

The Australian Stock Horse Society Limited

A Company Limited by Guarantee

ABN 35 001 440 437

ACN 001 440 437



Australian Stock Horse
S O C I E T Y

Financial Report

31st March 2011

Including Notice for Annual General Meeting

Chairman's Annual Report

It gives me great pleasure to present the Chairman's Annual Report for 2010 – 2011. This is my sixth, and as far as I am concerned, my final report as Chairman. Once again, during this past 12 months it has been an honour and a pleasure to work with such dedicated Members, Directors, and Staff in the achievement of the Australian Stock Horse Society's goals.

Once again, I am pleased to advise that your Society has finished the year in a strong financial position, recording a profit of \$94,814.00. This is down on last year's profit but is in line with the Board's budget expectations. I would also like to draw the attention of Members to the financial statements and our overall financial position, which is very sound. I am sure that there are many opinions among Members on how our reserves could or should be used. I am hopeful that future Boards will use our current financial position to further enhance the benefits and services provided to our Members.

Once again, this year has seen two changes to the Board as a result of elections in New South Wales and Queensland, with Craig Young replacing Matthew (Joe) Best in New South Wales and Peter Allan replacing Kevin Hansen in South Queensland. Many thanks go to the outgoing Directors, and best wishes to the new Directors.

In last year's report, I mentioned there would be a review of the Society's Articles. As a member of the subcommittee that drove this task, I am pleased to acknowledge the outcomes we achieved, and I draw your attention to the Article amendments detailed in the Agenda for the 2011 Annual General Meeting. Whilst the review has been substantially completed, the process is dynamic and therefore may require ongoing amendments from time to time.

Last year I mentioned the appointment of Level 1 Coaches Trainer/Assessor Mr. Huon Smith. As a result of his appointment, the Society has held a Level 1 Coaching Clinic at Raymond Terrace in New South Wales, which resulted in the additional appointment of Level 1 Coaches. At the time of writing this report, the Society has just completed its first Branch Coach Clinic in Tasmania and we look forward to the roll-out of these clinics in other states.

For Member's information, the winner of the 2010 Westpac Bank Star of the Year is CADABRA (AUS), owned by Miss Maryanne Gough. The winner of the 2010 Prince of Wales Perpetual Trophy is WUNGUM CITIZEN, owned by the Wungum Partnership. Congratulations to the connections of both winners. I am sure Members will agree that both horses are worthy ambassadors for the Australian Stock Horse Society.

This year, being our 40th Anniversary year, has seen the emergence of a number of additional events and awards, many of which are still in progress as part of our 40th Anniversary celebrations. These events in the main have been organised by our 40th Anniversary Committee, which is made up of a band of extremely dedicated Members who contribute significant time and ideas by way of telephone meetings. On behalf of the Society, I would like to express my thanks to the Chairman of the Committee, Joy Poole, and commend the Committee for their outstanding effort in achieving their tasks.

On behalf of the Board, I would again like to acknowledge and publicly thank our General Manager, Catherine Smith and the loyal Head Office staff for their dedication and commitment throughout the year.

As this is my last Chairman's report, I would like to take this opportunity to put forward a few comments to the Board and Members, generally based on my last 18 years experience on the Board, six terms as Chairman and majority of the remaining ten years on the Executive of the Australian Stock Horse Society Board.

I believe it is time to review the structure of the organisation to determine that after 40 years of operation, if the current structure of a Board, Management Council and Branches is still the most suitable structure to take our organisation forward into the future. This suggestion does not necessarily mean that the structure has to be substantially changed, but regular reviews of organisations are necessary to keep up with the times. By way of justification for my argument, I note that the Society is actively pursuing the establishment of Branches in New Zealand and North America, which is to be commended. I note that however, in Australia, a considerable number of Branches have ceased to function, or are in trouble. A case in point is the current closure of what was once the biggest Branch in Victoria, the Melbourne Branch. A timely review in my opinion could stem the downward trend of interest in some areas.

