

DRESSAGE NSW INCORPORATED
A.B.N. 97 482 552 442
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

DRESSAGE NSW INCORPORATED
A.B.N. 97 482 552 442

COUNCIL'S REPORT

The Executive Committee members present the financial report of the Dressage NSW Incorporated for the year ended 30 June 2021.

EXECUTIVE COMMITTEE MEMBERS

The names of the Executive Committee members throughout the year and at the date of this report are:

Mandy Jones (President)	Sue Cunningham (Vice President)
Julie Jones (Vice President)	Kay Barney (Treasurer)
Michelle Becchio	Gail Benson
Kirsteen Dixon	Jo Gunn (Secretary)
Zanna Northam	Earle Olaisen
Kathy Shelley	Dee Vodden

PRINCIPAL ACTIVITIES

The principal activities of the Association during the financial year was to promote and develop dressage and equestrian sport in NSW.

SIGNIFICANT CHANGES

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

OPERATING RESULT

The surplus (deficit) after providing for income tax amounted to \$2,069 deficit. (2020 surplus \$46,530).

LIKELY DEVELOPMENTS

Dressage NSW continues to develop and promote dressage and equestrian sports both in NSW and within Australia. It seeks to improve all aspects of competition to internationally accepted levels and provides a comprehensive service to its members

INSURANCE OF OFFICERS

During the financial year, the Association paid a premium to insure the Association for legal liability in respect of the activities of the Association.

Signed in accordance with a resolution of the Association.

Kay Barney



Dated this 2nd day of Dec 2021

Jo Gunn



TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF DRESSAGE NSW INCORPORATED

Opinion

We have audited the attached financial report of Dressage NSW Inc ("the entity") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of recognised income and expenditure, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement by members of the Executive Committee.

In our opinion, except for the matter referred to in the Basis of Qualified Opinion below, the accompanying financial report of Dressage NSW n Inc is in accordance with the Association Incorporation Act NSW 20009, including:

1. giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) , and the Associations Incorporation Act NSW 2009.

Basis for Qualified Opinion

Cash from events is a significant source of revenue for Dressage NSW Inc. Although the Committee have implemented systems of controls to ensure the monies received are properly recorded in the accounting records, it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records.

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 Executive Committee in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Executive Committee for the financial report

The executive committee members are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act NSW 2009 and is appropriate to meet the needs of the members. The executive committee's responsibility also includes such internal control as the members determine in necessary to enable the preparation of a 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 members are responsible for assessing the Committee's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members either intend to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibility

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 misstatements 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 of our opinion. The risk of not detecting 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 Committee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by members.
- Conclude on the appropriateness of the members' use of 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 Committee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieved fair representation.

We communicate with the members 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.



MARK TINWORTH
CHARTERED ACCOUNTANT

Dated this 2nd day of December 2021

DRESSAGE NSW INCORPORATED
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STATEMENT BY MEMBERS OF THE EXECUTIVE COMMITTEE


In the opinion of the Executive Committee of the Association the financial report, as set out on pages 6 to 21:

1. Presents a true and fair view of the financial position of the Dressage NSW Incorporated as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Dressage NSW Incorporated will be able to pay its debts as and when they fall due.

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

Kay Barney

Jo Gunn



Dated this 2nd day of December 2021

DRESSAGE NSW INCORPORATED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
REVENUE			
Revenue from continuing operations	2	437,954	648,860
EXPENSES			
Merchandise expenses		(2,250)	(28,283)
Depreciation	3	(20,720)	(20,319)
Event & related expenses		(346,668)	(486,301)
Administration expenses		<u>(66,247)</u>	<u>(67,427)</u>
Surplus (Deficit) before income tax		2,069	46,530
Income tax expense	1	<u>-</u>	<u>-</u>
Surplus (Deficit) for the year after income tax		<u>2,069</u>	<u>46,530</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>2,069</u></u>	<u><u>46,530</u></u>

The accompanying notes form part of this financial report.

