EQUESTRIAN AUSTRALIA LIMITED
(Subject to Deed of Company Arrangement)

ABN 19 077 455 755

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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Deed Administrators' Report

The Deed Administrators of Equestrian Australia Limited (Subject to Deed of Company Arrangement) (the **Company**) have resolved to make and sign this report in place of the directors, and in our capacity as Deed Administrators of the Company for the year ended 30 June 2020.

On 9 June 2020, we were appointed Voluntary Administrators of the Company. On 16 July 2020 on the execution of a Deed of Company Arrangement (**DOCA**), we were appointed as Deed Administrators.

We have made this report based on information provided to us by the Company and with records that we have inspected. This report is made by us without having had any involvement with the Company prior to our date of appointment as Voluntary Administrators.

To the maximum extent permissible, we disclaim any representation made or implied by us as a result of information provided to us which we may reasonably rely upon. This disclaimer does not extend to any conduct which is attributable to any willful misconduct, gross negligence or willful failure to comply with relevant legislation.

Administrators

The name of the Company's Deed Administrators and Voluntary Administrators in office during the financial year and until the date of this report is set our below.

- Kate Conneely
- Craig Shepard

Governance Overview

The Company operates as a company limited by guarantee. This structure reflects the best practice recommendations for national sporting organisations (**NSOs**) contained in Sport Australia's Mandatory Sports Governance Principles. As a company limited by guarantee, the Company is governed by the *Corporations Act 2001* (Cth) and is required to comply with all applicable legal and reporting obligations.

Registered office

The Company's registered office is:

Unit 7
11-21 Underwood Road
HOMEBSH NSW 2129

Members' limited liability

If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. At 30 June 2020, the total amount that members of the Company are liable to contribute if the Company is wound up was $6 (2019: $6).

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Directors

The following persons were directors of the Company during the whole of the financial year, unless otherwise stated:

- Peter William Toft (resigned 15 September 2020)
- Helen Hamilton James (resigned 15 September 2020)
- John Gregory Glenn (resigned 15 September 2020)
- Catherine Margaret Collier (resigned 15 September 2020)
- Erica Ethel Macmillan (resigned 11 May 2020)
- Gillian Anne Canapini (resigned 18 September 2019, appointed 16 January 2020, and resigned 11 May 2020)
- David Cameron (resigned 4 February 2020)
- Suzanne Aileen Doyle (resigned 8 November 2019)
- Alistair Robert Mackinlay (resigned 7 November 2019)

Details of each of the above directors' qualifications, special responsibilities and experience are set out in the Director Information section of this report.

Company Secretary

The Company Secretary was Ms Sashi Sharin Lata. The Company Secretary resigned on 25 August 2020.

Principal Activities

The principal activity of the Company remained unchanged and was that of being the National Sporting Organisation (**NSO**) for Equestrian Sport in Australia, recognised by the Federation Equestre International (**FEI**), Sport Australia (**SA**), the Australian Olympic Committee (**AOC**) and Paralympics Australia (**PA**).

Company Objectives

The objectives of the Company are split between short term and long term objectives.

Short Term Objectives

- Improve the capacity and capability of the Equestrian Australia service offering to members or our community.
- Continuously improve member safety and horse welfare through the development of sound policy and process.
- Focus on domestic and international high-performance development across all disciplines.
- Enhance communication to build trust and enable inclusive decision making across our community.

Long Term Objectives

- To see Equestrian sport thrive in Australia for generations to come.

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- Enhance the Pathway Programs for Officials, Volunteers, Coaches and Athletes to encourage year on year membership growth.
- Perform on the World Stage including World Equestrian Games and Olympic Games and Maintain alignment with the Sport Australia's Sport 2030 - National Sport Plan to ensure we are the world's most active and healthy nation, known for our integrity and sporting success.
- Identify alternate revenue streams to build the financial reserves of Equestrian Australia.

Review of Operations

The operating profit for the year ended 30 June 2020 as $228,105 (2019: $141,349).

Financial Management

The financial statements are presented in Australian currency. The annual report and the financial statements were authorised for issue by us on 24 December 2020.

During our appointment we have the power to amend and reissue the annual report and the financial statements. After our appointment, the Company's directors have the power to amend and reissue the annual report and the financial statements.

Dividends

The constitution of the Company prohibits the payment of dividends. No dividends were paid during the year.

Director Information

The details of each Director's qualifications, special responsibilities and experience at 30 June 2020 are set out below.