Another area that needs review in my opinion is the communication between tiers of the organisation. Of particular interest, is the communication between the Board and Members, and vice versa. A recent decision to prevent Members from having access to Board Meeting minutes should be reviewed in my opinion. Members should be encouraged to take interest in Board proceedings. To further encourage Member's interest, a Member's gallery should be provided at Board Meetings. I do understand that these thoughts may be radical to some Members, but I believe that Members have the right to access non-confidential decisions made by the Board, and also have the right to observe the performance of their Director at a Board Meeting and to be confident that their interests are well represented. I am strongly of the belief that Directors are seen to be accountable to the Members that they represent.

I will conclude with those comments and in doing so, thank everyone that I have met and been associated with during my involvement with the Australian Stock Horse Society. I look forward to the continued success of this wonderful organisation.



AUSTRALIAN STOCK HORSE SOCIETY LIMITED

A Company Limited by Guarantee

ACN 001 440 437

Financial Report – 31 March 2011

<u>Contents</u>	<u>Page No.</u>
Directors Report	1
Auditors Independence Declaration	3
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flow	8
Notes to the Financial Statements	9
Directors Declaration	19
Independent Auditors Report	20
Compilation Report	21
Profit and Loss Statement	22
Trading Statements and Schedule of Board Expenses	23
Schedule of Administration Expenses	24

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

Your directors present this report on the entity for the financial year ended 31 March 2011.

Directors

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

D Wilson
M Field
J Green
J Poole
S Scott
P Allan appointed (24/07/2010)
G Nash
C Young appointed (24/07/2010)
G Gough
P Jelliff
K Hansen resigned (24/07/2010)
M Best resigned (24/07/2010)

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

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

C Smith

Principal Activities

The principal activity of the entity during the financial year was:

The promotion and preservation of the identity of the Australian Stock Horse
Breeding improvement and popularity of this breed of horse

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

Operating Results

The profit of the entity amounted to \$94,814 (2010: \$174,162).

Dividends Paid or Recommended

The Corporations Law prohibits a company limited by guarantee from paying dividends.

Review of Operations

A review of the operations of the entity during the financial year indicated that profit after income tax decreased by \$79,348 as a result of increased sports, export and administration expenses.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

Objectives

The short and long term objectives of the company are to continue to promote the Australian Stock Horse breed.

Strategies

These objectives are achieved by continuing to maintain profitability so as to support the aims of the organisation and continue to grow membership and members benefits.

Key Performance Indicators

The Company measures success by focusing on financial performance, membership numbers and services to members:

- Revenue
- Profitability
- Membership numbers and registrations
- Members benefits
- Earnings before interest, depreciation and ammortisation.

Information on Directors

D Wilson	---	Director
Experience	---	11 years as a director
M Field	---	Director
Experience	---	10 years as a director
J Green	---	Chairman
Experience	---	7 years currently as a director, 11 years previous
J Poole	---	Senior Vice Chairperson
Experience	---	7 years as a director

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

S Scott	—	Junior Vice Chairperson
Experience	—	3 years as a director
P Allan	—	Director
Experience	—	1 year as a director
G Nash	—	Director
Experience	—	5 years currently as a director, 4 years previous
C Young	—	Director
Experience	—	1 year as a director
G Gough	—	Treasurer
Experience	—	2 years currently as a director, 19 years previous
P Jelliff	—	Director
Experience	—	2 years as a director
K Hansen	—	Director (former)
Experience	—	6 years as a director
M Best	—	Director (former)
Experience	—	1 year as a director

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendees by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
D Wilson	7	7
M Field	6	6
J Green	7	7
J Poole	7	7
S Scott	7	7
P Allan	3	3
G Nash	7	6
C Young	3	3
G Gough	7	7
P Jelliff	7	6
K Hansen	4	4
M Best	3	3

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 March 2011 has been received and can be found on page 3 of the directors' report.

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

Director


J Green

Director


G Gough

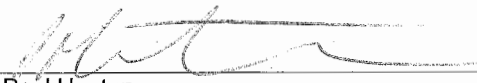
Dated this 8th day of June 2011

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2011 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.

