Finance Manager and stepped up as Operations Manager following David Gatwood's resignation whilst I was in hospital last year for two months. We are very fortunate to have many passionate hard working staff that take great pride in working for the Australian Stock Horse Society.

I look forward to meeting many members at our AGM in Brisbane on 17th August followed by a dinner and presentation of annual awards. If in Brisbane, members will also have a great opportunity to attend the EKKa on 18th August to watch the judging of the ASH classes and support those members who will be competing.

Regards
Larry Cutler

Australian Stock Horse Society Limited

ACN: 001 440 437

Financial Report For The Year Ended 31 March 2019

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AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 March 2019.

Directors

The names of each person who has been a director during the year and to the date of this report are:

S Scott resigned (28/07/2018)
C Young
J Petrich
L Cutler
M Wilson
J Allen
L Fanning
C Law
R Watchirs
B Welsh
L Butcher appointed (28/07/2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was:

- The promotion and preservation of the identity of the Australian Stock Horse.
- Breeding improvement and popularity of this breed of horse.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Continue to promote the Australian Stock Horse breed, and improve services to members.

The company's long-term objectives are to:

- Grow the membership base and increase engagement levels
- Strengthen communication with Branches and Office Bearers
- Streamline operations by embracing the digital age

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Enhance member services to increase the membership base
- Develop overseas branches
- Increase sports participation

Information on Directors

S Scott	—	Resigned
Experience	—	11 years as a director
C Young	—	Senior Vice Chair
Experience	—	9 years as a director (3 years as Chairman)
J Petrich	—	Junior Vice Chair
Experience	—	7 years currently as a director, 5 years previous
L Cutler	—	Chairman
Experience	—	5 years as a director
M Wilson	—	Director
Experience	—	5 years as a director
J Allen	—	Treasurer
Experience	—	4 years as a director
L Fanning	—	Director
Experience	—	3 years as a director

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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DIRECTORS' REPORT

C Law	—	Director
Experience	—	3 years as a director
R Watchirs	—	Director
Experience	—	2 years as a director
B Welsh	—	Director
Experience	—	2 years as a director
L Butcher	—	Director
Experience	—	8 months as a director

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
S Scott	2	2
C Young	7	7
J Petrich	7	6
L Cutler	7	5
M Wilson	7	6
J Allen	7	7
L Fanning	7	7
C Law	7	4
R Watchirs	7	7
B Welsh	7	7
L Butcher	5	5

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 31 March 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$133,200 (2018: \$148,680).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 March 2019 has been received and can be found on page 3 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director 

L Cutler

Dated this 10th day of July 2019

AUSTRALIAN STOCK HORSE SOCIETY LIMITED

ACN: 001 440 437

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN STOCK HORSE SOCIETY LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Rose & Partners


Name of Partner Paul Heaton

Date 10/07/2019

Address 109 Liverpool Street

Scone

NSW 2337

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 MARCH 2019

	Note	2019	2018
		\$	\$
Revenue	2	25,496	45,333
Other income	2	2,517,161	2,427,513
Employee benefits expense	3	(959,544)	(1,053,573)
Depreciation and amortisation expense	3	(74,034)	(67,302)
Repairs, maintenance and vehicle running expenses		(12,665)	(11,686)
Audit, legal and consultancy fees	3	(39,401)	(43,565)
Membership expenses		(145,988)	(109,090)
Registration and transfer expenses		(136,357)	(58,715)
Sports and events expenses		(542,538)	(445,082)
Journal expenses		(201,791)	(213,643)
Merchandise expenses		(80,275)	(96,802)
Branch expenses		(61,938)	(88,945)
Board expenses		(67,438)	(87,930)
Other administration expenses		(355,209)	(336,754)
Current year surplus before income tax		(134,521)	(140,241)
Income tax expense		-	-
Net current year surplus		(134,521)	(140,241)
Profit attributable to members of the entity		(134,521)	(140,241)
Total comprehensive income attributable to members of the entity		(134,521)	(140,241)

