



Dear Members,

While the bottom line loss of \$32K is far from ideal the majority of income the association receives each year cannot be foreseen as it is basically membership driven.

Income for 2016 is down by \$30K which is assisted further by expenses also being down from 2015 by \$7237.

The board of 2016 have been very mindful of expenses throughout the year which is reflected in the drop from 2015 to 2016.

While the magazine has again run at a loss an in-depth review and implementation of a new system should see this loss decrease significantly if not disappear for the current year.

With membership decrease for 2016, which was not a great deal, flow on did impact on the resources of the association. Regional clubs are finding it difficult to keep committee members, which ultimately closes a club. Reduced regional clubs flows on to limited shows being approved for AAA members once again affecting income for the AAA.

National and Futurities for 2016 on the financial report are shown at a loss due to supporting sponsorship being omitted from Nationals and Futurities. Unfortunately this omission was not detected until after the financial Report was signed off.

Ultimately the success of the AAA Ltd is in the hands of all members collectively. The mindset of members to air their grievances on Face Book forums before exhausting all other avenues be it office contact or director has proved to be undermining. The current board directors have been every vigilant on assisting members once a problem is known.

Any forum presented on Facebook other than the official site of the Members Forum is not supported by the AAA Ltd.

The Board

**Australian Appaloosa Association Ltd**

**Email: [info@appaloosa.org.au](mailto:info@appaloosa.org.au)**

**Website: [www.appaloosa.org.au](http://www.appaloosa.org.au)**

**Ph: (02) 6765 7969 Fax: 6765 7515**

**PO Box 3212 West Tamworth NSW 2340**

**ABN: 70 001 558 050**

# **Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

## **Financial Statements**

For the Year Ended 31 December 2016

# Australian Appaloosa Association Ltd

ABN: 70 001 558 050

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### General Information

The financial statements cover Australian Appaloosa Association Ltd as an individual entity.

The financial statements are presented in Australian dollars, which is Australian Appaloosa Association Ltd's functional and presentation currency.

Australian Appaloosa Association Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7th March, 2017.

# Australian Appaloosa Association Ltd

ABN: 70 001 558 050

## Directors' Report

For the Year Ended 31 December 2016

The directors present their report, together with the financial statements, on Australian Appaloosa Association Ltd for the financial year ended 31 December 2016.

### Information on directors

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

Joanne Green

Qualifications President/Treasurer

Experience Office Manager

Special responsibilities Member services

Debbie Pearson

Qualifications Vice President

Experience Small Business Owner

Special responsibilities Competitions

Amelia Leeman

Qualifications Resigned March 2016  
Vice President to March 2016

Experience Company Director/Primary Producer

Special responsibilities Communications

Marsha Lewis

Qualifications Director

Experience Accounts clerk - retired

Special responsibilities Operations

Anna Duin

Qualifications Director

Experience Training developer

Special responsibilities Liaison

Narelle Kurtzer

Qualifications Director

Experience Practice Manager

Special responsibilities Youth/Calendar of Events

Patricia Thompson

Qualifications Director

Experience Nurse

Special responsibilities Rulebook/WHS

Jan Garland

Qualifications Director

Experience Retired

Special responsibilities Office/Sponsorship

Selena Lindley

Qualifications Appointed March 2016, Resigned January 2017

Special responsibilities Director

Special responsibilities Communication and Non-Traditional

# Australian Appaloosa Association Ltd

ABN: 70 001 558 050

## Directors' Report

For the Year Ended 31 December 2016

### Information on directors

Summer McDermott	Appointed March 2016, Resigned January 2017
Qualifications	Director
Special responsibilities	Merchandise and Non-Traditional

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company secretary

Joanne Green has been the company secretary since 2013.

### Principal activities

The principal activity of Australian Appaloosa Association Ltd during the financial year was the management of the Appaloosa breeding registration in Australia.

No significant changes in the nature of the company's activity occurred during the financial year.

### Review of operations

The loss incurred by the company amounted to \$ (32,103) (2015: \$(8,787)).

### Short term objectives

The company's short term objectives is to review and revise its financial strategy to provide for a demonstrated increase in revenue, while providing a high level of service to members. In addition, the company will, in the short-term developing a business plan that will supplement its current 5 year strategic plan.