Name of Firm Rose & Partners

Name of Partner 
Paul Heaton

Date 08/06/2011

Address 109 Liverpool Street

Scone

NSW 2337

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 \$	2010 \$
Revenue	2	51,603	35,374
Other income	2	2,052,748	1,897,415
Employee benefits expense		(700,416)	(626,249)
Depreciation and amortisation expense	3	(70,364)	(62,280)
Finance costs	3	(7,361)	(4,374)
Repairs, maintenance and vehicle running expense		(16,660)	(20,967)
Audit, legal and consultancy expense		(19,796)	(12,500)
Membership expenses		(14,170)	(18,152)
Registration and transfer expenses		(21,576)	(16,277)
Sports and events expenses		(227,829)	(172,773)
Journal expenses		(330,946)	(273,590)
Merchandise expenses		(65,446)	(62,677)
Export expenses		(47,614)	(1,983)
Branch expenses		(80,288)	(45,970)
Board expenses		(90,201)	(79,968)
Other administration expenses		(316,870)	(360,526)
Other expenses		-	(341)
Profit before income tax	3	94,814	174,162
Income tax expense			
Profit for the year		94,814	174,162
Profit attributable to members of the entity		94,814	174,162

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED

ACN: 001 440 437

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011	2010
		\$	\$
Profit for the year		94,814	174,162
Total comprehensive income for the year		<u>94,814</u>	<u>174,162</u>
Total comprehensive income attributable to members of the entity		<u>94,814</u>	<u>174,162</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,488,137	1,495,824
Trade and other receivables	5	36,329	25,443
Inventories	6	37,022	34,837
TOTAL CURRENT ASSETS		<u>1,561,488</u>	<u>1,556,104</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	479,796	484,520
Intangible assets	8	20,915	23,387
TOTAL NON-CURRENT ASSETS		<u>500,711</u>	<u>507,907</u>
TOTAL ASSETS		<u>2,062,199</u>	<u>2,064,011</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	279,523	358,945
Borrowings	10	23,353	20,673
Short term provisions	11	66,280	67,200
TOTAL CURRENT LIABILITIES		<u>369,156</u>	<u>446,818</u>
NON-CURRENT LIABILITIES			
Trade and other payables	9	11,686	13,525
Borrowings	10	39,847	63,199
Long term provisions	11	6,226	-
TOTAL NON-CURRENT LIABILITIES		<u>57,759</u>	<u>76,724</u>
TOTAL LIABILITIES		<u>426,915</u>	<u>523,542</u>
NET ASSETS		<u>1,635,284</u>	<u>1,540,469</u>
EQUITY			
Retained earnings		1,573,412	1,478,597
Reserves	18	61,872	61,872
TOTAL EQUITY		<u>1,635,284</u>	<u>1,540,469</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Retained Earnings	Asset revaluation reserve	Total
	\$	\$	\$
Balance at 1 April 2009	1,304,436	61,872	1,366,308
Profit attributable to the entity	174,162		174,162
Balance at 31 March 2010	1,478,598	61,872	1,540,470
Profit attributable to the entity	94,814		94,814
Balance at 31 March 2011	1,573,412	61,872	1,635,284

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011	2010
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Other receipts		2,245,298	2,045,416
Payments to suppliers and employees		(2,213,388)	(1,861,883)
Interest received		51,603	35,374
Finance costs		(7,361)	(4,374)
Net cash provided by/(used in) operating activities	15(b)	<u>76,152</u>	<u>214,533</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(63,167)	(66,237)
Net cash provided by/(used in) investing activities		<u>(63,167)</u>	<u>(66,237)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(20,672)	(11,088)
Proceeds from borrowings		-	50,257
Net cash provided by/(used in) financing activities		<u>(20,672)</u>	<u>39,169</u>
Net increase/(decrease) in cash held		(7,687)	187,465
Cash and cash equivalents at the beginning of the financial year		1,495,824	1,308,359
Cash and cash equivalents at the end of the financial year	4	<u><u>1,488,137</u></u>	<u><u>1,495,824</u></u>

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

The financial statements are for Australian Stock Horse Society Limited as an individual entity, incorporated and domiciled in Australia. Australian Stock Horse Society Limited is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Registrations are recognised when registration applications are received and approved.

