

The Australian Stock Horse Society Limited

A Company Limited by Guarantee

ABN 35 001 440 437

ACN 001 440 437



Australian Stock Horse
SOCIETY

FINANCIAL REPORT

1st April 2021 - 31st December 2021

Includes Notice for Annual General Meeting

Chairperson's Annual Report



Chairperson of the Board
Lorna Fanning

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.

It is certainly an honour to once again write this annual report for the members of the Australian Stock Horse Society.

The Society has had another successful year, however I feel deeply for our members who have been so badly affected by Mother Nature, one way or another. Australia sure is a land of many variables as described by Dorothea Mackellar in that great poem, My Country – When she said... a land of sweeping plains, of ragged mountain ranges, of drought and flooding rains... was certainly true for this past year.

At the AGM last year members adopted to change the Financial Year to be the 1st January to the 31st December, to coincide with the Membership Year to help with budgeting. Unfortunately that means that this year, we are only reporting on nine months from 1st April, 2021 to the 31st December, 2021, therefore not including the busiest first three months of membership renewals. Although the figures show a loss, they are not comparable to previous years and our membership is actually up on the previous few years.

The Board continues to work well together and are very focused on the finances and the membership. We aim to give members a lot of reasons to be members and to continue to be a part of this wonderful Society.

The Board has also focused on the “Breed for Every Need” with the range of events being offered from hacking and dressage through to campdrafting and polocrosse. It is very exciting to think what we could offer in the future.

Many events were cancelled last year, but we look forward to being able to run them this year. The ASHS Polocrosse events at Coolah and the Swan Cup at Inverell followed by the Championship Campdraft at Goondiwindi, the Youth National Show & Camp at Scone and the National Show at a date and venue to be decided, all planned to take place. Thank you to all who are involved in these sub-committees running these events for the enjoyment of the membership.

I would like to thank all the members who continue to give their time freely to the Society at Management Council and Branch level and run events for the membership. Without this support it would be very hard to continue to grow and stay as the largest equine Breed Society, outside of the thoroughbred industry.

The Board continues to work hard on the Stud Book and getting rules in place to ensure the integrity of the Australian Stock Horse for decades to come. We continue to look at ways to reward the HSH breeders so we don't lose our foundation bloodlines and to ensure that they are there for the future.

We have again invested heavily in technology as we continue to develop our online nomination system, so that it will be capable of doing everything that is needed for our major events and to be able to be utilised by our Branches and Management Councils. We are also continuing to develop the HSH Stud Book online system

I would like to thank the Board of Directors for their dedication and commitment to the Society, as it is not an easy position to hold. The Directors make decisions in the best interest of the majority of members and always with the ASHS Vision, Aims and Mission Statement in mind. They are a very hard working group of passionate ASHS members who put so much into the Society. We have held 12 Board Meetings and numerous sub-committee meetings in the past nine months, which shows you just how much they give to the Society, as volunteers.

I would like to thank Andrew Cooper, our past CEO and all the ASHS Staff for their continued hard work for you, the members.

As this is my last Annual Report, I would like to thank the membership for their support over my three year term as the Chairperson, and hope that what has been achieved in that term has been of benefit to you. I feel that the bond between the Board and the Membership has strengthened, and I believe that I have led the Board with honesty, integrity and respect.

I look forward to seeing a lot of members at the AGM in Toowoomba and would like to Congratulate, all Award Winners and anyone who has represented the Society in any way.

Best wishes,
Lorna Fanning

Australian Stock Horse Society Limited

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Financial Report For The Period Ended 31 December 2021

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

Your directors present this report on the entity for the period ended 31 December 2021.