DRESSAGE NSW INCORPORATED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	486,565	452,797
Inventories	5	-	4,189
Receivables	6	385	8,575
TOTAL CURRENT ASSETS		<u>486,950</u>	<u>465,561</u>
NON-CURRENT ASSETS			
Property, plant & equipment	7	<u>94,110</u>	<u>91,868</u>
TOTAL NON-CURRENT ASSETS		<u>94,110</u>	<u>91,868</u>
TOTAL ASSETS		<u>581,060</u>	<u>557,429</u>
CURRENT LIABILITIES			
Trade & other payables	8	<u>29,240</u>	<u>7,678</u>
TOTAL CURRENT LIABILITIES		<u>29,240</u>	<u>7,678</u>
TOTAL LIABILITIES		<u>29,240</u>	<u>7,678</u>
NET ASSETS		<u>551,820</u>	<u>549,751</u>
EQUITY			
Reserves		5,715	5,715
Retained earnings		<u>546,105</u>	<u>544,036</u>
TOTAL EQUITY		<u>551,820</u>	<u>549,751</u>

The accompanying notes form part of this financial report.

DRESSAGE NSW INCORPORATED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
RETAINED EARNINGS		
Balance as at beginning of the year	544,036	497,506
Surplus (Deficit) for the	<u>2,069</u>	<u>46,530</u>
Balance as at end of the year	<u><u>546,105</u></u>	<u><u>544,036</u></u>

The accompanying notes form part of these financial statements.

DRESSAGE NSW INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Members' & customers' receipts		458,455	678,004
Interest received		1,475	3,379
Payments to suppliers		<u>(403,200)</u>	<u>(623,428)</u>
Net Cash used by Operating Activities	10	56,730	57,955
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed asset		<u>(22,962)</u>	<u>(84,266)</u>
Net Cash used by Operating Activities		(22,962)	(84,266)
Net Increase (Decrease) in Cash Held		33,768	(26,311)
Cash at the beginning of the financial year		<u>452,797</u>	<u>479,108</u>
Cash at the end of the financial year	4	<u><u>486,565</u></u>	<u><u>452,797</u></u>

The accompanying notes form part of these financial statements.

DRESSAGE NSW INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009. The Committee has determined that the Association is a reporting entity as the users of the financial report are not able to obtain additional information to meet their needs.

Dressage NSW Incorporated is an Association, incorporated and domiciled in NSW.

The financial report has been prepared in accordance with the Association Incorporation Act NSW 2009, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

This financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Income Tax

The association has been established for the promotion of sport and accordingly is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of an asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'fair value through profit or loss', in which case the 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 receivable do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost, or
- Fair value through profit and loss

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

- 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 and loss

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest rate. The effective interest rate 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.

Financial asset

Financial assets are subsequently measured at:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit and loss

Measurement is on the basis of the two primary criteria:

- The contractual cash flow characteristics of the financial asset, and
- The business model for managing the financial assets

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The entity initially designates financial instruments as measured at fair value through profit and loss if:

- It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.
- It is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of the entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- It is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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. An exchange of an existing financial liability for a new one with substantial 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 derecognized 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

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 the profit or loss.

Impairment

The association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

General approach

Under the general approach, at each reporting period, the association 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; and
- If there has been 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.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognise 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. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Depreciation of Plant and Equipment

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

Plant and equipment are measured on the cost basis. All assets are depreciated using the straight line basis so as to write off the cost of each asset over its expected useful life to the company.

Depreciation rates used for each class of asset are:

Class of fixed asset	Depreciation rate
Plant and Equipment	10-40%
Fixtures and Fittings	10-12%

An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Trade and other payables

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

Provisions

Provisions are recognised when the association 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Revenue

Membership revenue is measured at the fair value of the consideration received and is brought to account on a receipts basis during the year. The membership year currently runs from 1 July to 30 June.

Interest revenue is recognised proportionally using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of Goods and Service Tax ("GST").