Event income and expenditure is recognised when the event is held.

Membership income is brought to account on a receipt basis in the year to which it relates when all paperwork is received.

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(b) Inventories

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

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their cost or deemed cost, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	3%
Plant and equipment	5-20%
Computer Software	40%
Flags, pennants and banners	20%
Motor Vehicles	23%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity 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 it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited 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 same class of asset.

(g) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) 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.

(i) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income Tax

The company is an exempt non-profit organisation. No income tax is therefore payable in respect of any income received from any source.

(k) Intangibles

Trademarks

Trademarks are recorded at cost, and amortised over their expected term.

(l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(m) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(n) Trade and Other Payables

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

(o) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Australian Stock Horse Society Limited.

AASB 101 Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of "other comprehensive income" which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

(p) New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
- simplifying the requirements for embedded derivatives
- removing the tainting rules associated with held-to-maturity assets
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard removes the requirement for government related entities to disclose details of all transaction with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the company.

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. The amendments are not expected to impact the Company.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the company.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing from 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the company.

The company does not anticipate early adoption of any of the above Australian Accounting Standards.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Note 2 Revenue and Other Income

	Note	2011 \$	2010 \$
Other Revenue			
— Interest received		51,603	35,374
		<u>51,603</u>	<u>35,374</u>
Total Revenue		<u>51,603</u>	<u>35,374</u>
Other Income			
Membership Fees		1,013,880	959,263
Registration and Transfer Fees		587,607	598,333
Sports and events		99,639	69,137
Journal		248,423	175,533
Merchandise		98,145	88,313
Export		-	-
Other		5,054	6,836
Total Other Income		<u>2,052,748</u>	<u>1,897,415</u>
Total Revenue and Other Income		<u>2,104,351</u>	<u>1,932,789</u>

Note 3 Profit for the Year

		2011 \$	2010 \$
Expenses			
Depreciation and Amortisation			
— Land and Buildings		9,293	9,232
— Motor Vehicles		4,229	2,763
— Software		16,306	16,910
— Plant & Equipment		36,800	27,996
— Flags Pennants and Banners		1,264	2,907
— Trademarks		2,472	2,472
Total Depreciation and Amortisation		<u>70,364</u>	<u>62,280</u>
Interest expense		7,361	4,374
Loss on disposal of non-current assets		-	341
Auditor Remuneration			
— audit services		14,700	12,500
— other services		4,360	1,210
Total Audit Remuneration		<u>19,060</u>	<u>13,710</u>

Note 4 Cash and Cash Equivalents

		2011 \$	2010 \$
CURRENT			
Cash at bank		1,488,137	1,495,824
		<u>1,488,137</u>	<u>1,495,824</u>

Note 5 Trade and Other Receivables

	Note	2011 \$	2010 \$
CURRENT			
Trade receivables		9,475	7,367
		<u>9,475</u>	<u>7,367</u>
Other Debtors		26,854	18,076
Total current trade and other receivables	16	<u>36,329</u>	<u>25,443</u>

Note 6 Inventories

		2011 \$	2010 \$
CURRENT			
At cost			
Inventory		37,022	34,837
		<u>37,022</u>	<u>34,837</u>

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Note 7 Property, Plant and Equipment

	2011 \$	2010 \$
LAND AND BUILDINGS		
Freehold land at fair value:		
— At Deemed cost	35,000	35,000
Total Land	35,000	35,000
Land and buildings at cost:	370,690	370,690
Less accumulated depreciation	(101,743)	(92,450)
Total buildings	268,947	278,240
Total land and buildings	303,947	313,240
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	415,368	406,152
(Accumulated depreciation)	(308,118)	(271,317)
	107,250	134,835
Motor vehicles		
At cost	86,292	32,339
(Accumulated depreciation)	(27,052)	(22,823)
	59,240	9,516
Computer Software		
At cost	156,369	156,369
(Accumulated depreciation)	(148,209)	(131,903)
	8,160	24,466
Flags Pennants and Banners		
At cost	22,819	22,819
(Accumulated depreciation)	(21,620)	(20,356)
	1,199	2,463
Total plant and equipment	175,849	171,280
Total property, plant and equipment	479,796	484,520

Freehold land is currently subject to a mortgage held by the Commonwealth Bank.

