

FINANCIAL STATEMENTS

**FOR YEAR ENDED
30 JUNE 2020**

**Arabian Horse Association QLD Inc
A B N 61 451 449 284**

17 November 2020

WARD'S TAX & ACCOUNTING SERVICES

ABN 68 788 084 625

37 John Street, ROSEWOOD Q 4340



(07) 5464 1309



IPA INSTITUTE OF PUBLIC
ACCOUNTANTS

ROSEWOOD TAX ACCOUNTING & BOOKKEEPING

WARDS TAX & ACCOUNTING SERVICES

A.B.N 68 788 084 625

Tax Agent No: 24831906

REGISTERED TAX AGENT & ACCOUNTANTS

17 November 2020

Arabian Horse Association QLD Inc
C/- Janice O'Connor

Dear Secretary/Treasurer

Re: Engagement of Wards Tax & Accounting Services as Auditor

Following our discussions, I am pleased to accept your appointment as the auditor for your organisation. I seek to act in the best interests of all our clients at all times and to provide the highest-level professional services.

The scope of the engagement is as set out below (and any additions shall only be by agreement of both parties and evidenced in writing):

As Auditor I will:

Audit the financial records.

Ensure they in compliance with the laws of Australia and the appropriate accounting and Audit standards.

Provide an audit report or qualified audit report.

Attend to all statutory documentation.

Professional Fees and Payments

All professional fees for the services provided to you will be based on the time and degree of skill and acumen required to complete the tasks required, including out of pocket expenses and statutory charges, unless otherwise agreed between the parties.

ADDRESS: 37 John Street, ROSEWOOD Q 4340

☎ 07 5464 1309

POSTAL ADDRESS: PO Box 335, ROSEWOOD Qld 4340

Fax: 07 5464 1339

Email: wardstax@wardstax.com.au www.wardstax.com.au



Liability Limited by a scheme approved under Professional Standards Legislation.

Any estimate of the cost of service is only an estimate and the actual cost may vary. It is not always possible to provide an accurate estimate of the total cost, as the total cost may change due to unforeseeable problems and delays, the cooperation or otherwise of third persons and deficiencies in documentation.

Terms of Payment

Unless other terms have been agreed to, my terms of payment are strictly 14 days from the date of each invoice. I will provide you with an account of professional fees and costs.

Disclosure of other fees and commissions

I disclose to our clients any commissions or other fees received as a result of work done for that client and will fully comply with any statutory requirements in relation to the disclosure of such information.

Responsibility for Accounting and Internal Control Systems

I advise that the responsibility for the maintenance of a business accounting system and internal control systems rests with you (the client), including the protection of and prevention against fraud. You will be responsible for the maintenance and keeping of books of account. If any material weakness in the accounting system or internal control systems comes to my notice, I will advise accordingly.

Audit Standards

As auditor I must comply with the statutory requirements as set out by the *Corporations Act 2001* and with Accounting and Auditing Standards in force at the time. These legal duties may not be abrogated.

Ownership of Documents

The final financial statements, tax return and any other documents, which I am specifically engaged to prepare, together with any other original documents given to me, shall remain your property. Any other documents brought into existence by me including general journals, working papers, the general ledger, draft financial statements and/or tax returns, will remain my property at all times. However, I will always provide you with copies of any documents that you may require from time to time.

Lien over Documents

In relation to any subsequent termination of my/our services, you are advised that I shall not exercise any lien over any documents, regardless of whether fees have been paid in full or not.

Quality Review

As a Member of the Institute of Public Accountants (IPA) I am subject to periodic quality assurance reviews (as well as annual audit of my trust account). Unless otherwise advised by yourself, by engaging myself firm, you are consenting to your files being part of such a quality review

Standards

I aim to provide the highest standard of professional service and am focused on the concerns of our clients. If for any reason you feel you have not received the service level expected or have an issue to raise please, at first instance, contact myself to discuss how the problem may be resolved.

