

PRE AGM QUESTIONS

Q No	Category	Questions Asked	Asked By	Response
1	Election of Elected Directors	Who was the Equestrian Victoria Branch Official or staff member that approved/voted for the Nominee of the Branches on the Nominations Committee and what was the date of the EV approval of this representative?	Sandra McClelland	EA received an email from then EVic Chair Michelle Heagney on 3 February on behalf of the Chairs of the affiliated state and territory bodies advising that they had resolved to appoint Katie Robertson as the representative of the states. You would need to ask this question of EVic to gain an understanding of their internal process of coming to this position.
2	Election of Elected Directors	What were the terms of reference for the nominations committee?	Sandra McClelland	There is no specific terms of reference document that applies to the Nominations Committee. The rules that govern the Nominations Committee are expressly outlined in the Constitution - Clause 22.2
3	Election of Elected Directors	Why did the nominations committee feel the need to exercise 'the power' given to them by clause 22.2d of the EA constitution with no reasons provided, rather than present the four candidates to the membership with their accompanying advice?	Sandra McClelland	The Nominations Committee could only follow the rules that govern their process as contained in the Constitution.
4	Election of Elected Directors	Have the candidates' deemed unsuitable been given reasons for the Nominations Committee decision?	Sandra McClelland	Each of the candidates deemed unsuitable have been offered the opportunity to meet with members of the Nominations Committee to privately discuss their decision and to receive feedback about their application.
5	Financial Reports	1. Section 4 – Statement claims only 2 key management personnel, yet 3 are still shown in the <\$150k pa column	Steve Lancaster	Thank you for identifying this inconsistency. 3 is the correct number.
6	Financial Reports	2. Section 6 – What is HP Recovery? and why is there a payment in advance?	Steve Lancaster	\$380,766 relates to HP prepayments to be expended in FY22 against AIS HP grant. These prepayments relate to the Tokyo Olympics, prepaid in April 2021 for the games to be held in FY22.
7	Financial Reports	3. Section 7 – The Prepayment – Olympics relates to what? And why is the GST treatment different than the previous year's prepayment?. Is this amount considered a Capital Grant per the definition on p14?	Steve Lancaster	\$370,249 prepayments from 2019 for Tokyo games to be expended in FY22 against AIS HP Grant. Grant is an operating grant and not a capital grant.
8	Financial Reports	4. Section 8 – depreciation of these PP&E items does not appear consistent with the depreciation levels scheduled on Page 16, please clarify? (for example, Buildings & Building Partitioning straight line depreciate at 2.5% pa, but figures here show between 10% and 95% claimed depreciation on an accumulated basis)	Steve Lancaster	Section 8 presents the total accumulated depreciation for each asset class since the acquisition date. This does not represent the depreciation for one year. Annual depreciation and amortisation for the year ending 30 June 2021 was \$36,373
9	Financial Reports	5. Section 8 (b) Reconciliations – there appear to be figures missing in this table, specifically in Total column for Additions (#7 omitted) and in the Closing Carrying Amount (#8 omitted). Yet these figures are signed off by the Auditors and the Board as part of a true and fair view of EA's operations	Steve Lancaster	Thank you for identifying this inconsistency. It is noted.
10	Financial Reports	6. Section 9 – Similar question to above regarding depreciation of Software at 90% accumulated versus p 16	Steve Lancaster	Section 8 presents the total accumulated amortisation for each asset class since the acquisition date. This does not represent the amortisation for one year. Annual depreciation and amortisation for
11	Financial Reports	7. Section 10 – Do we no longer accrue for statutory disbursements? (GST, FBT, PAYG etc)	Steve Lancaster	The entry to the Balance sheet accurately reflects amounts payable for statutory disbursements to 30 June 2021.
12	Financial Reports	8. Section 12 – Other revenue received in advance of \$1.624M (rounded), what is this exactly?	Steve Lancaster	The \$226.7k represents income in advance for insurance and coach registration. The \$1397.3k represents the Sport Australia/AIS funding carried forward.
13	Financial Reports	It provides a cashflow increase of \$1.1M (approx.) shown both on p12 and in reference 15(i) on p28	Steve Lancaster	Comparison to 2020 is not relevant given the disruption to 2021 due to the pandemic and no Tokyo games held.
14	Financial Reports	However, the resulting effect, if this advance payment were stripped out of the cashflows used in operating activities, would be a reduction in a final position to (\$492,552), some 24% worse than in 2020.	Steve Lancaster	Comparison to 2020 is not relevant given the disruption to 2021 due to the pandemic and no Tokyo games held.
15	Financial Reports	Are these advance revenues treated as a capital grant (per previous in Q3)?	Steve Lancaster	EA did not receive any capital grants. All grants relate to Operating grants.
16	Financial Reports	Are we still illiquid as a business? And has a "true and fair view" then really been provided here or am I mis-reading/misunderstanding the data?	Steve Lancaster	EA is a going concern entity.
17	Financial Reports	Revenue from grant funding is identified as \$2,175,025. Could you please provide a breakdown of this funding? Who is the granting body? What was the grant for and how has the grant funding been expended?	Sandra McClelland	This relates to grant money received from the AIS and Paralympic Australia in relation to high performance (\$2,091k) and from Sport Australia in relation to safety (\$84k).