Movements in Carrying Amounts

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

	Land and Buildings \$	Plant and equipment \$	Motor Vehicles \$	Computer software \$	Flags pennants and banners \$	Total \$
2010						
Balance at the beginning of the year	321,522	100,385	12,279	38,876	5,370	478,432
Additions at cost	950	62,787		2,500		66,237
Disposals		(341)				(341)
Depreciation expense	(9,232)	(27,996)	(2,763)	(16,910)	(2,907)	(59,808)
Carrying amount at end of year	313,240	134,835	9,516	24,466	2,463	484,520
2011						
Balance at the beginning of the year	313,240	134,835	9,516	24,466	2,463	484,520
Additions at cost		9,215	53,953			63,168
Disposals						-
Depreciation expense	(9,293)	(36,800)	(4,229)	(16,306)	(1,264)	(67,892)
Carrying amount at end of year	303,947	107,250	59,240	8,160	1,199	479,796

Note 8 Intangible Assets

	2011 \$	2010 \$
Trademarks - at cost	37,419	37,419
Accumulated amortisation	(16,504)	(14,032)
Net carrying value	20,915	23,387

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Note 9 Trade and Other Payables

	2011	2010
	\$	\$
CURRENT		
Trade payables	63,288	173,749
Deferred income	26,295	33,244
Other current payables	183,545	141,696
Other members Debtor	6,395	10,256
	9(a) 279,523	358,945
NON-CURRENT		
Deferred income	11,686	13,525
	11,686	13,525

	2011	2010
	\$	\$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total Current	279,523	358,945
— Total Non-Current	11,686	13,525
	291,209	372,470
Less deferred income	(26,295)	(33,244)
Financial liabilities as trade and other payables	16 264,914	339,226

Note 10 Borrowings

	2011	2010
	\$	\$
CURRENT		
Lease liabilities	10,120	8,560
Hire Purchase liability	13,233	12,113
	23,353	20,673
NON-CURRENT		
Lease liabilities	31,577	41,697
Hire Purchase Liability	8,270	21,502
	39,847	63,199
TOTAL BORROWINGS	16 63,200	83,872

Note 11 Provisions

	2011	2010
CURRENT		
Short-term Employee Benefits	66,280	67,200
Balance at 31 March 2011	66,280	67,200
NON-CURRENT		
Long-term Employee Benefits	6,226	-
Balance at 31 March 2011	6,226	-

	2011	2010
	\$	\$
Analysis of Total Provisions		
Current	66,280	67,200
Non-current	6,226	-
	72,506	67,200

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 12 Events After the Reporting Period

No other matter or circumstance has 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.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Note 13 Key Management Personnel Compensation

	Short-term benefits \$	Post employment benefits \$	Other long-term benefits \$	Total \$
2011				
Total compensation	218,793	17,895	-	236,688
2010				
Total compensation	205,316	17,706	-	223,022

Note 14 Related Party Transactions

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

The following amounts were received by Directors during the financial year:

	2011 \$	2010 \$
Green, J	10,000	10,000

- (i) The Chairman is entitled to a \$10,000 annual emolument
- (ii) All directors are entitled to travel reimbursements when on board business and up to \$1,500 in telephone allowance per annum. These amounts are not included above

Note 15 Cash Flow Information

	Note	2011 \$	2010 \$
(a) Reconciliation of cash			
Cash at bank	4	1,488,137	1,495,824
		<u>1,488,137</u>	<u>1,495,824</u>
(b) Reconciliation of cash flow from operations with profit after income tax			
Profit after income tax		94,814	174,162
Non cash flows			
Depreciation and amortisation		70,364	62,280
Profit on sale of property, plant and equipment		-	341
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		(10,886)	3,913
Increase/(decrease) in trade and other payables		(81,261)	(852)
Increase in provisions		5,306	(18,271)
Decrease in inventories		(2,185)	(7,040)
Decrease in prepayments			
		<u>76,152</u>	<u>214,533</u>

Note 16 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable and leases.