### Long term objectives

The company's long term objectives, and its mission, are to:

- Record and preserve pedigrees of the Australian Appaloosa while maintaining the integrity of the breed;
- Provide services for the benefit of its members which encourage Appaloosa ownership and participation
- Foster growth and membership in the Australian Appaloosa Association Ltd through promotion, recognition, advertisements and publicity of the Appaloosa;
- Charter a regional and national network of clubs and associations and provide support and assistance to them in their efforts to promote the Appaloosa breed.

### Strategy for achieving the objectives

To achieve these objectives, the company has adopted the following strategies:

- Effectively utilise and develop all employees/volunteers involved in its operations;
- Have a strong breed presence within the equine industry in Australia;
- Have effective communications processes;
- Promote the Appaloosa breed throughout Australia and internationally;
- Have rules that reflect the process of the betterment of the Appaloosa breed;
- Maintain profits that exceed members' expectations and support future growth[insert details]

## **Directors' Report**

### **For the Year Ended 31 December 2016**

#### **Performance measures**

The company measures its performance by reference to and through its Strategic Plan 2011-2016.

#### **Members' guarantee**

Australian Appaloosa Association Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 towards meeting any outstanding obligations of the Company.

At 31 December 2016 the collective liability of members was \$ 10,260 (2015: \$ 9,680).

#### **Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

#### **Environmental issues**

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

#### **Meetings of directors**

During the financial year, 2 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Joanne Green	2	2
Debbie Pearson	2	2
Marsha Lewis	2	2
Anna Duin	2	2
Narelle Kurtzer	2	1
Patricia Thompson	2	2
Jan Garland	2	2
Selena Lindley	2	2
Summer McDermott	2	2

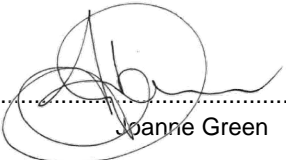
## **Directors' Report**


**For the Year Ended 31 December 2016**

### **Auditor's independence declaration**

A copy of the auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2016 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

President: .....  
  
Joanne Green

Vice President: .....  
  
Debbie Pearson

Dated this 7th day of March 2017

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

## **Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Appaloosa Association Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Lawler Warburtons Audit & Assurance Pty Ltd



Margaret van Aanholt  
Director  
22-24 Bourke Street, Tamworth NSW

7 March 2017

PKF Lawler Warburtons  
Audit & Assurance Pty Ltd  
ABN 39 082 276 506  
Registered Auditor No:306435

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**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	<b>191,529</b>	222,083
<b>Expenses</b>			
Employee benefits expense	4	<b>(51,391)</b>	(50,341)
Depreciation and amortisation expense	4	<b>(224)</b>	(315)
Rental expense	4	<b>(7,592)</b>	(7,447)
Other expenses		<b>(164,425)</b>	(172,767)
<b>Surplus/(deficit) before income tax</b>		<b>(32,103)</b>	(8,787)
Income tax expense	2(b)	-	-
<b>Total comprehensive income for the year</b>		<b>(32,103)</b>	(8,787)

The accompanying notes form part of these financial statements.

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Statement of Financial Position**

As At 31 December 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	87,654	111,484
Trade and other receivables	6	6,028	11,817
Inventories	7	4,531	6,199
Other assets	8	6,873	10,764
TOTAL CURRENT ASSETS		<u>105,086</u>	<u>140,264</u>
NON-CURRENT ASSETS			
Plant and equipment	9	1,055	1,279
TOTAL NON-CURRENT ASSETS		<u>1,055</u>	<u>1,279</u>
TOTAL ASSETS		<u>106,141</u>	<u>141,543</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	26,170	25,408
Provisions	11	15,634	13,882
Other liabilities	12	44,056	49,869
TOTAL CURRENT LIABILITIES		<u>85,860</u>	<u>89,159</u>
TOTAL LIABILITIES		<u>85,860</u>	<u>89,159</u>
NET ASSETS		<u>20,281</u>	<u>52,384</u>
<b>EQUITY</b>			
Retained earnings		<u>20,281</u>	<u>52,384</u>
TOTAL EQUITY		<u>20,281</u>	<u>52,384</u>

The accompanying notes form part of these financial statements.