Director	Term	Qualifications and Experience	Special Responsibilities
Peter William Toft	21 November 2018 to 15 September 2020	FEI Official and Technical Delegate within Equestrian Sport	None
Helen Hamilton James	1 April 2019 to 15 September 2020	LLB (hons) Aberdeen University, Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Institute of Chartered Accountants in Australia	Chair of Finance Audit and Risk Management committee

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John Gregory Glenn	1 April 2019 to 15 September 2020	Australian Institute of Company Directors, GAICD, FAIML, Post grad qualification in Mathematics, Engineering, Computer Science and Management	None
Catherine Margaret Collier	16 January 2020 to 15 September 2020	Master of Business Administration, FAICD, and JP (QLD) former EQLD Director and Vice Chair; has worked in government, the media, commercial and not for profit sectors	None
Erica Ethel Macmillan	1 April 2019 to 11 May 2020	Dual Olympian, Bachelor of Dentistry	Chair (until May 2019)
Gillian Anne Canapini	21 November 2018 to 18 September 2019 and 16 January 2020 to 11 May 2020	Advanced Diploma in HR, LLB Melbourne, Professional Certificate in Arbitration, Certificate Mediation	None
David Cameron	1 February 2019 to 4 February 2020	Bachelor Secondary Education and Human Movement	Athlete Director. HP Panel.
Suzanne Aileen Doyle	3 November 2017 to 8 November 2019	PhD Economics	Chair (until April 2019) & Member of Finance Audit and Risk Management & Remuneration Committee
Alistair Robert Mackinlay	21 November 2018 to 7 November 2019	LLB. Former admitted practitioner	Chair (until April 2019) & Member of Finance Audit and Risk Management & Remuneration Committee

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Meetings of Directors

During the financial year, 13 meetings of directors were held. Attendances by each director were as follows:

	Board Meetings	
	Eligible to Attend	**Attended**
Suzanne Doyle	6	6
Alistair MacKinlay	6	6
Peter Toft	13	10
Ricky MacMillan	11	10
John Glenn	13	12
Gillian Canapini	6	6
David Cameron	7	7
Helen Hamilton-James	13	13
Cathi Collier	6	5

Significant Changes in the State of Affairs

On 9 June 2020, the then Board of Directors of the Company resolved to place the Company into voluntary administration, with Kate Conneely and Craig Shepard of KordaMentha appointed as Voluntary Administrators. At the Second Meeting of Creditors held on 14 July 2020, creditors of the Company resolved that the Company execute a DOCA. The DOCA was executed on 16 July 2020, and the Voluntary Administrators became the Deed Administrators.

The key objectives of the DOCA have now been achieved, and include the following:

- The calling of a special general meeting of the Company to amend the Company's Constitution.
- The establishment of a Deed Fund, from which creditor claims were to be paid in full.
- The selection and appointment of a Nominations Committee to consider applications for a position on the First Board of Directors of the Company, and to provide a recommendation of appropriately qualified candidates to the Deed Administrators.
- The appointment of nine individuals to comprise the First Board of Directors of the Company.

As the outcome of the administration is now known, the accounts have been prepared on a going concern basis. The Deed Administrators do not have any intention as at the date of this report to wind down or liquidate operations of the Company.

On entering administration, all liabilities of the Company, including but not limited to, trade and other payables, and employee entitlements, were frozen ('Pre-appointment Liabilities'). On 20 October 2020, the Deed Administrators made a distribution of 100 cents in dollar to admitted creditors of the Pre-appointment Liabilities in accordance with the *Corporations Act 2001* (Cth).

As at the date of this report, the final administrative obligations pursuant to the terms of the DOCA are being attended to, and the documentation required to be lodged to effectuate the DOCA will be completed shortly. Control of the Company will revert to the First Board of Directors on effectuation of the DOCA.

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To the best of the Deed Administrators' knowledge, there have been no circumstances arising, other than those disclosed below, since 30 June 2020 that have significantly affected or may significantly affect:

a. The operations

b. The results of those operations, or

c. The state of affairs of Equestrian Australia Limited in future financial years.

Environmental Regulations

The Company is not affected by any significant environmental regulation in respect of its operations.

New Accounting Standards Implemented

The Company has implemented three new Accounting Standards that are applicable for the current reporting period.