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,538,258	1,647,500
Accounts receivable and other debtors	5	36,348	21,941
Inventories	6	50,345	50,807
TOTAL CURRENT ASSETS		<u>1,624,951</u>	<u>1,720,248</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	520,058	514,632
Intangible assets	8	1,139	3,611
TOTAL NON-CURRENT ASSETS		<u>521,197</u>	<u>518,243</u>
TOTAL ASSETS		<u>2,146,148</u>	<u>2,238,491</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	526,395	474,244
Employee provisions	10	131,572	138,661
TOTAL CURRENT LIABILITIES		<u>657,967</u>	<u>612,905</u>
NON-CURRENT LIABILITIES			
Accounts payable and other payables	9	20,777	17,809
Employee provisions	10	14,089	19,942
TOTAL NON-CURRENT LIABILITIES		<u>34,866</u>	<u>37,751</u>
TOTAL LIABILITIES		<u>692,833</u>	<u>650,656</u>
NET ASSETS		<u>1,453,315</u>	<u>1,587,835</u>
EQUITY			
Retained surplus		1,391,443	1,525,963
Reserves		61,872	61,872
TOTAL EQUITY		<u>1,453,315</u>	<u>1,587,835</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Retained Surplus	Revaluation Surplus	Total
		\$	\$	\$
Balance at 1 April 2017		1,666,205	61,872	1,728,077
Comprehensive Income				
Surplus for the year attributable to members of the entity		(140,241)		(140,241)
Total comprehensive income attributable to members of the entity		(140,241)	-	(140,241)
Balance at 31 March 2018		1,525,964	61,872	1,587,836
Balance at 1 April 2018		1,525,964	61,872	1,587,836
Comprehensive Income				
Surplus for the year attributable to members of the entity		(134,521)		(134,521)
Total comprehensive income for the year		(134,521)	-	(134,521)
Balance at 31 March 2019		1,391,443	61,872	1,453,315

For a description of each reserve, refer to Note 15.

The accompanying notes form part of these financial statements

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,762,846	2,706,120
Payments to suppliers and employees		(2,816,458)	(2,620,886)
Interest received		21,496	24,079
Net cash generated from operating activities	13	(32,116)	109,313
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	2,745
Payment for property, plant and equipment		(77,126)	(63,912)
Net cash used in investing activities		(77,126)	(61,167)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		(109,242)	48,146
Cash on hand at beginning of the financial year		1,647,500	1,599,354
Cash on hand at end of the financial year	4	1,538,258	1,647,500

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The financial statements cover Australian Stock Horse Society Limited as an individual entity, incorporated and domiciled in Australia. Australian Stock Horse Society Limited is a company limited by guarantee.

The financial statements were authorised for issue on 10/07/2019 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Australian Stock Horse Society Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Inventories

The entity shall measure inventories held for distribution at cost, adjusted when applicable for any loss of service potential.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their cost less subsequent depreciation and subsequent impairment for buildings.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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 the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. 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 assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	3%
Plant and equipment	5-20%
Computer Software	20-40%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

A financial liability is measured at fair value through profit and loss if the financial liability is

- amortised cost; or
- fair value through profit and loss.

Financial liabilities are subsequently measured at:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- incurred for the purpose of repurchasing or repaying in the near term;

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- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

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A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie the entity has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Provisions

Short-term employee provisions

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(h) 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 overdrafts.

(i) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(j) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Intangible Assets

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

(m) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Comparative Figures

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

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(o) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(q) New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 9: Financial Instruments

The entity has adopted AASB 9: Financial Instruments with a date of initial application of 1 January 2018. As a result the entity has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

It has been determined by management that the above changes in the accounting policy do not have any material impact on the financial statements either in the current or prior periods presented.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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(r) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the entity but applicable in future reporting periods is set out below:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- new lessee accounting requirements for leases at significantly below-market terms and conditions (commonly known as "peppercorn leases") principally to enable the lessee to further its objectives. This requires the lessee to recognise the leased asset / right-of-use asset at fair value per AASB 13, the lease liability per AASB 117/AASB 16 and the residual as income (after related amounts) at the inception of the lease per AASB 1058;
- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of

Although the directors anticipate that the adoption of AASB 16 will impact the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the entity's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2016-8: *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*

AASB 2016-8 (issued December 2016) inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9: Financial Instruments and AASB 15: Revenue from Contracts with Customers as a consequence of AASB 1058: Income of Not-for-Profit Entities (refer to [1-0900]).

AASB 2016-8 mandatorily applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted, provided AASB 1058 is applied for the same period.

- AASB 2016-7: *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities*

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This Standard amends the mandatory effective date (application date) of AASB 15: Revenue from Contracts with Customers for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either:

- restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or
- recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

There are also enhanced disclosure requirements regarding revenue.