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

	Note	2011 \$	2010 \$
Financial Assets			
Cash and cash equivalents	4	1,488,137	1,495,824
Loans and receivables	5	36,329	25,443
Total Financial Assets		<u>1,524,466</u>	<u>1,521,267</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	9(a)	264,914	339,226
— Borrowings	10	63,200	83,872
Total Financial Liabilities		<u>328,114</u>	<u>423,098</u>

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and equity price risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as its major source of revenue is membership and registrations.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 31 March 2011	Profit \$	Equity \$
+/- 1% in interest rates	5,530	5,530
+/- 1% in listed investments	-	-
Year ended 31 March 2010	Profit \$	Equity \$
+/- 1% in interest rates	3,875	3,875
+/- 1% in listed investments	-	-

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Footnote	2011		2010	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents (i)	1,488,137	1,488,137	1,495,824	1,495,824
Trade and other receivables (i)	36,329	36,329	25,443	25,443
Total financial assets	1,524,466	1,524,466	1,521,267	1,521,267
Financial liabilities				
Trade and other payables (i)	264,914	264,914	339,226	339,226
Borrowings	63,200	63,200	83,872	83,872
Total financial liabilities	328,114	328,114	423,098	423,098

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

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.
- (iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate debt will differ to carrying values.

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

Note 17 Reserves

a. Revaluation Reserve

The revaluation surplus records the revaluations of non-current assets.

Note 18 Entity Details

The registered office of the entity is:
Australian Stock Horse Society Limited
48 Guernsey Street
Scone
NSW 2337

The principal place of business is:
Australian Stock Horse Society Limited
48 Guernsey Street
Scone
NSW 2337

Note 19 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the entity. At 31 March 2011 the number of members was 8065.

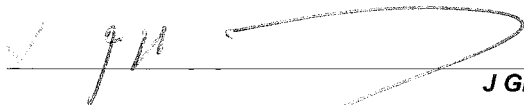
AUSTRALIAN STOCK HORSE SOCIETY LIMITED
ACN: 001 440 437
DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 3 to 18, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 March 2011 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.

Director



J Green

Director



G Gough

Dated this 8th day of June 2011

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

We have audited the accompanying financial statements of Australian Stock Horse Society Limited, which comprises the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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


Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Stock Horse Society Limited on [insert date], would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Australian Stock Horse Society Limited as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting

Name of Firm: Rose & Partners 

Name of Partner: Paul Heaton 

Address:

Dated this 9th day of June 2011

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
Compilation Report

Scope

On the basis of information provided by the Directors of the Australian Stock Horse Society Limited, we have compiled in accordance with APS 9: Statement of Compilation of Financial Reports the following special purpose financial report comprising detailed profit and loss statement and trading statements for the year ended 31 March 2011.

The specific purpose for which the special purpose financial report has been prepared is for the confidential use of directors and members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Australian Stock Horse Society Limited's constitution and are appropriate to the needs of the directors and members of the company.

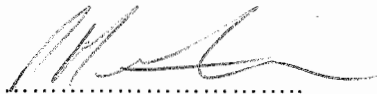
Our procedures use accounting expertise to collect, classify and summarize the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