AASB 15: Revenue from Contracts with Customers

AASB 1058: Income of Not-for-Profit Entities

AASB 16: Leases

These have been applied using the cumulative effective method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue, AASB 117: Leases and AASB 1004: Contributions. Further information is provided in Note 1 to the financial statements.

Matters Subsequent to the End of the Financial Year

The Coronavirus pandemic (‘COVID-19’) and related measures to slow the spread of the virus have had a significant impact on the Australian and global economy, supply chains and financial markets, and resulted in increased levels of volatility and uncertainties. The effects of this health crisis are continuing to unfold, and the ultimate extent of the economic impacts worldwide are unknown. For the year ended 30 June 2020, COVID-19 has impacted the Company, specifically as follows:

- Reduced ability to hold equestrian events and therefore generate membership and other income.
- Requirement to reduce employee contact hours, in line with the decreased operational demand.
- Restricted interstate activity of equestrian sport.
- Restricted international and interstate travel.
- Receipt of Federal Government support by way of Jobkeeper and Cashflow Booster payments.

Despite the impact of COVID-19, the Company generated profit of $228,105 and maintained positive working capital.

Management has prepared projected cash flow information for the twelve months from the date of approval of these accounts taking into consideration estimated continued business impacts of COVID-19. In response to the

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uncertainty arising from this, conservative assumptions have been applied around membership and event income, external grant funding and operational expenses.

These forecasts indicate that, taking account of reasonably possible downsides, the Company is expected to continue to operate within available cash levels.

However, there are risks present which may threaten the Company's ability to continue as a going concern if they were to occur, including:

- The ongoing situation surrounding COVID-19, and the potential impact on membership or the Company's operations should Government-imposed restrictions significantly increase, particularly if geographical lockdowns are imposed.
- The Company's funding as NSO not being reinstated in due course.
- Any other material event or interruption to the Company's operations which may occur beyond the control of the Company.

The risk of the above circumstances eventuating remains present and very real. As at the date of signing these accounts, and after assessing the Company’s current circumstances, the Deed Administrators are satisfied as to the Company’s ability to continue as a going concern as at the date of the accounts.

Indemnification of Officers and Auditors

During the 2020 financial year, the Company paid a premium in respect of contracts insuring the Directors of the Company, the Company Secretary and all executive officers of the Company against a liability incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* (Cth).

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such officer or auditor.

Proceedings on Behalf of the Company

No person has applied to the Court under section *237 of Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company.

No proceedings have been brought on behalf of the Company with leave of the Court under section *237 of Corporations Act 2001* (Cth).

Auditor’s Independence Declaration

The auditor’s independence declaration as required under section *307C of the Corporations Act 2001* (Cth) is included after this report.

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Auditor

Walker Wayland Audit (WA) Pty Limited continues in office in accordance with section *327 of Corporations Act 2001* (Cth).

This report is signed in accordance with a resolution of the Deed Administrators.

K. Conneely.

Kate Conneely
Deed Administrator
SYDNEY

24 December 2020.

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Walker Wayland Audit (WA) Pty Ltd

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Auditor's Independence Declaration Under Section 307C of The Corporations Act 2001 to The Deed Administrators of Equestrian Australia Limited.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

Walker Wayland Audit (WA) Pty Ltd

WALKER WAYLAND AUDIT (WA) PTY LTD

Richard J Gregson

Richard Gregson CA
Director
Level 3, 1 Preston Street, COMO WA 6152

Dated this 24th day of December 2020

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Financial Statements

These financial statements cover Equestrian Australia Limited. The financial statements are presented in Australian currency.

Equestrian Australia Limited is a company limited by guarantee, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Equestrian Australia Limited (Subject to Deed of Company Arrangement)
Unit 7
11-21 Underwood Road
HOMEBSH NSW 2129

A description of the Company's operations and its principal activities is included in the Deed Administrator's report on pages 1 to 8, which is not part of these financial statements.

The financial statements were authorised for issue by the Deed Administrators on 24 December 2020. The Deed Administrators have the power to amend and reissue the financial statements.