Directors

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

- J Petrich
- J Allen resigned (4/09/2021)
- L Fanning
- B Welsh
- L Butcher
- D De Jong
- B Moore
- D Ricketts
- D Nash
- S Grills
- B Mills appointed (4/09/2021)

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 activities of the entity during the financial year were:

- 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 entity's short-term objectives are to:

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

The entity'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 entity has adopted the following strategies:

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

Information on Directors

J Petrich	—	Junior Vice Chair
Experience	—	10 years currently as a director, 5 years previous
J Allen	—	Resigned
Experience	—	6 years as a director
L Fanning	—	Chairman
Experience	—	6 years as a director
B Welsh	—	Senior Vice Chair
Experience	—	5 years as a director
L Butcher	—	Director
Experience	—	4 years as a director
D De Jong	—	Treasurer
Experience	—	3 years as a director
B Moore	—	Director
Experience	—	3 years as a director

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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DIRECTORS' REPORT

D Ricketts	—	Director
Experience	—	2 years as a director
D Nash	—	Director
Experience	—	2 years as a director
S Grills	—	Director
Experience	—	2 years as a director
B Mills	—	Director
Experience	—	1 year as a director

Under the constitution one year of service for a director represents the period from one AGM to the next AGM

Meetings of Directors

During the financial year, 12 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
J Petrich	12	12
J Allen	8	6
L Fanning	12	12
B Welsh	12	12
L Butcher	12	12
D De Jong	12	12
B Moore	12	11
D Ricketts	12	12
D Nash	12	12
S Grills	12	11
B Mills	4	4

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 each towards meeting any outstanding obligations of the entity. At 31 December 2021, the total amount that members of the entity are liable to contribute if the entity is wound up is \$159,240 (2021: \$127,540).

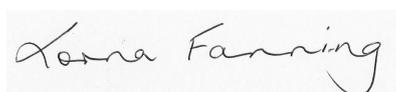
Financial Year End

It is noted that the entity resolved during the period to change their financial year end from 31 March to 31 December. Thus, the prior year (2021) figures presented in this report relate to the period 01/04/2020 -31/03/2021 and the current year figures presented relate to the 9 months 01/04/2021 -31/12/2021.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2021 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 Fanning

Dated this 13th day of April 2022

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

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Australian Stock Horse Society Limited. As the lead audit partner for the audit of the financial report of Australian Stock Horse Society Limited for the period ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

- (ii) any applicable code of professional conduct in relation to the audit.

Rose & Partners Chartered Accountants



Name of Partner Paul Heaton

Date 14/04/2022

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 PERIOD
ENDED 31 DECEMBER 2021**

	Note	9 months to Dec-21 \$	2021 \$
Revenue	2	2,534	7,152
Other income	2	1,387,702	2,167,163
Employee benefits expense		(813,627)	(872,018)
Depreciation and amortisation expense	3	(69,285)	(79,255)
Motor vehicle expenses		(6,838)	(13,967)
Audit, legal and consultancy fees		(40,760)	(35,441)
Membership expenses		(56,275)	(56,202)
Registration and transfer expenses		(54,667)	(62,834)
Sports and events expenses		(449,602)	(113,177)
Journal expenses		(77,454)	(136,675)
Merchandise expenses		(55,155)	(37,422)
Branch expenses		(33,350)	(18,002)
Board expenses		(40,512)	(41,855)
Other administration expenses		(204,608)	(269,463)
Current year surplus/(deficit) before income tax		<u>(511,897)</u>	<u>438,004</u>
Net current year surplus/(deficit)		<u>(511,897)</u>	<u>438,004</u>
Total comprehensive income for the year		<u>(511,897)</u>	<u>438,004</u>
Surplus/ (deficit) attributable to members of the entity		<u>(511,897)</u>	<u>438,004</u>
Total comprehensive income attributable to members of the entity		<u>(511,897)</u>	<u>438,004</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Dec-21 \$	Mar-21 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,566,597	1,977,667
Accounts receivable and other debtors	5	47,417	52,870
Inventories	6	94,710	129,717
TOTAL CURRENT ASSETS		<u>1,708,724</u>	<u>2,160,254</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	611,149	442,088
Intangible assets	8	6,456	8,021
Right-of-use assets	9	35,169	12,648
TOTAL NON-CURRENT ASSETS		<u>652,774</u>	<u>462,757</u>
TOTAL ASSETS		<u>2,361,498</u>	<u>2,623,011</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	708,803	560,657
Lease liabilities	12	4,100	9,104
Employee provisions	11	118,368	95,856
TOTAL CURRENT LIABILITIES		<u>831,271</u>	<u>665,617</u>
NON-CURRENT LIABILITIES			
Accounts payable and other payables	10	70,277	23,564
Lease liabilities	12	25,793	3,164
Employee provisions	11	31,751	16,363
TOTAL NON-CURRENT LIABILITIES		<u>127,821</u>	<u>43,091</u>
TOTAL LIABILITIES		<u>959,092</u>	<u>708,708</u>
NET ASSETS		<u>1,402,406</u>	<u>1,914,303</u>
EQUITY			
Retained surplus		1,340,534	1,852,431
Reserves		61,872	61,872
TOTAL EQUITY		<u>1,402,406</u>	<u>1,914,303</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