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Statement of Changes in Equity**

**For the Year Ended 31 December 2016**

**2016**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2016</b>	<b>52,384</b>	<b>52,384</b>
Profit/(loss) attributable to members of the entity	<b>(32,103)</b>	<b>(32,103)</b>
<b>Balance at 31 December 2016</b>	<b>20,281</b>	<b>20,281</b>

**2015**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2015</b>	61,171	61,171
Profit attributable to members of the entity	<b>(8,787)</b>	<b>(8,787)</b>
<b>Balance at 31 December 2015</b>	<b>52,384</b>	<b>52,384</b>

The accompanying notes form part of these financial statements.

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Statement of Cash Flows**

**For the Year Ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>209,933</b>	242,731
Payments to suppliers and employees	<b>(234,444)</b>	(250,194)
Interest paid	<b>681</b>	1,418
Net cash provided by (used in) operating activities	<b>(23,830)</b>	(6,045)
Net increase (decrease) in cash and cash equivalents held	<b>(23,830)</b>	(6,045)
Cash and cash equivalents at beginning of year	<b>111,484</b>	117,529
Cash and cash equivalents at end of financial year	<b>87,654</b>	111,484
	5	

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **1 Basis of Preparation**

In the Directors opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared to meet the reporting requirements of the *Corporations Act 2001*. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Australian Appaloosa Association Ltd.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

### **2 Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Where necessary, comparatives have been reclassified to comply with current year presentation.

#### **(a) Revenue and other income**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable .

##### *Membership revenue*

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year. Membership revenue received in advance is taken up as unearned income revenue at balance date.

##### *Sales revenue*

Revenue from events is recognised when it is received or receivable.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

##### *Interest revenue*

Interest is recognised using the effective interest rate method.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

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

#### **(b) Income Tax**

The company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **2 Summary of Significant Accounting Policies**

#### **(c) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(d) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

#### **(f) Plant and equipment**

Plant and equipment are measured at cost less any accumulated depreciation and any impairment losses. Costs include purchase price and any expenditure that is directly attributable to the acquisition of the items.

#### **Depreciation**

Plant and equipment is depreciated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	10 - 67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposal are determined by comparing proceeds with the carrying amounts. These gains and losses are included in the statement of profit or loss and other comprehensive income.

#### **(g) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2016**

### **2 Summary of Significant Accounting Policies**

#### **(h) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

#### **(i) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(j) New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not yet been early adopted.

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 3 Revenue and Other Income

	2016	2015
	\$	\$
<b>Sales revenue</b>		
- Income from members and operating activities	190,848	215,665
<b>Finance income</b>		
- Interest received	681	1,418
<b>Other income</b>		
- Grants	-	5,000
<b>Total Revenue</b>	<u>191,529</u>	<u>222,083</u>

### 4 Result for the Year

The result for the year includes the following specific expenses:

	2016	2015
	\$	\$
<b>Finance costs include:</b>		
- Bank charges and merchant fees	1,147	1,742
<b>Employee benefits expense includes:</b>		
- Defined contribution superannuation expense	4,241	3,882
<b>Depreciation expense</b>		
- Depreciation expense	224	315
<b>Rental expense relating to operating lease</b>		
- Minimum lease payments	7,592	7,447
<b>Other expenses</b>		
- Magazines	29,035	36,278
- Printing and stationery	4,400	3,993



## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 5 Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	300	300
Cash at bank	87,354	111,184
	<u>87,654</u>	<u>111,484</u>

### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>87,654</u>	<u>111,484</u>
<b>Balance as per statement of cash flows</b>	<u><u>87,654</u></u>	<u><u>111,484</u></u>

### 6 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	10,473	13,602
Provision for impairment	(4,445)	(1,785)
<b>Total current trade and other receivables</b>	<u><u>6,028</u></u>	<u><u>11,817</u></u>

### 7 Inventories

	2016	2015
	\$	\$
CURRENT		
At cost:		
Merchandise	<u>4,531</u>	<u>6,199</u>

### 8 Other current assets

	2016	2015
	\$	\$
Prepayments	<u>6,873</u>	<u>10,764</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 9 Plant and equipment