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Statement of Profit or Loss

And Other Comprehensive Income for the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Revenue	2	5,609,715	6,551,378
Other revenue		765,810	455,350
		6,375,525	7,006,728
Expenses			
Amortisation and impairment loss	3	28,425	32,208
Depreciation expenses	3	47,355	38,806
Employee benefits expense	3	1,638,627	1,448,882
High performance program expenses		1,681,719	2,559,084
Insurance premiums & related expenses		1,522,704	1,467,155
Finance and bank fees		21,261	37,699
Office and IT cost		211,636	233,613
Professional fees		306,186	109,659
Event and promotion expenses		18,009	26,989
Travel, board and committee expenses		80,807	109,612
FEI expenses		216,868	314,508
Other expenses		373,824	487,164
		6,147,421	6,865,379
Net current year surplus		228,105	141,349
Other comprehensive income for the year		-	-
Total Comprehensive Income		228,105	141,349

The accompanying notes on pages 15 to 33 form part of these financial statements.

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Statement of Financial Position

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	5	1,320,158	1,725,052
Receivables	6	9,768	42,847
Inventories	7	-	11,230
Other assets	8	386,409	14,041
Total Current Assets		1,716,335	1,793,170
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,092,334	1,064,545
Intangible assets	10	43,276	71,701
Total Non-current Assets		1,135,610	1,136,246
TOTAL ASSETS		2,851,945	2,929,416
CURRENT LIABILITIES			
Payables	11	430,771	444,638
Provisions	13	123,685	118,705
Lease Liability		12,399	-
Other Liabilities	14	542,681	883,581
Total Current Liabilities		1,109,536	1,446,924
NON-CURRENT LIABILITIES			
Provisions	13	9,858	22,256
Lease Liability		44,209	-
Total Non-Current Liabilities		54,067	22,256
TOTAL LIABILITIES		1,163,603	1,469,180
NET ASSETS		1,688,341	1,460,236
EQUITY			
Reserves	15	594,014	594,014
Retained surplus	16	1,094,327	866,222
TOTAL EQUITY		1,688,341	1,460,236

The accompanying notes on pages 15 to 33 form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2020

	Reserves	Retained surplus	Total Equity
	$	$	$
Balance as at 1 July 2018	594,014	724,873	1,318,887
Surplus for the year attributable to members of the entity		141,349	141,349
Balance as at 1 July 2019	594,014	866,222	1,460,236
Balance as at 1 July 2019	594,014	866,222	1,460,236
Surplus for the year attributable to members of the entity		228,105	228,105
Balance as at 30 June 2020	**594,014**	**1,094,327**	**1,688,341**

The accompanying notes on pages 15 to 33 form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Government grants received		3,713,710	4,118,844
Other receipts in the course of operations		3,561,943	2,705,131
Payments to suppliers and employees		(7,675,004)	(6,634,398)
Interest received		2,739	2,877
Net cash used in operating activities	17 (ii)	(396,612)	192,455
Cash flows from investing activities			
Payments for property, plant and equipment		(8,212)	(10,781)
Net cash used in investing activities		(8,212)	(10,781)
Cash flows from financing activities			
Payment of borrowings		-	-
Net cash used in financing activities		-	-
Net decrease in cash held		(404,894)	181,674
Cash on hand at beginning of the financial year		1,725,051	1,543,378
Cash at end of the financial year	17 (i)	1,320,158	1,725,052

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Notes to The Financial Statements

For the Year Ended 30 June 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Equestrian Australia Limited as an individual company, incorporated and domiciled in Australia. Equestrian Australia Limited is a company limited by guarantee.

The financial report was approved by the Deed Administrators on 24 December 2020.

Basis of preparation of the financial report

These general-purpose financial statements have been prepared in accordance with them *Corporations Act 2001* (Cth) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit company 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 accruals 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.

Compliance with the Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Company comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared in accordance with the significant accounting policies disclosed below, determined to be appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

Accounting Policies

(a) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue recognition

The Company has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

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In the current year

Contributed assets

The Company 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 (for example, AASB 9, AASB 16, AASB 116 and AASB 138).

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

The Company 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, bequests and sponsorship

When the Company received operating grant revenue, donations or bequests or sponsorship amounts, 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 Company:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- 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 above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the Company 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, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

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

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The Company recognises dividends in profit or loss only when the Company's right to receive payment of the dividend is established.

Branch Levy and Membership Income

Branch levies and related contributions revenue is recognised in the period in which the service is provided.

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

In the comparative period

Non-reciprocal grant revenue was recognised in profit or loss when the Company obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the Company and the amount of the grant could be measured reliably.

If conditions were attached to the grant which must be satisfied before the Company was eligible to receive the contribution, the recognition of the grant as revenue was deferred until those conditions were satisfied.

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

The Company received non-reciprocal contributions of assets from the government and other parties for no or nominal value.

These assets were recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests were recognised as revenue when received.