Note	Retained Surplus \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 April 2020	1,414,427	61,872		1,476,299
Comprehensive Income				
Surplus for the year attributable to members of the entity	438,004			438,004
Total comprehensive income attributable to owners of the entity	438,004	-	-	438,004
Balance at 31 March 2021	1,852,431	61,872	-	1,914,303
Balance at 1 April 2021	1,852,431	61,872	-	1,914,303
Comprehensive Income				
Surplus for the year attributable to owners of the entity	(511,897)			(511,897)
Total comprehensive income for the year	(511,897)	-	-	(511,897)
Balance at 31 December 2021	1,340,534	61,872	-	1,402,406

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

		9 months to	
	Note	Dec-21	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		1,578,638	2,360,147
Payments to suppliers and employees		(1,750,565)	(1,761,431)
Interest received		2,534	7,152
Net cash generated from operating activities	15	(169,393)	605,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(229,409)	(27,304)
Net cash used in investing activities		(229,409)	(27,304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	17	(12,268)	(8,758)
Net cash used in financing activities		(12,268)	(8,758)
Net increase in cash held		(411,070)	569,806
Cash on hand at beginning of the financial year		1,977,667	1,407,861
Cash on hand at end of the financial year	4	1,566,597	1,977,667

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 PERIOD ENDED 31 DECEMBER 2021

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.

It is noted that the entity resolved during the period to change their financial year end from 31 March to 31 December. Thus, the prior year (2021) figures presented in this report relate to the period 01/04/2020 -31/03/2021 and the current year figures presented relate to the 9 months 01/04/2021 -31/12/2021.

Accounting Policies

(a) Revenue and Other Income

Contributed assets

The Entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116, AASB 1058 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Operating grants, donations and bequests

When the Entity receives operating grants, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grants

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

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

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

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 impairment for buildings.

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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(g) 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

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%
Leased plant and equipment	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

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 16 and measures the right-of-use assets at cost on initial recognition.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 (i.e. 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;
- 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:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

- 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 different bases;
- 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 (i.e. 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

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 (i.e. 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 (e.g. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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 (i.e. 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 (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- 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.

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For financial assets that are unrecognised (e.g. 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

A 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.

(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. 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.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(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 three and ten 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) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements are 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) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised are a key management judgement that the Entity will make. The Entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Entity.