Note 2 Revenue and Other Income

	2019 \$	2018 \$
Revenue		
Revenue from (non-reciprocal) government grants and other grants		
— Other government grants	4,000	21,254
	<u>4,000</u>	<u>21,254</u>
Other revenue		
— Interest received on investments in government and fixed interest securities	21,496	24,079
	<u>21,496</u>	<u>24,079</u>
Total revenue	<u>25,496</u>	<u>45,333</u>
Other income		
— Gain on disposal of property, plant and equipment	-	425
— Other	28,046	24,153
— Membership Fees	1,142,474	1,158,394
— Registration and Transfer Fees	740,610	666,336
— Sports and events	381,546	327,381
— Journal	111,127	120,367
— Merchandise	113,358	130,457
Total other income	<u>2,517,161</u>	<u>2,427,513</u>
Total revenue and other income	<u>2,542,657</u>	<u>2,472,846</u>

Note 3 Surplus for the year

	2019 \$	2018 \$
(a) Expenses		
Employee benefits expense:		
	959,544	1,053,573
Total employee benefits expense	<u>959,544</u>	<u>1,053,573</u>
Depreciation and amortisation:		
— Plant & Equipment	74,034	67,302
Total depreciation and amortisation	<u>74,034</u>	<u>67,302</u>
Audit fees		
— audit services	16,970	16,575
— taxation services	2,079	6,956
Total Audit Remuneration	<u>19,049</u>	<u>23,531</u>

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(b) Significant Revenue and Expenses

Property, plant and equipment:
Net gain on disposals

-	425
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Note 4 Cash and Cash Equivalents

	2019 \$	2018 \$
CURRENT		
Cash at bank	1,538,258	1,647,500
	<u>1,538,258</u>	<u>1,647,500</u>
	<u>1,538,258</u>	<u>1,647,500</u>

Note 5 Accounts Receivable and Other Debtors

	2019 \$	2018 \$
CURRENT		
Accounts receivable	24,366	10,205
Other debtors	11,982	11,736
Total current accounts receivable and other debtors	<u>36,348</u>	<u>21,941</u>

Note 6 Inventories

	2019 \$	2018 \$
CURRENT		
At cost:		
Inventory	50,345	50,807
	<u>50,345</u>	<u>50,807</u>

Note 7 Property, Plant and Equipment

	2019 \$	2018 \$
LAND AND BUILDINGS		
Freehold land at cost:		
— At cost	35,000	35,000
Total land	<u>35,000</u>	<u>35,000</u>

Buildings at cost:		
— At cost	513,817	512,320
Less accumulated depreciation	(207,591)	(192,417)
Total buildings	<u>306,226</u>	<u>319,903</u>
Total land and buildings	<u>341,226</u>	<u>354,903</u>

PLANT AND EQUIPMENT

Plant and equipment:		
At cost	525,076	452,190
Less accumulated depreciation	(388,154)	(347,790)
	<u>136,922</u>	<u>104,400</u>

Motor vehicles:		
Motor vehicles	58,510	58,510
Less accumulated depreciation	(29,369)	(20,908)
	<u>29,141</u>	<u>37,602</u>

Computer Software		
At cost	207,409	207,409
(Accumulated depreciation)	(201,146)	(199,146)
	<u>6,263</u>	<u>8,263</u>

Flags Pennants and Banners		
At cost	40,015	40,015
(Accumulated depreciation)	(33,509)	(30,551)
	<u>6,506</u>	<u>9,464</u>

Total plant and equipment	<u>178,832</u>	<u>159,729</u>
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Total property, plant and equipment	<u>520,058</u>	<u>514,632</u>
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AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Motor Vehicles \$	Plant and Equipment \$	Computer Software & Website Development \$	Flags Pennants & Banners \$	Total \$
2018						
Balance at the beginning of the year	369,938	48,519	94,017	277	5,118	517,869
Additions at cost			30,071	25,000	8,841	63,912
Disposals			(2,319)			(2,319)
Depreciation expense	(15,035)	(10,917)	(31,751)	(2,630)	(4,497)	(64,830)
Carrying amount at the end of the year	354,903	37,602	90,018	22,647	9,462	514,632
2019						
Balance at the beginning of the year	354,903	37,602	90,018	22,647	9,462	514,632
Additions at cost	1,500		75,627			77,127
Disposals						-
Depreciation expense	(15,174)	(8,461)	(40,108)	(5,000)	(2,958)	(71,701)
Carrying amount at the end of the year	341,229	29,141	125,537	17,647	6,504	520,058

Note 8 Intangible Assets

	2019 \$	2018 \$
Trademarks - at cost	37,419	37,419
Accumulated amortisation	(36,280)	(33,808)
Net carrying amount	1,139	3,611