Interest revenue was recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue was recognised when the right to receive a dividend had been established. Rental income from operating leases was recognised on a straight-line basis over the term of the relevant leases.

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

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(b) Foreign currency translations and balances

Functional and presentation currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the time of exchange and are based on the actual exchange rate plus any fees for that exchange, offered by the Company's bank at the time of exchange.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

(c) Inventories on Hand
Inventories are measured at the lower of cost and current replacement cost.

Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

(d) Fair Value Assets and Liabilities
The Company measures some of its assets at fair value on a recurring basis.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are

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held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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

(e) Property, Plant and Equipment
Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and equipment is measured on a cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount is written down immediately to the estimated recoverable amount impairment losses are recognised either in profit or loss or as a revaluation decrease if the impartment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

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 costs are recognised at the fair value of the asset at the date it is acquired.

Depreciation and amortisation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rates	Depreciation basis
Buildings & Building Partitioning	2.5%	Straight Line
Computer & Office Equipment	20% - 40%	Straight Line
Veterinary Equipment	20%	Straight Line

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. The gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to the asset are transferred to retained surplus.

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(f) Leases

The Company as lessee

At inception of a contract, the Company 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 Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. 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 Company 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 the 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 Company 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 Company to further its objectives (commonly known as peppercorn/concessionary leases), the Company has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

The Company as lessor

The Company did not operate as a lessor.

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(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(v) Financial liabilities
Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial assets.

Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate.

Derecognition
Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Recognition of expected credit losses in financial statements
At each reporting date, the company 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. The amount in relation to change in credit risk is 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.

(h) Impairment of Assets
At the end of each reporting period, the Company assesses whether there is any indication that an asset may be 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 to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued 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.

(i) Employee Provisions

Short-term employee benefits
Provision is made for the Company'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 and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee benefits
Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees rendered 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.

(j) Cash and Cash Equivalents
Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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(k) Accounts Receivable and Other Debtors
Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for services provided in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

(m) 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.

(n) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Accounts Payable and Other Payables
Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Company during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Provisions
Provisions are recognised when the Company 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.

(q) Going Concern Basis

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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On 9 June 2020, the Company resolved enter voluntary administration, and subsequently entered a DOCA on 16 July 2020. As at the date of this report, the final administrative obligations pursuant to the terms of the DOCA are being finalised.

Management has prepared projected cash flow information for the twelve months from the date of approval of these accounts taking into consideration estimated continued business impacts of COVID-19. In response to the uncertainty arising from this, conservative assumptions have been applied around membership and event income, external grant funding and operational expenses.

These forecasts indicate that, taking account of reasonably possible downsides, the Company is expected to continue to operate within available cash levels.

However, there are risks present which may threaten the Company's ability to continue as a going concern if they were to occur, including:

- The ongoing situation surrounding COVID-19, and the potential impact on membership or the Company's operations should Government-imposed restrictions significantly increase, particularly if geographical lockdowns are imposed.
- The Company's funding as NSO not being reinstated in due course.
- Any other material event or interruption to the Company's operations which may occur beyond the control of the Company.

The risk of any of the above circumstances eventuating remains present, and that they present a significant material uncertainty in the ability of the Company to continue as a going concern and to realise its assets in the normal course of business and at the amounts stated in the financial report.

(r) Critical Accounting Estimates and Judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below.

Long service leave.
Net present value calculations are used to estimate the long service leave provision.

(s) New and Amended Accounting Policies Adopted by the Company

Initial application of AASB 16

The Company has adopted AASB 16: Leases with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

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Initial application of AASB 15 and AASB 1058

The Company has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Company has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. A classification change occurred, which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15.

(t) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, and leases.

The organisation is exposed to a variety of financial risks comprising:

a) Government funding risk
b) Interest rate risk
c) Credit risk
d) Liquidity risk

The board of directors will have overall responsibility for identifying and managing operational and financial risks.

Economic Dependence and Government Risk
The organisation is dependent on federal government funding to operate many of its services. The risk of loss of these funding streams is considered to be material to the organisation. This risk is managed through a range of complementary strategies but cannot be totally mitigated. The major risk management strategies are:

(i) The Company pursue diversification of the Company's income stream through implementing new projects such as seeking new sponsorship partners in the future.
(ii) With the use of a cash forecast tool, the Company has modelled Government cuts to funding, and has a broad plan of action should this occur.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Interest rate risk is minimal as the organization has no borrowings. Subject to consideration of liquidity risk, cash is held in fixed interest rate accounts to maximise returns.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered by the organisation.