Furthermore, as a Member of the IPA in public practice, I am subject to the ethical requirements of the IPA and its Investigations and Disciplinary processes. These requirements cover issues such as a Code of Conduct and Ethics, adherence to Accounting and Auditing Standards, requirements to undertake Continued Professional Education and to hold trust money in a Trust Account. Should there be an issue regarding the ethical or business practices of myself, such matters may be referred to the IPA Investigator. However, as the accounting profession does not have regulated fees, the IPA will not investigate purely fee-based disputes but may recommend the parties seek mediation to resolve such disputes.

Audit Independence Statement

I hereby state that I have been engaged as independent auditor(s), and the audit shall be free from any coercion, exercising objective and impartial judgment and in compliance with the laws of Australia. I confirm that the auditor is not a relative, business partner or other person whose independence may be reasonably thought to be jeopardised due to a close present or past relationship with the subject of the audit.

If you are in agreement with above terms of engagement please sign below and return.

Should you have any further queries in relation to the above, please do not hesitate to contact me.

Yours faithfully



Kerri Murphy

Secretary/~~Treasurer~~ (Name) Tanya Banks

Signature [Handwritten Signature]

Signed above on behalf of **Arabian Horse Association QLD Inc**

INDEPENDENT AUDIT REPORT

To the members of **Arabian Horse Association QLD Inc** for the period **1 July 2019 to 30 June 2020**.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of **Arabian Horse Association QLD Inc** (the association) which comprises the Profit & Loss Statement for the period **1 July 2019 to 30 June 2020** and the Balance Sheet as at **30 June 2020**, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee's responsibilities include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Act (QLD). We disclaim any assumption of responsibility for any reliance on this report or the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Independence

In conducting our audit, we have compiled the independence requirements of the Australian professional ethical pronouncements.

Limitation


The association prepares their statement of financial affairs on a cash receipts and disbursements method. On this basis, revenue and related assets are recognised when paid rather than when the obligation is incurred.

It is not practical to establish control over all income prior to its initial entry in the accounting records. Nor is it practicable to confirm all income has been received and recorded in the records. My audit relating to income, as described, was therefore limited to the amounts recorded in the financial statements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinion subject to the effects of the limitations discussed in the qualifications paragraph, the attached Report presents fairly in accordance with the accounting of the financial transactions relating to **Arabian Horse Association QLD Inc** for the year ended **30 June 2020**.


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Kerri Murphy, BeCom, MIPA

Ward's Tax & Accounting Services
Registered Tax Agent and Accountant
37 John Street
Rosewood, Qld 4340

17 November 2020

ARABIAN HORSE ASSOCIATION QLD INC
PROFIT & LOSS STATEMENT
FOR YEAR ENDED 30 JUNE 2020

Income

Bank Interest	\$ 16.75
Donations & Sponsorship	\$ 730.00
Miscellaneous Income	\$ 350.00
Membership Dues	\$ 574.08
Show Entries	<u>\$ 1,005.00</u>

Total Income **\$ 2,675.83**

Expenses

Accounting/Audit Fees	\$ 330.00
Affiliation	\$ 1,120.00
Annual Return - OFT	\$ 56.60
Bank Charges & Merchant Fees	\$ 30.00
Fees & Charges - Wave app payments	\$ 15.14
Meeting Expenses	\$ 160.00
Prize Money	\$ 515.00
Ribbons, Garlands, Trophies	\$ 1,806.04
Venue Hire	<u>\$ 110.00</u>

Total Expenses **\$ 4,142.78**

Net Profit/(Loss) **\$ (1,466.95)**

ARABIAN HORSE ASSOCIATION QLD INC
BALANCE SHEET
AS AT 30 JUNE 2020

Accumulated fund 1 July 2019	\$ 13,398.88
Add: Surplus (Deficit) for Year	\$ (1,466.95)

Accumulated Funds 30 June 2020	<u>\$ 11,931.93</u>
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Current Assets

Bendigo Bank Account	\$ 11,236.93
Petty Cash	\$ 200.00
Accounts Receivable	<u>\$ 495.00</u>