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the ATO, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense or for receivables or payables which are recognised inclusive of GST where applicable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash and Cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

Critical Accounting Estimates and Judgments

The Executive Committee evaluate estimates and judgments incorporated into the financial report 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 group.

Impairment of Assets

At the end of each reporting period, the committee review the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

New and Amended Accounting Policies Adopted by the Association

Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of Business*

- AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: Business Combination, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standard listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

	2021 \$	2020 \$
2 REVENUE FROM CONTINUING OPERATIONS		
Interest received	1,475	3,379
Publication income	236	109
Event income	353,409	507,680
Membership	15,029	21,780
Donations	10	110
Funding & grants	61,401	114,634
Other	6,394	-
	<u>437,954</u>	<u>647,692</u>
3 Profit (Loss) from Ordinary Activities		
Profit from ordinary activities before income tax has been determined after:		
(a) Expenses		
Depreciation	<u>20,720</u>	<u>20,337</u>
4 CASH		
Cash at bank	393,224	327,970
Term deposits	<u>93,341</u>	<u>124,827</u>
	<u>486,565</u>	<u>452,797</u>
5 INVENTORY		
Stock on hand	<u>-</u>	<u>4,189</u>

Due to the Covid 19 lockdown, it was not possible to count or value the inventory on hand at year end. Out of prudence, the stock was written down to Nil and will be revisited when stock counts are permitted in the 2021/2022 financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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	2020	2020
	\$	\$
6 OTHER CURRENT ASSETS		
Trade receivables	8,177	8,575
Less provision for bad debts	<u>(7,792)</u>	<u>-</u>
	<u>385</u>	<u>8,575</u>
7 NON-CURRENT ASSETS		
Buildings – at cost	69,130	69,130
Less: Accumulated depreciation	<u>(45,261)</u>	<u>(42,593)</u>
	<u>23,869</u>	<u>26,537</u>
Clarendon development	245,860	225,951
Less: Accumulated depreciation	<u>(178,545)</u>	<u>(160,619)</u>
	<u>67,315</u>	<u>65,332</u>
Plant & equipment	38,538	35,487
Less: Accumulated depreciation	<u>(35,612)</u>	<u>(35,487)</u>
	<u>2,926</u>	<u>-</u>
Total property, plant & equipment	<u>94,110</u>	<u>91,869</u>
8 TRADE AND OTHER PAYABLES		
Accounts payable	14,642	6,865
Deferred revenue	<u>14,598</u>	<u>-</u>
	<u>29,240</u>	<u>6,865</u>
Trade and other payables	29,240	6,865
Less Goods & services tax payable	<u>(14,642)</u>	<u>(6,865)</u>
Less deferred revenue	<u>(14,598)</u>	<u>-</u>
Total financial liabilities	<u>-</u>	<u>-</u>

9 EVENTS AFTER THE BALANCE SHEET DATE

The COVID19 pandemic has been significantly affecting the financial environment. There is a possibility that it will significantly affect the operations of the Association, the results of these operations or the state of affairs of the Association in future financial years. It is not possible to quantify the effects of the pandemic on the Association's financial affairs as of the date of this report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2020 \$	2020 \$
10 CASH FLOW INFORMATION		
Reconciliation of profit or loss from ordinary Activities after income tax with net cash flows from operations:		
Net profit (loss) after income tax	2,069	46,530
Add (Deduct) Non-cash flows:		
Depreciation	20,720	20,337
Changes in assets and liabilities:		
- Decrease (increase) in receivable	7,377	33,691
- Decrease (increase) in inventories	4,189	
- (Decrease) Increase in trade & other payables	22,375	(42,603)
Net cash (used in) provided by operations	<u>56,730</u>	<u>57,955</u>

11 FINANCIAL INSTRUMENTS

Financial risk management

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Association does not have any derivative financial instruments at 30 June 2021.