18	Financial Reports	The financial statements and accompanying directors' report do little to inform members of how the DOCA and Covid separately impacted the financial performance of EA in the relevant financial year and how they may influence its financial future.	Ian Percy	The one off charges for the Deed of Company Administration, totalling \$505k, was the major reason for the deficit reported for FY21. Reductions in levies revenue were offset with reduced operating costs. The Government Stimulus payments assisted with the recovery of employee and operational expenses. Grant Revenue, and related acquitted expenditure, in FY21 was reduced due to the postponement of Tokyo Olympic Games. The EA Finance Committee comprising of Board members and appointed independent representatives review the effectiveness, preparation and integrity of EA's financial and management reporting and oversight of major procurement and expenditure programs. Based on the most recent financial information to November 2021, the financial forecast EA's business remains a going concern and is cashflow positive.
19	Financial Reports	more informative commentary on the financial statements, EA's financial performance for the 6 months to December 2021 and its forecast for the remainder of the 2022 FY.	Ian Percy	The Half Year accounts have not yet been prepared however the 5 months ending November 2021 has been used to review the forecast for FY22. The forecast has used conservative estimates of revenue and expenses, confirmed funding, committed costs and is based on the confirmed (and current) organisation structure. EA's business remains a going concern and is cashflow positive.
20	Financial Reports	Clearly there has been a downturn in EA's activities due to Covid, however EA has been the recipient of generous government subsidies which will, as presently advised, no longer continue. Whilst EA had cash in bank at the end of the 2021 FY (\$2.101 million), that amount was assisted by the Commonwealth government grant received in 2021 of \$2.729 million (down from \$3.713 million in 2020). Given that we are not in an Olympic year, and especially given the Covid drain on Commonwealth funds, it must be expected that any grant for the current financial year will be less than \$2.729 million.	Ian Percy	EA have confirmed funding from Sport Australia and AIS through to 2024 for High Performance and Core Participation. This level of funding is consistent with previous years and our current budget and forecast expectations. The membership across Australia remains strong despite the COVID disruption maintaining the financial viability, and sustainability of our business and our sport.
21	Financial Reports	In "matters subsequent to the end of the financial year" the directors do not recognise as a risk the possibility that a substantial further Commonwealth grant may not be made. Do the directors already know whether a substantial grant has or will be made in the 2022 FY?	Ian Percy	EA have confirmed funding from Sport Australia and AIS through to 2024 for High Performance and Core Participation.
22	Financial Reports	The bank reserve account of \$2.101 million compares to "nil" in 2020. Why is there a reserve account and is its use restricted?	Ian Percy	The Reserve Account of \$2.101m is not restricted. This is the balance of cash held in term deposits at the end of June 2021. The \$1.282m balance in a restricted funds account as at June 2020 was due to Voluntary Administration.
23	Financial Reports	The employee benefits for 2021 were \$1.381 million compared to \$1.638 million in 2020. EA has three employees earning in excess of \$150,000 per annum (according to note 4 to the statements). What roles do these high income earners perform?	Ian Percy	Note 4 refers to three key management personnel earning less than \$150,000 in 2021 which is comparable to 2020. No remuneration greater than \$150,000 was paid in 2021. Key management personnel refers to Chief Executive Officer, Business Operations, Integrity and High Performance Director.
24	Financial Reports	there is no note to the financial statements explaining the make up of \$628,000 in professional fees (compared to \$306,186 in 2020). Presumably, part of these fees represent costs associated with the administration and DOCA. Members should be entitled to at least a high level breakdown of this sum. If the professional fees were not referable to the administration/DOCA, what were they spent on?	Ian Percy	Professional Fees in 2021 relate to professional services provided by KordaMentha to Deed Administrators of EA as approved by creditors. Professional services provided for legal and accounting services are also included in this amount.
25	Financial Reports	Why are trade debtors so high at year end?	Ian Percy	The balance of Debtors relates to one invoice for \$330,000 to AIS for High Performance funding. This invoice was paid 8th July 2021.