#### PLANT AND EQUIPMENT

Plant and equipment

At cost

22,666 22,666

Less: Accumulated depreciation

(21,611) (21,387)

**Total plant and equipment**

**1,055 1,279**

#### (a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	\$	\$
<b>Parent</b>		
<b>Year ended 31 December 2016</b>		
Balance at the beginning of year	1,279	1,279
Depreciation	(224)	(224)
<b>Balance at the end of the year</b>	<b>1,055</b>	<b>1,055</b>

### 10 Trade and other payables

	2016	2015
	\$	\$
<b>CURRENT</b>		
Trade payables	6,028	5,385
Sundry payables and accrued expenses	6,714	5,112
PAYG withholding payable	1,781	1,690
GST liability	2,332	3,175
Accrued annual leave	8,985	9,643
Superannuation payable	330	403
	<b>26,170</b>	<b>25,408</b>

### 11 Employee Benefits

	2016	2015
	\$	\$
<b>Current</b>		
Personal Leave	1,965	1,875
Long Service Leave	13,669	12,007
	<b>15,634</b>	<b>13,882</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2016

### 12 Other liabilities

	2016	2015
	\$	\$
CURRENT		
<b>Unearned Income</b>		
Memberships	16,368	19,108
Affiliations	1,299	1,856
Futurities	-	1,568
Magazine	12,935	14,636
Nationals	9,363	7,835
Amateur fees	1,800	2,172
Club Insurance	1,994	2,211
Breeders fees	297	483
	<u>44,056</u>	<u>49,869</u>

### 13 Remuneration of Auditors

	2016	2015
	\$	\$
Remuneration of the auditor of the company, PKF Lawler Warburtons Audit and Assurance Pty Ltd, for:		
- reviewing the financial statements and assistance with preparation of the financial statements	<u>4,865</u>	<u>4,725</u>
	<u>4,865</u>	<u>4,725</u>

### 14 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 31 December 2016 (31 December 2015:None).

### 15 Related Parties

Directors of the company are members of the company and on occasion are sponsors of events. These transactions between related parties are on normal commercial term and conditions no more favourable than those available to other parties.

### 16 Going concern

For the year ended 31 December 2016, the company incurred a loss from continuing operations of \$32,103, (2015: loss \$8,787). The Directors are confident that by monitoring cashflows closely and containing expenses, the company will be able to generate sufficient income to pay its debts as and when they are due.

## Australian Appaloosa Association Ltd

ABN: 70 001 558 050

# Notes to the Financial Statements

For the Year Ended 31 December 2016

### 17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### 18 Members' Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the company. As at 31 December 2016 the number of members was 513 (2015: 484).

### 19 Company Details

The registered office and principal place of business of the company is:

Australian Appaloosa Association Ltd  
22 Showground Road  
TAMWORTH NSW 2340

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

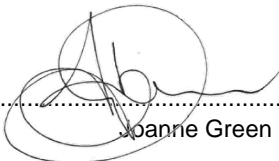
**Directors' Declaration**

As detailed in Note 1 to the financial statements, the directors have determined that the company is not a reporting entity because there are unlikely to exist any users of the financial report who are dependent on general purpose financial statements, and that this special purpose financial report has been prepared to satisfy the reporting requirements under the *Corporations Act 2001*.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 17,
  - (a) comply with the *Corporations Act 2001*, the Accounting Standards as described in Note 1 to the financial statements, and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the year ended on that date.
2. In the directors' opinion, 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 Board of Directors.

President .....  
  
Joanne Green

Vice President .....  
  
Debbie Pearson

Dated 7 March 2017

Australian Appaloosa Association Ltd ABN: 70 001 558 050

## Independent Auditor's Review Report

For the Year Ended 31 December 2016

To the members of Australian Appaloosa Association Ltd

### Report on the financial report

We have reviewed the accompanying financial report of Australian Appaloosa Association Ltd, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Director's Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001*, and is appropriate to meet the needs of the members. The directors' responsibility also includes such control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and *Corporations Regulations 2001*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Appaloosa Association Ltd, would be in the same terms if provided to the directors at the date of this auditor's review report.

#### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Australian Appaloosa Association Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and *Corporations Regulations 2001*.

PKF Lawler Warburtons Audit & Assurance Pty Ltd



Margaret van Aanholt  
22-24 Bourke Street, Tamworth  
Dated this 7th day of March 2017

PKF Lawler Warburtons  
Audit & Assurance Pty Ltd  
ABN 39 082 276 506  
Registered Auditor No:306435

Tamworth  
22 – 24 Bourke Street  
Tamworth NSW 2340  
PO Box 1900 Tamworth

Liability limited by a scheme approved  
under Professional Standards Legislation.

p 02 6768 4500 f 02 6766 4322

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Disclaimer**

**For the Year Ended 31 December 2016**

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Disclaimer**

**For the Year Ended 31 December 2016**

The additional financial data presented on page 21 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Appaloosa Association Ltd) in respect of such data, including any errors of omissions therein however caused.

PKF Lawler Warburtons Audit & Assurance Pty Ltd

  
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22-24 Bourke Street, Tamworth

7 March 2017

PKF Lawler Warburtons  
Audit & Assurance Pty Ltd  
ABN 39 082 276 506  
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**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Detailed Income & Expenditure Statement  
For the Year Ended 31 December 2016**

	2016	2015
	\$	\$
<b>Income</b>		
Advertising	4,564	7,255
Affiliation Fees	2,784	3,367
Amateur Owner Fees	4,890	5,098
DNA Typing	14,435	13,918
Nationals Income	58,233	68,304
AABA Income	758	1,301
Lease Authorisation	136	500
Magazine	22,873	21,162
Memberships	39,218	40,275
Credit Cards Fees	1,429	1,731
Futurities	7,664	11,330
Raffle Proceeds	-	(14)
Prefix	364	455
Sale of Merchandise	1,105	2,038
Show Approvals	3,390	3,200
Stallion / Mare returns	2,982	3,448
Transfers	6,939	6,968
Other Income	655	1,780
Registration	13,754	12,958
Youth Working Income	281	191
Amateur Owner Income	783	-
Sale of Imp Semen	545	3,818
Insurance Levy	3,066	6,581
Interest received	681	1,418
Grants	-	5,000
<b>Total revenue</b>	<b>191,529</b>	<b>222,082</b>
<b>Gross Profit</b>	<b>191,529</b>	<b>222,082</b>
<b>Less: Expenses</b>		
Accounting fees	5,215	5,010
AAAA Expenses	864	550
Advertising	2,964	374
Bad debts	2,660	1,785
Bank charges	1,147	1,742
Breeders Association	-	500
Blood typing / DNA typing	11,082	8,932
Board meetings	1,599	1,396
Depreciation	224	315
Electricity and water	1,646	1,791
Filing fees	433	193
Fines and penalties	180	312
Futurity expenses	7,891	11,146
Goods for resale	1,669	529
EOY High Points Awards	4,084	3,920
Insurance	12,434	11,558



**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**For the Year Ended 31 December 2016**

**Australian Appaloosa Association Ltd**

ABN: 70 001 558 050

**Detailed Income & Expenditure Statement**

**For the Year Ended 31 December 2016**

	2016	2015
	\$	\$
Internet site	1,090	1,531
International semen	600	254
Hall of Fame	-	38
Legal fees	-	1,845
Magazines	29,035	36,278
Nationals	61,415	63,409
Postage	4,267	5,108
Printing and stationery	4,400	3,993
Promotions/sponsorships	1,573	17
Repairs and maintenance	-	905
Salaries	47,002	46,158
Security costs	583	1,776
Software & computer maintenance	1,002	916
Staff amenities	-	23
Superannuation contributions	4,241	3,882
Telephone and fax	3,711	3,888
Workers compensation insurance	148	301
Youth working expenses	618	627
Rental outgoings	7,592	7,447
Other operating expenses	2,263	2,420
<b>Total Expenses</b>	<b>223,632</b>	<b>230,869</b>
<b>Profit before income tax</b>	<b>(32,103)</b>	<b>(8,787)</b>