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

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



Rose & Partners
Chartered Accountants



P. Heaton
Partner

Signed at: SCONE

Date: 8 JUNE 2011

AUSTRALIAN STOCK HORSE SOCIETY LIMITED

Profit and Loss Statement

For the year ended 31 March 2011

	2011	2010
	\$	\$
INCOME		
Membership Fees	1,010,965	956,176
Membership Other	2,915	3,087
Registration & Transfer Fees	462,265	451,403
Registrations Other	125,343	146,931
National Show	18,572	15,892
Futurity	15,915	3,805
Maturity	3,455	2,455
Maiden Series Campdraft	34,880	17,412
Open Challenge	7,145	5,509
Roll of Merit	518	561
Coaching	10,654	764
Youth	-	10,955
Cattle Insurance	8,500	11,786
Journal Trading	(82,523)	(98,057)
Merchandise Trading	32,699	25,636
Export	-	-
Interest	51,603	35,374
Sundry Income	4,199	5,301
TOTAL Income	1,707,105	1,594,990
EXPENSES		
Membership	14,170	18,153
Registration	21,577	16,278
National Show	68,269	43,744
Futurity	40,480	26,235
Maturity	7,966	11,057
Maiden Series Campdraft	18,254	20,304
Open Challenge	10,551	9,037
Roll of Merit	10,199	10,607
Polocrosse	4,268	4,589
Coaching & Judging	36,348	4,203
Youth	30,494	41,588
Cattle Insurance	1,002	1,412
Export	47,615	1,984
Administration Expenses	1,210,897	1,131,668
Board Expenses	90,202	79,969
Total Expenses	1,612,291	1,420,828
Operating Profit/(Loss)	94,814	174,162

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
 Trading Statements and Schedule of Board Expenses
 For the year ended 31 March 2011

	2011	2010
Trading Statements	\$	\$
Journal Operating Statement		
Income	194,891	158,729
Advertising	53,532	16,805
Other	248,423	175,534
Total	330,946	273,591
Less: Expenses		
	(82,523)	(98,057)
Net profit included in profit & loss statement		
Merchandise Trading Statement		
	98,146	88,313
Sales	61,865	55,460
Less: Cost of Sales	36,281	32,853
Gross Profit		
Less:	3,582	7,217
Advertising & Promotion		
Net profit included in the profit & loss statement	32,699	25,636
Board Expenses		
Directors Emolument	10,000	10,000
Travel	38,642	42,394
Accommodation	13,091	7,615
Meals	5,141	3,487
Sundry	4,555	5,726
Telephone	18,772	10,747
TOTAL Board Expenses	90,201	79,969

AUSTRALIAN STOCK HORSE SOCIETY LIMITED
Schedule of Administration Expenses
For the year ended 31 March 2011

	2011	2010
Administration Expenses	\$	\$
Accountancy & Audit Fees	19,797	12,500
Advertising	14,895	26,811
AGM Expenses	6,418	12,189
Amortisation	2,472	2,472
Bank Charges	13,693	14,778
Branches	80,288	45,970
Computer & Software	23,350	37,275
Depreciation	67,892	59,808
Donations	7,127	2,121
Electricity	10,214	9,540
Equipment – small	-	3,294
Freight & Cartage	609	1,058
Fringe Benefits Tax	957	1,130
Insurance	74,942	64,634
Interest Expense	7,361	4,374
Internet	4,922	4,078
Legal Costs	11,767	15,635
Motor Vehicle Expenses	8,674	11,894
Occupational Health & Safety	886	-
Postage	48,461	47,783
Printing & Stationary	24,093	54,567
Raffle Costs	895	1,905
Rates	2,418	2,284
Rental – Office Equipment	13,030	15,243
Repairs & Maintenance	16,660	20,968
Staff Amenities	3,577	3,814
Superannuation	61,163	53,791
Subscriptions	5,408	4,138
Telephone	9,563	10,278
Trademarks	4,790	-
Staff Training	181	-
Travel Expense	9,473	5,953
Wages	639,253	572,458
Work Cover Insurance	3,879	3,117
Sundry Admin Expense	11,789	5,808
TOTAL Admin Expenses	1,210,897	1,131,668

Notice of Annual General Meeting

The Annual General Meeting of The Australian Stock Horse Society will be held at Scone Race Club Saturday, 30th July 2011 at 10:00am. The programme will commence at 10:00am. Morning Tea and Lunch will be provided.

Contact details for Scone Race Club are as follows;

Address: Scone Race Club, 434 Bunnan Road, Scone, NSW 2337
Phone: (02) 6545 1607
Email: sconeraceclub@bigpond.com

RSVP: For catering purposes, please RSVP your name and Member number by Wednesday 20th July 2011 to Head Office
Email: info@ashs.com.au or
Phone: (02) 6545 1122.