Financial Risk Management Policies

The Executive Committee's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Executive Committee on a regular basis.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets		
Cash & cash equivalents	393,224	327,970
Short term deposits	93,341	124,827
	<u>486,565</u>	<u>452,797</u>
Financial liabilities		
Trade & other payables	-	-
	<u>486,565</u>	<u>452,797</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2020	2020
	\$	\$
11 FINANCIAL INSTRUMENTS (cont'd)		
i. Treasury risk management		
A finance committee consisting of senior committee members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.		
ii. Financial risks		
The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.		
Interest rate risk		
All financial assets and liabilities are non-interest bearing except for the following:		
Cash assets at an average interest rate for the year of %0.31 (2020: 0.73%).		
Foreign currency risk		
The Association is not exposed to fluctuations in foreign currencies.		
Liquidity risk		
Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities		
The Association manages this risk through the following mechanisms:		
- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;		
- obtaining funding from various sources		
- maintaining a reputable credit profile		
- managing credit risk related to financial assets		
- only investing surplus cash with major financial institutions		
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.		

Financial liability and financial asset maturity analysis

	Within one year	
Financial liabilities due for payment		
Trade & other payables	-	-
Financial assets – cash flows realisable		
Cash & cash equivalents	486,565	452,797
Short term deposits	93,341	124,827
Cash & cash equivalents	393,224	327,970
	<u>486,565</u>	<u>452,797</u>

DRESSAGE NSW INCORPORATED
A.B.N. 97 482 552 442

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2020	2020
	\$	\$
11 FINANCIAL INSTRUMENTS (cont'd)		
Credit risk		
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.		
Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes utilisation of systems for that approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are normally 14-30 days from the date of invoice. Customers that do not meet the Association's strict credit policies may only purchase in cash or using recognised credit cards.		
Risk is also minimised through investing surplus funds in financial institutions that maintain high credit rating or in entities that the finance committee has otherwise cleared as being financially sound.		
The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.		
The Association has no significant concentration of credit risk with any single counterparty or group of counterparties.		
The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered in to by the Association.		
Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Executive Committee policy. Such policy requires that surplus funds are only invested counterparties with a Standard & Poor's (S&P) rating of at least an A rating. The following table provides information regarding the credit risk relating to cash based on S&P counterparty credit ratings.		
Cash and cash equivalents		
AA- rated	<u>486,565</u>	<u>452,797</u>

Price risk

The Association is not exposed to any material commodity price risk.

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated, Areas of judgement and the assumptions have been detailed below.

DRESSAGE NSW INCORPORATED
A.B.N. 97 482 552 442

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

11 FINANCIAL INSTRUMENTS (cont'd)

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Association.

	2020		2020	
	Net carrying value	Net fair value	Net carrying value	Net fair value
Financial assets				
Cash & cash equivalents	486,565	486,565	452,797	452,797
Receivables	385	385	8,575	8,575
Total financial assets	<u>486,950</u>	<u>486,950</u>	<u>461,372</u>	<u>461,372</u>

	2020		2020	
	Net carrying value	Net fair value	Net carrying value	Net fair value
Financial liabilities				
Trade & other payables	-	-	-	-
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

Sensitivity analysis

The Executive Committee considers that the only material market risk arises in holding cash and cash equivalents. Should interest rates increased/decreased by 2%, the entities profit and equity would have increased/decreased by approximately \$9,341

12 ASSOCIATION DETAILS

The registered office of the Association is:

DRESSAGE NSW INCORPORATED
 PO Box 372
 RICHMOND NSW 2753

The principal place of business is:

DRESSAGE NSW INCORPORATED
 40 Racecourse Road
 Clarendon NSW 2756

DRESSAGE NSW INCORPORATED
A.B.N. 97 482 552 442

CERTIFICATE BY MEMBERS OF THE EXECUTIVE COMMITTEE

I, Jo Gunn of Sydney

and I, Kay Barney of Sydney

certify that:

- a We are members of the Executive Committee of the Dressage NSW Incorporated
- b We attended the annual general meeting of the Association held in 7 December 2021.
- c We are authorised by the attached resolution of the Executive Committee to sign this certificate.
- d This annual statement was submitted to the members of the Association at its annual general meeting.