Note 2 Revenue and Other Income

	9 months to Dec 21 \$	2021 \$
Revenue		
— Interest received on investments in government and fixed interest securities	2,534	7,152
	2,534	7,152
Total revenue	2,534	7,152
Other income		
— Other	20,302	15,875
— Membership Fees	186,893	988,472
— Registration and Transfer Fees	592,974	569,531
— Sports and events	433,523	43,301
— Journal	66,232	32,052
— Merchandise	85,089	59,532
— Jobkeeper	2,689	358,400
— Cash Flow Boost	-	100,000
Total other income	1,387,702	2,167,163
Total revenue and other income	1,390,236	2,174,315

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 3 Surplus/(Deficit) for the Period

	9 months to Dec 21 \$	2021 \$
a. Expenses		
Employee benefits expense:		
— salaries and wages	813,627	872,018
Total employee benefits expense	813,627	872,018
Audit fees:		
— audit services	22,780	17,240
— other services	2,530	2,167
Total audit remuneration	25,310	19,407
Depreciation and amortisation:		
— land and buildings	11,330	15,043
— motor vehicles	5,432	9,305
— furniture and equipment	23,333	32,910
— software	20,253	11,234
Total depreciation and amortisation	60,348	68,492

Note 4 Cash and Cash Equivalents

	9 months to Dec 21 \$	2021 \$
CURRENT		
Cash at bank	1,566,597	1,977,667
	1,566,597	1,977,667
	1,566,597	1,977,667

Note 5 Accounts Receivable and Other Debtors

	Note	9 months to Dec 21 \$	2021 \$
CURRENT			
Accounts receivable		6,963	28,794
Other debtors		40,454	24,076
Total current accounts receivable and other debtors		47,417	52,870

Note 6 Inventories

	9 months to Dec 21 \$	2021 \$
CURRENT		
At cost:		
Inventory	94,710	129,717
	94,710	129,717

AUSTRALIAN STOCK HORSE SOCIETY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 7 Property, Plant and Equipment

	9 months to Dec 21 \$	2021 \$
LAND AND BUILDINGS		
Freehold land:		
— At cost	35,000	35,000
Total land	<u>35,000</u>	<u>35,000</u>
Buildings:		
— At cost	513,820	513,820
Less accumulated depreciation	(249,144)	(237,814)
Total buildings	<u>264,676</u>	<u>276,006</u>
Total land and buildings	<u>299,676</u>	<u>311,006</u>
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	535,454	528,525
Less accumulated depreciation	(484,478)	(462,479)
	<u>50,976</u>	<u>66,046</u>
Motor Vehicles:		
— At cost	49,916	49,916
Less accumulated depreciation	(23,298)	(17,866)
	<u>26,618</u>	<u>32,050</u>
Computer Software		
At cost	467,810	245,330
Less accumulated depreciation	(235,514)	(215,261)
	<u>232,296</u>	<u>30,069</u>
Flags Pennants and Banners		
At cost	40,015	40,015
Less accumulated depreciation	(38,432)	(37,098)
	<u>1,583</u>	<u>2,917</u>
Total plant and equipment	<u>311,473</u>	<u>131,082</u>
Total property, plant and equipment	<u>611,149</u>	<u>442,088</u>

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 \$
2021						
Balance at the beginning of the year	326,049	41,355	94,121	21,467	4,683	487,675
Additions at cost			3,069	1,983		22,905
Depreciation expense	(15,043)	(9,305)	(31,142)	(11,234)	(1,768)	(68,492)
Carrying amount at the end of the year	<u>311,006</u>	<u>32,050</u>	<u>66,048</u>	<u>30,069</u>	<u>2,915</u>	<u>442,088</u>
Dec-21						
Balance at the beginning of the year	311,006	32,050	66,048	30,069	2,915	442,088
Additions at cost			6,929	222,480		229,409
Depreciation expense	(11,330)	(5,432)	(21,999)	(20,253)	(1,334)	(60,348)
Carrying amount at the end of the year	<u>299,676</u>	<u>26,618</u>	<u>50,978</u>	<u>232,296</u>	<u>1,581</u>	<u>611,149</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 8 Intangible Assets

	9 months to Dec 21 \$	2021 \$
Trademarks - at cost	48,374	48,374
Accumulated amortisation	<u>(41,918)</u>	<u>(40,353)</u>
	<u>6,456</u>	<u>8,021</u>

Note 9 Right-of-use Assets

The Entity's lease portfolio includes equipment. These leases have an average of 5 years as their lease term.