Note 9 Accounts Payable and Other Payables

	2019 \$	2018 \$
CURRENT		
Accounts payable	110,496	141,251
Deferred income	41,418	50,409
Other current payables	373,474	279,634
Other members Debtor	1,007	2,950
	526,395	474,244
NON-CURRENT		
Deferred income	20,777	17,809
	20,777	17,809

Note 10 Employee Provisions

	2019 \$	2018 \$
CURRENT		
Provision for employee benefits: annual leave	65,816	69,057
Provision for employee benefits: long service leave	57,471	61,505
Time in lieu	8,285	8,099
	131,572	138,661
NON-CURRENT		
Provision for employee benefits: long service leave	14,089	19,942
	14,089	19,942
	145,661	158,603

Employee Provisions

Employee provisions represents amounts accrued for annual leave, long service leave and time in lieu.

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The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 11 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 12 Related Party Transactions

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

	2019	2018
	\$	\$
KMP compensation:	498,790	523,028
	<u>498,790</u>	<u>523,028</u>

b. Other Related Parties

Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

— D. Wilson USA Judges Workshop (Assessor) July 2017		3,089
— L. Cutler Branch Facilitator Accreditation (Trainer) & Judges Workshop (Assessor)		1,173
— M. Wilson Judges Workshop (Assessor) July 2018	1,156	-
	<u>1,156</u>	<u>4,262</u>

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Note 13 Cash Flow Information

	2019	2018
	\$	\$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	(134,521)	(140,241)
Adjustment for:		
Depreciation and amortisation expense	74,172	67,302
Movement in reserves		
Dividend received		
Interest received		
Fair value gain on investments in held-for-trading shares		
Gain on disposal of property, plant and equipment	-	(425)
Doubtful debts expense	-	-
Loss on sale of investments		
Gains on contributed assets received	-	-
Movement in working capital changes:		
(Increase)/decrease in accounts receivable and other debtors	(13,399)	18,709
Increase/(decrease) in accounts payable and other payables	54,112	178,144
(Increase)/decrease in other current assets		
Increase/(decrease) in employee provisions	(12,942)	(299)
(Increase)/decrease in inventories on hand	462	(13,877)
	<u>(32,116)</u>	<u>109,313</u>

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 14 Financial Risk Management

Financial Risk Management Policies

The directors are responsible for monitoring and managing the entity's compliance with its risk management strategy. The directors overall risk management strategy is to assist the entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Note 15 Reserves

(a) Revaluation Surplus

The revaluation surplus records revaluations of non-current assets.

Note 16 Entity Details

The registered office of the entity is:

Australian Stock Horse Society Limited
48 Guernsey Street
Scone
NSW 2337

The principal place of business is:

Australian Stock Horse Society Limited
48 Guernsey Street
Scone
NSW 2337

Note 17 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the entity. At 31 March 2019 the number of members was 6,660.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Stock Horse Society Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 4 to 19, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the company as at 31 March 2019 and of its performance for the year ended on that date.
2. 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.

Director



L Cutler

Dated this 10th day of July 2019

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN STOCK HORSE SOCIETY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Stock Horse Society Limited (the company), which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Stock Horse Society Limited 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 2019 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

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 the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the auditor independence requirements of the ACNC Act and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Australian Stock Horse Society Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 the 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.

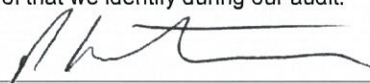
AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN STOCK HORSE SOCIETY LIMITED

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Auditor's name and signature:

Paul Heaton



Name of firm:

Rose & Partners



Address:

109 Liverpool Street, Scone, NSW, 2337

Dated this

10th

day of

July

2019

The Australian Stock Horse Society Limited
Profit & Loss Statement
For Period Ending 31/03/2019

	2019	2018
INCOME:		
Membership Fees	1,084,942	1,152,633
Membership Other	57,533	5,760
Registration & Transfer Fees	504,502	520,505
Registrations Other	236,108	145,831
Nat Show Sponsorship & Competitor Fees	106,140	109,678
Nat Show Nomination Fees	222,148	174,100
Fountain of Youth Sale Entry Fees	33,682	37,600
Other ASHS Events	4,400	5,600
Accreditation - Judges & Assessors	4,868	0
Youth	10,300	201
Journal Trading	(90,664)	(93,276)
Merchandise Trading	33,082	33,655
Interest Received	21,496	24,079
Profit/Loss On Sale of Asset	0	425
Admin & Sundry	29,754	42,497
TOTAL INCOME	2,258,291	2,159,288
EXPENSES:		
Membership	145,988	109,090
Registration	136,357	58,715
National Show Operating Costs	204,535	218,388
Nat Show Prizemoney	161,257	90,256
Fountain of Youth Sale Costs	23,751	32,090
Other ASHS Events	88,883	59,794
Marketing - Digital & Brand Awareness	21,698	15,000
Accreditation - Judges & Assessors	28,101	20,246
Youth	19,513	12,508
International Promotion	0	16,475
Administration	1,495,291	1,579,038
Board	67,438	87,930
TOTAL EXPENSES	2,392,812	2,299,530
OPERATING PROFIT/(LOSS)	(134,521)	(140,242)