Dated this day of 2021

.....
Jo Gunn (Secretary)

.....
Kay Barney (Treasurer)

TINWORTH & Co

CHARTERED ACCOUNTANTS and BUSINESS ADVISORS

COMPILATION REPORT TO DRESSAGE NSW INCORPORATED

On the basis of information provided by the Executive Committee of the Dressage NSW Incorporated, we have compiled in accordance with APES 315: 'Statement on Compilation of Financial Reports', the special purpose financial report of the Dressage NSW Incorporated for the year ended 30 June 2021, as set out in the attached Detailed Profit and Loss Statement.

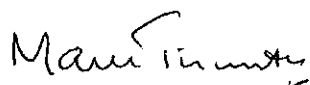
The specific purpose for which the special purpose financial report has been prepared is to provide private information to the Executive Committee. No Accounting Standards or other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Executive Committee is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are appropriate to satisfy the requirements of the Executive Committee.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the association, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the association and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



MARK TINWORTH
CHARTERED ACCOUNTANT

North Sydney, 2nd December 2021

WWW.TINWORTH.COM

LEVEL 2, 66 BERRY ST NORTH SYDNEY NSW 2060 | P (02) 9922 4644 | F (02) 9959 3642 | ABN 43 624 513 140

Liability limited by a scheme approved under Professional Standards Legislation

**DRESSAGE NSW INCORPORATED
DETAILED PROFIT AND LOSS STATEMENT**

**PRIVATE INFORMATION FOR THE COMMITTEE
ON THE 2021 FINANCIAL STATEMENTS**

	2021	2020
	\$	\$
REVENUE		
Publications	236	109
Event income	353,409	507,680
Membership subscriptions	15,029	21,780
Donations	10	110
Funding and grants	61,401	114,634
Other income	6,394	-
Interest received	1,475	3,379
Total income	<u>437,954</u>	<u>647,692</u>
EXPENSES		
Administration costs	25,712	25,170
Advertising & promotion	2,082	3,505
Audit fees	2,351	2,328
Bank fees	362	821
Bad debts	7,792	-
Diminution of stock	4,189	-
Camping & cabin hire	(886)	13,754
Committee meeting expenses	-	1,730
Depreciation	20,720	20,337
Donation	595	1,339
Education of officials	2,175	100
Event secretariat	13,381	14,319
General expenses	-	1,125
Official expenses	11,531	102,962
Hire of equipment	6,728	13,447
Hospitality	37,119	30,341
Insurance	7,262	-
Judges fees & travel	43,797	15,957
Layout & design	3,000	3,000
Licensing fees	2,685	2,531
Member merchandise purchases	2,250	28,283
Meals & accommodation	17,652	15,917
Packaging & printing	1,770	5,946
Postage, printing & stationery	1,145	6,617
Prizes, trophies & ribbons	34,906	58,123
Publications	1,546	2,844

This financial statement should be read in conjunction with the attached Compilation Report

**DRESSAGE NSW INCORPORATED
DETAILED PROFIT AND LOSS STATEMENT**

**PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2021 FINANCIAL STATEMENTS**

	2021	2020
	\$	\$
Regional Development & Special projects	1,455	7,100
Rider & squad support	6,827	4,049
Saturday dinner	497	6,065
Secretarial	18,998	14,000
Sport technical & medical	10,610	15,871
Stabling & bedding	-	40,467
Swabbing fees	-	3,281
Telephone & internet	632	580
Trade stands	18,182	23,824
Venue hire & maintenance	120,688	102,472
Volunteer & related expenses	<u>8,133</u>	<u>12,957</u>
Total expenses	<u>435,885</u>	<u>601,162</u>
Surplus (Deficit) before income tax	<u>2,069</u>	<u>46,530</u>

This financial statement should be read in conjunction with the attached Compilation Report