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The organisation does not have any material credit risk in respect of cash and cash equivalents as these are held with Authorised Deposit-taking Institutions (ADIs) regulated by APRA.

Liquidity risk
Liquidity risk is the risk that a company will encounter difficulty in meeting obligations associated with financial liabilities.

The organisation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash and cash equivalents are maintained.

2. REVENUE	**2020**	**2019**
	$	**$**
Revenue from grant funding	2,893,151	3,744,404
Branch Admin levies and related contributions	643,740	535,854
ICDF Funding	-	-
Making Eventing Safer Revenue	38,621	62,460
Education and Participation	308,043	375,454
Branch Insurance levy and other Insurance revenue	1,588,420	1,703,329
Interest revenue	2,739	2,877
Sponsorship	135,000	127,000
Total Revenue	**5,609,715**	**6,551,378**

3. EXPENSE	**2020**	**2019**
	$	**$**
Cost of Equestrian Goods	33,890	36,979
Amortisation and impairment loss	28,425	32,208
Depreciation	47,355	38,806
Making Eventing Safer Expense	38,621	62,460
Provision for doubtful debts/Bad Debts	69,543	3,348
Employee benefits	1,638,627	1,448,882
Audit Fees	11,146	12,500
Total Expense	**1,867,607**	**1,635,183**

4. KEY MANAGEMENT PERSONNEL COMPENSATION
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) 'is considered key management personnel. Four key management positions are included. No remuneration was paid to the Directors.

	2020	**2019**
Key management personnel compensation	$482,015	$445,644
	>$150,000	>$150,000
	1	1
	<$150,000	<$150,000
	3	3

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5. CASH AND CASH EQUIVALENTS	**2020**	**2019**
	$	**$**
Petty Cash	200	-
Bank Account - General Account	10,525	1,484,530
Bank Account - Reserve Account - Making Eventing Safer Fund	1	103,261
Bank Account – Reserve Account	-	137,261
Bank Account – Restricted Funds Account	1,281,654	-
Bank Account – Restricted Funds Account	27,778	-
	1,320,158	1,725,052

6. TRADE AND OTHER RECEIVABLES	**2020**	**2019**
	$	**$**
Trade Debtors	9,768	42,847

7. INVENTORIES	**2020**	**2019**
	$	**$**
Inventories - at cost	-	11,230

8. OTHER ASSETS	**2020**	**2019**
	$	**$**
Prepayments	304,894	14,041
GST refund due	81,515	-
Total other assets	**386,409**	**14,041**

	2020	**2019**
	$	**$**
9. PROPERTY, PLANT & EQUIPMENT		
Building - at fair value	1,100,000	1,100,000
Less accumulated depreciation - Building	(85,500)	(55,000)
	1,017,500	1,045,000
Building partitioning - at cost	114,851	114,851
Less accumulated depreciation - Partition	(109,607)	(108,775)
	5,244	6,076
Right of Use Asset – Photocopier	66,862	-
Less accumulated depreciation – ROU	(11,144)	-
	55,718	-

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Computer and office equipment - at cost	141,494	133,212
Less accumulated depreciation - Computer and office equipment	(127,622)	(120,373)
	13,872	12,839
Veterinary equipment - at cost	39,033	39,033
Less accumulated depreciation - Veterinary equipment	(39,033)	(38,403)
	-	630
Total Property, Plant and Equipment	**1,092,334**	**1,064,545**

(a) Details for measurement of amounts

On 10 December 2020, a valuation report was issued for all land and buildings. That valuation report was conducted by licensed valuers, Anderson Group Valuers. The valuation at 10 December 2020 for all land and buildings held at the time was $1,100,000.