(a) Options to Extend or Terminate

The options to extend or terminate are contained in several of the property leases of the Entity. There were no extension options for equipment leases. These clauses provide the Entity opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Entity. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the right-of-use asset.

AASB 16 related amounts recognised in the balance sheet

<u>Right-of-use assets</u>	9 months to Dec 21 \$	2021 \$
Leased equipment	56,649	26,756
Accumulated depreciation	<u>(21,480)</u>	<u>(14,108)</u>
	<u>35,169</u>	<u>12,648</u>

Movements in carrying amounts:

Leased equipment:		
Opening balance	12,648	21,566
Additions	29,893	-
Depreciation expense	<u>(7,372)</u>	<u>(8,918)</u>
Net carrying amount	<u>35,169</u>	<u>12,648</u>

AASB 16 related amounts recognised in the statement of profit or loss

	9 months to Dec 21 \$	2021 \$
Interest expense on lease liabilities	294	705
Short-term leases expense	-	-
Low-value asset leases expense	-	-

Note 10 Accounts Payable and Other Payables

	9 months to Dec 21 \$	2021 \$
CURRENT		
Accounts payable	50,516	172,764
Deferred income	478,038	45,174
Other current payables	<u>180,249</u>	<u>342,719</u>
	<u>708,803</u>	<u>560,657</u>
NON-CURRENT		
Deferred income	<u>70,277</u>	<u>23,564</u>
	<u>70,277</u>	<u>23,564</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Note 11 Employee Provisions

	9 months to Dec 21	2021
	\$	\$
CURRENT		
Provision for employee benefits: annual leave	78,058	62,156
Provision for employee benefits: long service leave	35,664	32,822
Time in lieu	4,646	878
	<u>118,368</u>	<u>95,856</u>
NON-CURRENT		
Provision for employee benefits: long service leave	31,751	16,363
	<u>31,751</u>	<u>16,363</u>
	<u>150,119</u>	<u>112,219</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave, time in lieu and long service leave.

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 entity 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 entity 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(h).

Note 12 Lease Liabilities

	9 months to Dec 21	2021
	\$	\$
CURRENT		
Lease liabilities	4,100	9,104
	<u>4,100</u>	<u>9,104</u>
NON- CURRENT		
Lease liabilities	25,793	3,164
	<u>25,793</u>	<u>3,164</u>
TOTAL LEASE LIABILITIES	<u>29,893</u>	<u>12,268</u>

Lease liabilities are secured by the underlying leased assets.

Note 13 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

The 2022 National Show scheduled for March 2022 has been postponed due to flood.

Note 14 Related Party Transactions

a. Key Management Personnel

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

	9 months to Dec 21	2021
	\$	\$
KMP compensation:	310,857	424,364
	<u>310,857</u>	<u>424,364</u>

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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.

There were no payments made to related parties during the financial year (9 months) to 31 December 2021.

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

Note 15 Cash Flow Information

	9 months to Dec 21 \$	2021 \$
a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	(511,897)	438,004
Adjustment for:		
Depreciation and amortisation expense	69,285	79,255
(Increase)/decrease in accounts receivable and other debtors	5,453	(29,841)
Increase/(decrease) in accounts payable and other payables	194,859	207,608
Increase/(decrease) in employee provisions	37,900	(1,152)
(Increase)/decrease in inventories on hand	35,007	(88,006)
	(169,393)	605,868

Note 16 Financial Risk Management

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 directors on a regular basis. These include credit risk policies and future cash flow requirements.

Note 17 Reserves

a. Revaluation Surplus

The revaluation surplus records revaluations of non-current assets.

Note 18 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 19 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 December 2021 the number of members was 7,962.