*This statement is unaudited

The Australian Stock Horse Society Limited
Trading Statements
For Period Ending 31/03/2019

	2018-2019	2017-2018
JOURNAL OPERATING STATEMENT		
Advertising Income	86,132	84,774
Other Income	24,995	35,593
Total Income	<u>111,127</u>	<u>120,367</u>
Less: Expenses	201,791	213,643
Net Loss incl. in Profit & Loss	<u>(90,664)</u>	<u>(93,276)</u>

	2018-2019	2017-2018
MERCHANDISE TRADING STATEMENT		
Sales Revenue	113,358	130,457
Less: Cost of Goods Sold	<u>(78,701)</u>	<u>(95,587)</u>
Gross Profit (Loss)	34,657	34,870
Less:		
Advertising & Promotion	1,575	1,215
Net Profit incl. in Profit & Loss	<u>33,082</u>	<u>33,655</u>

	2018-2019	2017-2018
BOARD EXPENSES		
Director Emolument	16,000	16,000
Travel	22,618	33,706
Accommodation & Room Hire	14,176	16,986
Meals	6,573	5,042
Election Expenses	2,800	0
Financial Statement Distribution	0	7,810
Sundry Expenses	736	1,958
Telephone	4,535	6,428
Total Board Expenses	<u>67,438</u>	<u>87,930</u>

The Australian Stock Horse Society Limited
Schedule of Administration Expenses
For Period Ending 31/03/2019

ADMINISTRATION EXPENSES	2018-2019	2017-2018
Accountancy & Audit Fees	19,549	23,531
Advertising	878	5,788
AGM	13,366	7,421
Amortisation	2,472	2,472
Ballot Expenses	12,575	0
Bank & Finance Charges	20,692	18,878
Branches	56,738	69,270
Computer & Software	61,371	56,645
Depreciation	71,701	64,830
Donations	1,279	428
Electricity	9,788	10,636
Employment Services	159	1,765
Equipment - Small	1,387	3,960
Fringe Benefits Tax	6,108	7,900
Insurance	90,616	85,248
Legal Costs	20,352	20,034
Motor Vehicle Expenses	9,409	8,878
Postage	31,052	41,753
Printing & Stationery	5,237	10,656
Raffle Costs	3,973	0
Rates	2,975	2,901
Rental - Office Equipment	23,636	21,165
Repairs & Maintenance	25,687	18,547
Staff Amenities	2,234	5,319
Staff Training	4,154	5,804
Subscriptions	3,473	5,867
Sundry Expenses	5,121	4,240
Telephone & Internet	20,320	15,366
Travel Expenses	5,130	1,605
Wages & Superannuation	959,544	1,053,573
Work Cover Insurance	4,315	4,558
TOTAL ADMINISTRATION EXPENSES	1,495,291	1,579,038

Comparatives have been adjusted where necessary to reflect current management reporting and enhance readability.

*This schedule is unaudited

Notice of the Annual General Meeting

The Annual General Meeting of The Australian Stock Horse Society will be held on Saturday, 17th August 2019 at 1.30pm.

Registration will commence at 9:30am

Members Forum to follow at 10:00am

Note: Questions can be submitted prior to the forum.

Tea and Coffee on arrival, Lunch will be provided.