(b) Reconciliations

	Building	Building partitioning	Computer and office equipment	Veterinary equipment	Right of Use Asset	Total
Opening carrying amount	1,045,000	6,076	12,839	630	-	1,064,545
Additions	-	-	8,282	-	66,862	75,144
Revaluation of fair value of building	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation Expense	(27,500)	(832)	(7,249)	(630)	(11,144)	(47,355)
Closing Carrying amount	**1,017,500**	**5,244**	**13,872**	**-**	**55,718**	**1,092,334**

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10. INTANGIBLE ASSETS

	2020 $	2019 $
Software - at cost	199,190	199,190
Less accumulated amortisation - Software	(166,919)	(142,162)
	32,271	57,028
Patent and Trademark	14,673	14,673
Less accumulated amortisation	(3,668)	-
	11,005	14,673
Total intangible assets	**43,276**	**71,701**

11. TRADE AND OTHER PAYABLES

	2020 $	2019 $
Current		
Trade creditors	53,597	114,190
Accruals	312,969	109,750
Employee super	31,397	-
GST, FBT and PAYG payable	32,808	127,669
Other creditors	-	93,029
Total Trade and Other Payables	**430,771**	**444,638**

12. BORROWINGS

	2020 $	2019 $
Bank and financing arrangements		
The company has access to the following:		
Credit card facility	-	21,000
	-	21,000
Facilities not utilised at balance date:		
Credit card facility	-	15,400
Total borrowings	**-**	**15,400**

13. PROVISIONS

		2020 $	2019 $
Current			
Employee benefits	(a)	123,685	118,705
Non-Current			
Employee benefits	(a)	9,858	22,256
(a) Aggregate employee benefits liability		133,543	140,961

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14. OTHER LIABILITIES	**2020**	**2019**
Current	**$**	**$**
Grant monies carried over	41,407	390,453
Other revenue received in advance	476,374	493,128
WCSJ Revenue Carried Over	24,900	-
Total Other Liabilities	**542,681**	**883,581**

15. RESERVES	**2020**	**2019**
	$	**$**
Asset Revaluation Reserve	594,014	594,014

16. ACCUMULATED SURPLUS	**2020**	**2019**
	$	**$**
Balance at 1 July 2019	866,222	724,873
Surplus for the year	228,105	141,349
Balance as at 30 June 2020	**1,094,327**	**866,222**

17. CASH FLOW INFORMATION

(i) Reconciliation of cash

For the purposes of the Statement of cash Flows, cash includes cash on hand, cash at bank and short-term deposits, net of any outstanding bank overdrafts.

	2020	**2019**
	$	**$**
Cash at bank, on deposit and on hand	1,320,157	1,725,052
(ii) Reconciliation of cash flow from operations with surplusfor the year		
Surplus for the year	228,105	141,349
Adjustments and non-cash items:		
Depreciation	47,355	38,806
Amortisation	28,425	32,208
Net cash provided before changes in assets and liabilities		212,363
Changes in assets and liabilities during the financial year		
(Increase) / Decrease in receivables	33,079	320,270
(Increase) / Decrease in other assets	(439,230)	88,185
(Increase) / Decrease in inventories on hand	11,230	13,679
Increase / (Decrease) in payables	66,105	(41,388)
Increase / (Decrease) in employee provisions	(7,418)	40,830
Increase / (Decrease) in other liabilities	(364,262)	(441,483)
Cash flows (used in) / from operating activities	(396,612)	192,456

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18. CAPITAL AND LEASING COMMITMENTS

	2020 $	2019 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- payable not later than 1 year	-	14,750
- payable later than 1 year but no later than 5 years	-	59,002
	-	73,752

19. MEMBER'S GUARANTEE

If the company is wound up, the Constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. At 30 June 2020, the total amount that members of the Company are liable to contribute if the Company is wound up was $6 (2019: $6).

20. ECONOMY DEPENDENCY

The organisation is dependent on federal government funding to operate many of its services. The risk of loss of these funding streams is considered to be material to the organisation. This risk is managed through a range of complementary strategies but cannot be totally mitigated. The major risk management strategies are:

(i) The Company pursue diversification of the Company's income stream through implementing new projects such as seeking new sponsorship partners in the future.

(ii) With the use of a cash forecast tool, the Company has modelled if the Government cuts the funding and have a broad plan of action should this occur.

21. COMPANY DETAILS

The Company was incorporated on 11 February 1997 under the *Corporations Act 2001* (Cth). The registered office and principal place of business of the Company is at Unit 7, 11-21 Underwood Road, Homebush, NSW, 2140.

22. EVENTS SUBSEQUENT TO BALANCE DATE

On 9 June 2020, the then Board of Directors of the Company resolved to place the Company into voluntary administration, with Kate Conneely and Craig Shepard of KordaMentha appointed as Voluntary Administrators. At the Second Meeting of Creditors held on 14 July 2020, creditors of the Company resolved that the Company execute a DOCA. The DOCA was executed on 16 July 2020, and the Voluntary Administrators became the Deed Administrators.