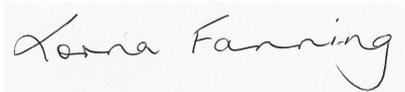
AUSTRALIAN STOCK HORSE SOCIETY LIMITED
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Australian Stock Horse Society Limited, the directors of the Registered Entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 4 to 19, satisfy the requirements of 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 registered entity as at 31 December 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of directors.

Director



L Fanning

Dated this 13th day of April 2022

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

Opinion

We have audited the financial report of Australian Stock Horse Society Limited (the Entity), which comprises the statement of financial position as at 31 December 2021, 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 and notes to the financial statements, including a summary of significant accounting policies 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 entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards 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 entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the 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.

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 entity's annual report for the year ended 31 December 2021, 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 entity 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 entity'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 entity 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 entity's internal control.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 Chartered Accountants 

Address: 109 Liverpool Street
Scone NSW 2337

Dated this 13th day of April 2022

The Australian Stock Horse Society Limited
Profit & Loss Statement
For Period Ending 31/12/2021

	Dec-21	Mar-21
INCOME:		
Membership Fees	186,893	988,472
Membership Other	1,436	2,395
Registration & Transfer Fees	429,385	388,730
Registrations Other	163,589	180,801
National Show Sponsorship & Competitor Fees	104,221	0
National Show Nomination Fees	210,308	0
Fountain of Youth Income	33,227	5,000
Other Events	5,691	1,800
ASHS Journal Trading	(11,222)	(45,893)
Merchandise Trading	59,292	36,922
Interest	2,534	7,152
Profit/Loss On Sale of Asset	6,986	0
Other Administration & Sundry	14,569	471,881
TOTAL INCOME	1,206,910	2,037,260
EXPENSES:		
Membership	56,275	56,202
Registration	54,667	62,834
National Show Operating Costs	169,423	73
National Show Prizemoney	125,448	0
Fountain of Youth Events	31,913	3,887
National Campdraft	260	0
Other ASHS Events	57,267	68,068
Marketing	8,089	17,305
Accreditation	69	537
Youth	2,620	1,619
Cattle Insurance	3,794	0
Branches	33,350	18,002
Administration Expenses	1,135,118	1,328,873
Board Expenses	40,512	41,855
TOTAL EXPENSES	1,718,806	1,599,256
OPERATING PROFIT/(LOSS)	(511,896)	438,004

*** This statement is unaudited*

**** Comparative figures have been adjusted where necessary to enhance presentation of the report*

The Australian Stock Horse Society Limited
Trading Statements
For Period Ending 31/12/2021

	Dec-21	Mar-21
JOURNAL OPERATING STATEMENT		
Advertising Income	64,315	29,952
Other Income	1,917	2,100
Total Income	<u>66,232</u>	<u>32,052</u>
Less: Expenses	<u>(77,454)</u>	<u>(77,945)</u>
Net Loss incl. in Profit & Loss	<u>(11,222)</u>	<u>(45,893)</u>

MERCHANDISE TRADING STATEMENT

Sales Revenue	165,165	96,033
Less: Cost of Goods Sold	<u>(102,358)</u>	<u>(57,047)</u>
Gross Profit (Loss)	62,807	38,985
Less:		
Advertising & Promotion	<u>(3,515)</u>	<u>(2,063)</u>
Net Profit incl. in Profit & Loss	<u>59,292</u>	<u>36,922</u>

BOARD EXPENSES

Director Emolument	(12,000)	(16,000)
Travel	(6,311)	(4,361)
Accommodation & Room Hire	(10,116)	(7,209)
Meals	(4,312)	(2,789)
Election Expenses	(50)	(3,523)
Financial Statement Distribution	(478)	(949)
Sundry Expenses	(496)	(4,398)
Telephone	<u>(6,750)</u>	<u>(2,625)</u>
Total Board Expenses	<u>(40,512)</u>	<u>(41,855)</u>