Contact Details for Brisbane Riverview Hotel are as follows:

Address: Cnr Kingsford Smith Drive & Hunt Street Hamilton QLD 4007 Phone: (07) 3862 1800

AGENDA

1. AGM Opening - 1.30pm

2. Present

3. Apologies

4. Proxies

5. Confirmation of Minutes of the 2018 Annual General Meeting

Motion 1: Previous Minutes

6. Matters Arising from the Minutes

7. Chairman's Report

Motion 2: Chairman's Report

8. Treasurer's Report/Financial Report

Motion 3: Audited Financial Report

9. Appointment of Auditors for 2019/2020

Motion 4: Appointment of Auditors

10. Board of Directors' Election Results

11. Special Resolutions

Alterations to Constitution:

Motion 5: The Board recommends that clause 3 Section 3.12(c) of the Society Constitution be amended

From:

(c) for more than two (2) months is absent without permission of the other Directors from meetings of the Directors held during that period;

To:

(c) for more than two (2) meetings is absent without permission of the other Directors;

Motion 6: The Board recommends that clause 4 Section 4.6 of the Society Constitution be amended

From:

4.6. Before the end of June the Chief Executive Officer shall issue ballot papers for the election of as many Directors as shall retire at the following Annual General Meeting pursuant to the clause 3.6 and each ballot paper shall set out the surnames (followed by Christian names or initials) in the random order as drawn by the Chief Executive Officer. The ballot papers and instructions for voting shall be such as is prescribed by the Board. The ballots shall close at 4.00pm on the last business day at least 30 days prior to the Annual General Meeting in each year.

To:

4.6. Before the end of June the Chief Executive Officer shall issue ballot papers for the election of as many Directors as shall retire at the following Annual General Meeting pursuant to the clause 3.6 and each ballot paper shall set out the surnames (followed by Christian names or initials) in the random order as drawn by the Chief Executive Officer. The ballot papers and instructions for voting shall be such as is prescribed by the Board and may be conducted by an on-line ballot. The ballots shall close at 4.00pm on the last business day at least 30 days prior to the Annual General Meeting in each year.

12. General Business

13. Close of Meeting

2019 ASHS Annual General Meeting – Proxy Form

Saturday, 17th August 2019

ABN 35 001 440 437 | ACN 001 440 437

If you want to appoint a proxy, use this form and make sure that the Chief Executive Officer receives it by 10am Thursday, 15th August 2019.

Step 1 – Your Details (please print)

Family Name

Given Names

ASHS Membership Number

Your Postal Address (please include postcode)

Step 2 – Proxy Details (Mark one box only, as shown here ☒)

For the Annual General Meeting of The Australian Stock Horse Society Limited on Saturday, 17th August 2019 and any adjournment of that meeting:

(a) ☐ I appoint the person I have named below as my proxy:

This person must be a Financial Member of The Australian Stock Horse Society Limited.

Your Proxy's Family Name

Their Initials

Their ASHS Membership Number
or if an ASHS Director write 'Director'

Their Postcode

OR

(b) ☐ I appoint the Chairman of the meeting (including any adjournment of the meeting) as my proxy vote for me on a poll in accordance with my instructions (if any) on this proxy form.

Step 3 – Voting Instructions

To direct your proxy how to vote on the resolutions set out in the Notice of Meeting, mark one box only for the items set out below. If you do not direct your proxy how to vote, your proxy may decide how to vote.

Where a person appointed as a proxy is not given instructions as to how to vote on this proxy form by you and the proxy chooses not to vote, the Chairman cannot vote as your alternative proxy.

1. I authorise my proxy to vote

- | | | | |
|----------|------------------------------|----------------------------------|---|
| Motion 1 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Previous Minutes) |
| Motion 2 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Chairman's Report) |
| Motion 3 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Audited Financial Report) |
| Motion 4 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Appointment of Auditors) |
| Motion 5 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Adoption of ASHS Constitution Update for clause 3 Directors) |
| Motion 6 | <input type="checkbox"/> For | <input type="checkbox"/> Against | (Adoption of ASHS Constitution Update for clause 4 Election of Directors) |

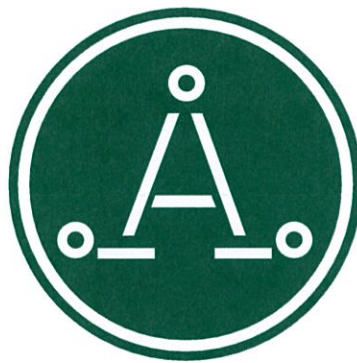
the resolutions contained in the Notice to Members for the Annual General Meeting on Saturday, 17th August 2019.

Step 4 – Your Signature

Member's Signature - For Full Membership only the Nominee may sign the Proxy Form.

Please return Proxy Form to: Australian Stock Horse Society, Chief Executive Officer - AGM, PO Box 288, Scone NSW 2337 Australia

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Australian Stock Horse

View the current Financial Report online at
www.ashs.com.au

The Australian Stock Horse Society Limited

ABN: 35 001 440 437 ACN: 001 440 437

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