26	Financial Reports	Why are trade creditors and GST, FBT and PAYG payable at such high levels at year end compared to the previous financial year?	Ian Percy	Trade Creditors = \$682k, relates to Olympic expenses for Olympic athletes preparation and attendance at Tokyo. These amounts are funded by AIS as they have oversight of High Performance since the Voluntary Administration process. GST, FBT and PAYG differ to 2020 due to the volume of transactions for Olympics and the increase in employment expenses in 2021 vs 2020 due COVID.
27	Financial Reports	If the new Omicron variant plays havoc with sporting activities, it must be expected that EA's ability to carry on activities will continue to be restricted. Clearly, if the branches are unable to secure good membership renewal (which will depend upon Covid freedoms to	Ian Percy	The financial year for EA, commencing in July, has not seen a large reduction in levy revenue due to COVID. Memberships for each state are comparative to previous years with slight reduced levels for NSW and VIC.
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38	Financial Reports	If the new Omicron variant plays havoc with sporting activities, it must be expected that EA's ability to carry on activities will continue to be restricted. Clearly, if the branches are unable to secure good membership renewal (which will depend upon Covid freedoms to conduct events) EA's major source of income (apart from grants and subsidies) will be adversely affected. This possibility may adversely affect EA's ability to continue to trade.	Ian Percy	The financial year for EA, commencing in July, has not seen a large reduction in levy revenue due to COVID. Memberships for each state are comparative to previous years with slight reduced levels for NSW and VIC. Based on year to date information, the EA business remains a going concern and is cashflow positive.
39	Financial Reports	Trade creditor discrepancy of 341k (2021) compared to the 9k (2020). What items are represented in this difference?	Mark Griffiths	Invoice to Sport Australia/AIS for HP funding of \$300k recorded in June, paid 8 th July
40	Financial Reports	Jobkeeper payments of 413k this financial year. How does EA plan to increase income to offset this one off income. ?	Mark Griffiths	Government Stimulus payments in FY21 offset reductions in fee revenue. Stimulus payments were not considered when setting the budget for FY22. The budget for FY 22 is expected to achieve a small surplus.
41	Financial Reports	Why have EA prepayed HP expenses and not invoiced Sport Australia (or whoever body provides the HP funding) ?	Mark Griffiths	Sport Australia/AIS were invoiced in June for funding to acquit against the prepayment of expenses related to Tokyo Olympic Games held in July/August 2021 to be accounted for in FY22.
42	Nominations Committee	What was the basis for each of Celijian Sayar, Renee Ballard, Lucy Galovicova and Katarina Bignasca being assessed by the Nominations Committee under clause 22.2(d) of the Constitution to be unsuitable for consideration for election to the Board?	Clive Reed	The Nominations Committee have offered to meet with each of the candidates to provide feedback to the candidates individually and privately about their suitability/unsuitability. The Nominations Committee has indicated that it will not provide this information publicly in order to protect the privacy and reputation of the candidates. If the candidates wish to share this information publicly that is a matter for them.
43	Nominations Committee	Is the entirety of the 'advice' of the Nominations Committee required by clause 22.2(c) of the Constitution contained in the 23 December 2021 letter from Emmett Dunne APM?	Clive Reed	Yes
44	Nominations Committee	If not, why was the additional advice not provided to the Voting Members?	Clive Reed	N/A
45	Nominations Committee	If so, what is the basis for the statement in the Open Letter to Members from the EA Board posted on the EA website on 3 January 2022 that the 'combination of factors' supporting the ineligibility of certain nominees included (but was not limited to) them '[n]ot being financial members of EA' and '[l]acking the key skills and attributes as specified in the Director Nomination form and as outlined in the Constitution'?	Clive Reed	There are mandatory and non-mandatory requirements of Elected Directors that are listed in s.22.1 of the Constitution; which include the requirement to be a financial member of an affiliated State body at the time of nomination. This is a simple matter of fact that ruled one nominee out of consideration. The remaining 5 were all put to the Nominations Committee for consideration as to their suitability as per the rules in the Constitution.
46	Notice of Motion Deemed invalid by EA Board	What specific clauses of the EA Constitution and the Corporations Act 2001 (Cth) was the proposed Motion incompatible with?	Sandra McClelland	The Notice of Motion submitted to the Company did not contain a resolution that could have been presented to members.