Total Current Assets	\$ 11,931.93
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Net Assets	<u>\$ 11,931.93</u>
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error

\$

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ARABIAN HORSE ASSOCIATION QLD INC
BANK RECONCILIATION STATEMENT
AS AT 30 JUNE 2020

Balance as per Bank Statement 1 July 2019			\$	12,654.90
add outstanding deposits			\$	-
Less Unpresented Cheques Prior Year	Chq No	Amount		
			\$	-
			\$	12,654.90
Add Deposits			\$	3,724.29
Less Withdrawals			\$	5,142.26
Net amount as per cash books			\$	11,236.93
Balance as per Bank Statement 30 June 2020			\$	11,236.93
add outstanding deposits			\$	-
Less Unpresented Cheques	Chq No	Amount		
			\$	-
Balance as per Cashbook			\$	11,236.93
	error		\$	-

Basis of preparation

The financial statements are special purpose financial statements, prepared in accordance with the constitution of the entity to provide information to its members. The financial statements have been prepared on the basis of historical cost and, except where stated, do not take into account changing money values or current values of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The committee of the entity have determined that the entity is not a report entity, as defined in Accounting Professional and Ethical Standard 205 "Conformity with Accounting Standards", and have determined that the full application of Australian Accounting Standards would not provide the best information to suit the information needs of the members. The committee have approved the statements prepared in accordance with the significant accounting policies stated below.

Significant accounting judgements, estimates and assumptions

Accounting policies are selected and applied in a manner, which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transaction and other events is reported.

In applying the accounting policies, the committee must make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Statement of significant accounting policies

(1) Income recognition

Revenue is recognised when the entity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from **sales of goods**, net of returns, discounts and allowances, is recognised when the control of goods passes to the customer.

Monetary **donations** are recognised when received. No amounts are recognised for services donated by volunteers. Goods donated for resale are included as income when they are sold.

Grants received from governments on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Investment income comprises interest and dividends. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(2) Cash and cash equivalents.

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits which an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(3) Receivables

Trade debtors are recognised and carried at original invoice amount less an allowance for any amounts when there is objective evidence that the entity will not be able to collect it. Bad debts are written off when identified. Normal terms of settlement vary from seven to 30 days.

(4) Inventories

Inventories are:

- (a) goods held for resale, which are valued at the lower of cost and net realisable value except for goods donated to the entity, which are not included in inventory value. Inventory costs are recognised on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.
- (b) goods for distribution at no or nominal consideration, which are valued at cost adjusted for any loss of service potential.

(5) Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised after the date of acquisition.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment that is donated to the entity is recognised at fair value at the date the entity obtains control of the assets.

Buildings, plant and equipment are depreciated from when the asset is held ready for use.

Impairment

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Value in use is determined by depreciated replacement cost, which is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Any impairment losses are recognised in the income statement and the affected assets written down to their recoverable amount.

(6) Trade creditors and other payables

Trade creditors and other payables represent liabilities for goods and services provided to the entity prior to the end of the financial year that were unpaid at that date. They are recorded at nominal (undiscounted) amounts, and are usually settled within 30 days.

Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement. The fair value of the leases is estimated as the present value of future cash flows, discounted at market interest rates. The carrying value of the leases is considered a reasonable reflection of fair value.

Capitalised leased assets are depreciated over the estimated useful life of the asset.

(7) Taxation

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, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Arabian Horse Association QLD Inc

STATEMENT BY THE MANAGEMENT COMMITTEE

The Committee Members have determined that the Organisation is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies in Note 1 to the financial statements.

In our opinion:

- a) The financial statements as set out on the following pages are drawn up so as to give a true and fair view of the state of the Organisation's affairs as at **30 June 2020** and of its operating result for the year ended on that date;
- b) At the date of this statement, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due;
- c) The financial statements have been compiled in accordance with Australian Accounting Standards and to comply with the Incorporations Act.


Signed


CATHERINE CUNNINGHAM

NAME

President/Treasurer

Signed


Tanya Banks

NAME

Secretary

Signed at Logan Village this 5th day of December 2020.