The key objectives of the DOCA have now been achieved, and include the following:

- The calling of a special general meeting of the Company, to amend the Company's Constitution.
- The establishment of a Deed Fund, from which creditor claims were to be paid in full.
- The selection and appointment a Nominations Committee to consider applications for a position on the First Board of Directors of the Company, and to provide a recommendation of appropriately qualified candidates to the Deed Administrators.
- The appointment of nine individuals to comprise the First Board of Directors of the Company.

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As the outcome of the administration is now known, the accounts have been prepared on a going concern basis. The Deed Administrators do not have any intention as at the date of this report to wind down or liquidate operations of the Company.

On entering administration, all liabilities the Company, including but not limited to, trade and other payables, and employee entitlements, were frozen ('Pre-appointment Liabilities'). On 20 October 2020, the Deed Administrators made a distribution of 100 cents in dollar to admitted creditors of the Pre-appointment Liabilities in accordance with the *Corporations Act 2001* (Cth).

As at reporting date, the final administrative obligations pursuant to the terms of the DOCA are being finalised and the documentation required to be lodged to effectuate the DOCA will be completed shortly. Control of the Company will revert to the First Board of Directors on effectuation of the DOCA.

To the best of the Deed Administrators' knowledge, there have been no other circumstances beyond what has been disclosed, arising since 30 June 2020 that have significantly affected or may significantly affect:

a. The operations

a. The results of those operations, or

b. The state of affairs of Equestrian Australia Limited in future financial years.

23. REMUNERATION OF AUDITORS	**2020**	**2019**
	$	**$**
Auditors Remuneration	11,146	12,500
Total other assets	**11,146**	**12,500**

24. ADMINSTRATORS OF THE COMPANY

The name of the Company's Voluntary Administrators and subsequent Deed Administrators in office during the financial year and until the date of this report is set our below.

- Kate Conneely
- Craig Shepard

25. DIRECTORS OF THE COMPANY

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Peter William Toft (resigned 15 September 2020)
- Helen Hamilton James (resigned 15 September 2020)

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- John Gregory Glenn (resigned 15 September 2020)
- Catherine Margaret Collier (resigned 15 September 2020)
- Erica Ethel Macmillan (resigned 11 May 2020)
- Gillian Anne Canapini (resigned 18 September 2019, appointed 16 January 2020, and resigned 11 May 2020)
- David Cameron (resigned 4 February 2020)
- Suzanne Aileen Doyle (resigned 8 November 2019)
- Alistair Robert Mackinlay (resigned 7 November 2019)

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Deed Administrators' declaration

In the Deed Administrators' opinion, and to the best of their knowledge, following a review of the documents provided to us by the Company:

a. the financial statements and Notes set out on pages 10 to 33 are in accordance with the *Corporations Act 2001* (Cth), including:

   i. complying with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. Give a true and fair view of the financial position of the Company as at 30 June 2020 and of its performance for the financial year ended that date.

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Deed Administrators.

K. Conneely.

Kate Conneely
Deed Administrator

Craig Shepard
Deed Administrator

24 December 2020

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Independent Auditor's Report
To the Members of Equestrian Australia Limited

Opinion

We have audited the financial report of Equestrian Australia Limited ("the Company") which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Deed Administrators' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Deed Administrators of the Company, would be in the same terms if given to the Deed Administrators as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the following matter. On 9 June 2020, the Company was placed in Voluntary Administration by its directors. The Company subsequently entered a Deed of Company Arrangement on 16 July 2020, as voted by the Company's creditors at the creditors' meeting held on 14 July 2020. As a result of this matter and those disclosed in Note 1q) "Going Concern" of the financial report, there are material uncertainties that cast significant doubt whether the Company can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the Company to continue as a going concern is dependent upon ongoing funding and sponsorship support and its ability to generate profits from operational activities.

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

The Deed Administrators are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2020 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 Deed Administrators for the Financial Report

The Deed Administrators of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Deed Administrators 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 Deed Administrators are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Deed Administrators either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Deed Administrators.

- Conclude on the appropriateness of the Deed Administrators' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Deed Administrators 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.

We also provide the Deed Administrators with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Walker Wayland Audit (WA) Pty Ltd

WALKER WAYLAND AUDIT (WA) PTY LTD

Richard J Gregson

Richard Gregson CA
Director
Level 3, 1 Preston Street, COMO WA 6152

Dated this 24th day of December 2020