				Additionally there was already a similar process in place which makes the motion redundant and
				<ul style="list-style-type: none"> • if the motion was put to members and passed would result in the Board having to follow the instruction of the committee or a small number of members who completed the survey and • Directors have a duty to act in the best interests of the Company and the members and are not able to blindly follow the instructions of a special interest group.
47	Notice of Motion Deemed invalid by EA Board	Did EA seek legal advice as to the validity of the proposed motion? If so, can members please see that legal advice?	Sandra McClelland	EA did seek legal advice as to the validity of the proposed motion. To preserve legal privilege that advice it is not able to be shared with members.

QUESTIONS ASKED AT THE AGM

Q No	Category	Question Asked	Asked By	Response
1	Board	Will Equestrian Australia advertise to fill the two (2) casual vacancies that are now available for the board?	Maverick Miles	The EA Board will consider next steps with regard to the two vacant Elected Director roles when it next meets in early February and we will advise the members of the outcome of that consideration.
2	Board	If the casual vacancy(s) were to be made by appointment of the board rather than by a vote of the membership, what transparency will be offered regarding the selection committees recommendations regarding these candidates?	Maverick Miles	As stated above, the EA Board will consider the two vacant Elected Director roles shortly. s25.2 of the EA Constitution lays out the rules regarding casual vacancies on the Board, which includes the requirement that candidates are considered by the Nominations Committee.
3	Coaching	I am also interested to find out what Tim Calkin and Anne Lloyd have requested regarding EA coaches. It seems that registered coaches contribute quite a lot towards EA income, yet see very little in return. Please be transparent about financials and what EA offers coaches for their financial contribution. What plans are there to support EA coaches in the future?	Glenys Cox	Looking into the future EA will further support coaches through a coaching framework review per Equestrian Australia's Participation Plan; the development and implementation of a Learning Management System that will diminish barriers to engaging with coach education ; and further training and professional development opportunities such as the running of a Level 3 Coaching Course and the implementation of a mentoring system to support new coaches. Coaches are currently supported through access to the EA coaching intellectual property including resources, merchandise and training; group insurance rates; developments in health and safety such as Concussion Training and the 2021 National Health & Safety Conference; administrative support services; and promotional support via email, website and social media marketing.
4	Constitution	I understand questions are no longer being accepted for live response however I do not believe Mark has correctly responded to my original question. The EA constitution article 22.2 (f) makes reference to the Term of Reference as defined by the Board.	Sharon Cimarosti	Your original question was "would you please advise why the Nominations Committee Terms of Reference is not available to view on the EA website?" There is no nominations committee terms of reference document. How the Nominations Committee is formed and how its functions are rules contained in the EA Constitution. There is no other TOR document that applies. We have agreed that it would probably be a good idea given the questions that we have had and the challenges we're had in creating confidence in the process, we've agreed that it would be a worthwhile step forward and good governance to create a TOR. The reality is that any TOR would have to accord with and defer to the rules in the constitution up until they are changed; unless or until they are changed, the TOR could not contradict or change the nature of the rules as they are contained in the constitution but they could certainly add to or give more flavour; so we certainly take that on board."
5	General	I know this won't be answered now. Thankyou for your service to our sport. Very difficult task. Could you please let us know by email or similar what is happening with selectors urgently.	Kerry Mack	Selectors will be announced very shortly. Expected in the week commencing 31 January
6	Legal	Rhys could you please confirm that you are an intellectual property specialist lawyer?	Liz Richardson	Rhys Munzel is a Senior Associate at FAL Lawyers who is a Patents and Trade Marks Attorney. While Rhys does specialise in intellectual property, he more relevantly provides legal advice on matters including corporate governance and probity. He has advised listed entities, State and Commonwealth government departments, and large not for profits alike in respect of corporate governance and probity matters such as drafting and interpretation of company constitutions - https://www.linkedin.com/in/rhys-munzel-2aaa66138/
7	Legal	Has Michelle Mc Lean ever had a paid or director position at FAL lawyers	Laura Reed	Michelle McLean since her retirement as the Managing Partner of the law firm Cornwall Stodart, has provided independent consulting services to a number of other law firms. One of which has been FAL Lawyers. In her capacity as an independent consultant she has provided FAL Lawyers with advice in respect to general strategy and business operations. Her relationship with FAL Lawyers is not exclusive and she continues to engage with a number of law firms. Michelle has confirmed that she has not received a financial benefit for referring organisations to these firms.

11	Member Protection Policy	EA has an existing sophisticated Member Protection Policy. So far as I am aware, the MPP has NOT been amended as Darren suggests. When will detail around the changes Darren referred to be provided to members?	Ian Percy	The updated Member Protection policy is on the EA website. This was updated and published in December, with communication sent to members at that time.
12	Nominations Committee	Do you agree it is a very bad look for a Director elected last year via the noms process and then found not suitable during this process despite compliments for persons she worked with including the chair.	Andrew Paech	There are any number of reasons why two different groups (the original Nominations Committee and the current Nominations Committee) could come to two different conclusions from processes run some 15 months apart. Beyond the advice provided to the Board and the members from the Nominations Committee, people will speculate and draw their own conclusions about the reasons behind the decisions.
13	Proxy	I just wonder how accurate this is as I gave my proxy to the Chair!	Lesley Sullivan	Lesley had difficulties in assigning the Chair as the proxy this was manually added and for some reason did not appear on the proxy report. The vote was included in the for votes.
14	Proxy	How accurate is this result, I also gave my proxy to the chair !	Anne Lloyd	This has been investigated and Nominate advised that a proxy was not assigned.