*** This statement is unaudited*

**** Comparative figures have been adjusted where necessary to enhance presentation of the report*

The Australian Stock Horse Society Limited
Schedule of Administration Expenses
For Period Ending 31/12/2021

ADMINISTRATION EXPENSES	Dec-21	Mar-21
Accountancy & Audit Fees	25,960	19,407
Advertising	690	1,456
AGM	7,504	14,342
Amortisation	1,565	1,841
Bank & Finance Charges	11,284	15,763
Computer & Software	39,715	70,690
Depreciation	67,720	77,414
Donations	1,300	557
Electricity	5,990	8,404
Employment Services	0	470
Equipment - Small	1,878	8,092
Fringe Benefits Tax	386	515
Insurance	50,758	42,876
Legal Costs	14,800	16,034
Motor Vehicle Expenses	6,838	6,751
Postage	26,239	22,122
Printing & Stationery	5,279	7,180
Professional Fees	0	7,000
Rates	2,538	3,305
Rental - Office Equipment	3,439	4,261
Repairs & Maintenance	19,640	25,643
Staff Amenities	2,357	2,347
Staff Training	2,340	1,900
Subscriptions	893	2,727
Sundry Expenses	1,552	4,479
Telephone & Internet	17,162	24,557
Travel Expenses	3,773	2,619
Wages & Superannuation	813,627	930,748
Work Cover Insurance	(109)	5,372
Total Administration Expenses	1,135,118	1,328,873

*** This statement is unaudited*

**** Comparative figures have been adjusted where necessary to enhance presentation of the report*

2022 ASHS Annual General Meeting - Proxy Form

Saturday, 28th May 2022

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 12 noon Wednesday, 25th May, 2022.

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, 28th May 2022 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.

I authorise my proxy to vote

Motion 1	<input type="checkbox"/>	For	<input type="checkbox"/>	Against	(Previous Minutes 2021 Draft)
Motion 2	<input type="checkbox"/>	For	<input type="checkbox"/>	Against	(Chairperson'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	(Honorary Life Membership Mr Peter Allan)
Motion 6	<input type="checkbox"/>	For	<input type="checkbox"/>	Against	(Honorary Life Membership Mr Craig Young)

The resolutions contained in the Notice to Members for the Annual General Meeting on Saturday, 28th May 2022.

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



Australian Stock Horse
SOCIETY

Notice of the Annual General Meeting

The Annual General Meeting of The Australian Stock Horse Society will be held on

Saturday, 28th May 2022 at 1pm

at the Oak Hotel, 25 Annand Street Toowoomba, QLD

9.30am	Registration will commence
9.30am	Morning Tea
10.00am	Members Forum - Compulsory DNA
11.30am	Launch of the Coffee Table Book
12.00 noon	Lunch will be provided.
1.00pm	AGM
3.30pm	Meeting Closed

AGENDA

1. **AGM Opening**
2. **Present**
3. **Apologies**
4. **Proxies**
5. **Confirmation of Minutes of the 2020 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 Financial Report**
Motion 3: Audited Financial Report
9. **Appointment of Auditors for 2022**
Motion 4: Appointment of Auditors
10. **Directors Reports**
11. **Directors of Board Election Results**
12. **Special Resolutions**
Motion 5: Honorary Life Membership
Honorary Life Membership be awarded to Mr Peter Allan
Motion 6: Honorary Life Membership
Honorary Life Membership be awarded to Mr Craig Young
13. **Tribute to past Members**
14. **General Business**
15. **Close of Meeting - 3.30pm**

RSVP Required if attending in person

For venue size and for strict catering purposes it is important that if Members wish to attend in person, email pa@ashs.com.au or phone Head Office on (02) 6545 1122 prior to Wednesday 12th May, 2022.



**Australian Stock Horse
SOCIETY**

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

The Australian Stock Horse Society Limited

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