Agenda

1. Welcome
2. Opening
3. Present
4. Apologies
5. Proxies
6. Confirmation of Minutes of the 2010 Annual General Meeting
7. Matters Arising from the Minutes
8. Chairman's Report
9. Treasurer's Report/Financial Report
10. Appointment of Auditors for 2011/2012
11. Board of Directors' Election Results

Special Resolutions

12. Motions to consider and if thought fit to pass:

Motion 1: HONORARY MEMBERS

The Board recommends that Article 14 of the Articles of Association be amended from the following:

14. Honorary Membership may be granted by the Board to a person or persons who have given extended professional services at limited or no cost to the Society. Honorary Membership so granted would not be to existing Members and would be granted on an Annual basis by the Board.

The Board recommends that Article 14 the Articles of Association be amended to the following:

14. Honorary Membership may be granted by the Board to a person or persons who have given extended professional services at limited or no cost to the Society. Honorary Membership so granted would not be to existing Members and would be granted on an Annual basis by the Board. **An Honorary Member has the right to attend all meetings of the Society but not the right to vote at any meeting.**

Motion 2: TERMINATION OF MEMBERSHIP

The Board recommends that Article 28.2 of the Articles of Association be amended from the following:

28.2. If he shall die or being a Company shall go into liquidation or shall have its registration cancelled or being a partnership or trust shall dissolve.

The Board recommends that the Article 28.2 Articles of Association be amended to the following:

28.2. **The estate of a deceased Member may by its legal personal representative, and a member that is a company now in liquidation may be its liquidator, continue as a member of the Society provided that the legal personal representative and/or the liquidator as the case may be of the Member shall give the Society notice in writing this regard. A partnership, trust or corporation shall not cease to be a Member by reason only of any change in the constitution of the partnership, trust or company.**

Motion 3: RE-ADMISSION TO MEMBERSHIP

The Board recommends that Article 31 of the Articles of Association be amended from the following:

31. Any applicant for re-admission to Membership shall pay to the Society in full all monies that may be due to the Society by him including any unpaid subscriptions outstanding at the termination of his Membership provided that the Board may approve the re-admission of an ex-member at a concessional rate.

The Board recommends that the Article 31 Articles of Association be amended to the following:

31. Any applicant for re-admission to Membership shall pay to the Society in full all monies that may be due to the Society by him including any outstanding at the termination of his Membership provided that the Board may approve the re-admission of an ex-member at a concessional rate.

Motion 4: ELECTION OF BOARD

The Board recommends that Article 37 of the Articles of Association be amended from the following:

37. Subject to the Act, any financial Full Member, Honorary Life Member, Life Member or, Honorary Member being a natural person over the age eighteen (18) years, or any natural person over the age of eighteen (18) years being the nominee of a Company, partnership or trust that is a Full Member may nominate or be nominated as a candidate for election to the Board.

The Board recommends that the Article 37 Articles of Association be amended to the following:

37. Subject to the Act, any financial Full Member, Honorary Life Member or Life Member being a natural person over the age eighteen (18) years, or any natural person over the age of eighteen (18) years being the nominee of a Company, partnership or trust that is a Full Member may nominate or be nominated as a candidate for election to the Board.

Motion 5: ELECTION OF BOARD

The Board recommends that Article 39 of the Articles of Association be amended from the following:

39. Nominations for election to the Board shall be by any two financial Full Members, Honorary Life Members, Life Members or Honorary Members being natural persons over the age of eighteen (18) years and shall be in writing in the manner prescribed by the Board and shall be forwarded to the General Manager and received no later than 4.30pm on the last business day of April preceding the election. Nominations shall be accompanied by the written consent of the Member nominated and shall contain such information as may be prescribed by the Board from time to time.

The Board recommends that the Article 39 Articles of Association be amended to the following:

39. Nominations for election to the Board shall be by any two financial Full Members, Honorary Life Members, Life Members or Honorary Members being natural persons over the age of eighteen (18) years and shall be in writing, **including facsimile and email**, in the manner prescribed by the Board and shall be forwarded to the General Manager and received no later than 4.30pm on the last business day of April preceding the election. Nominations shall be accompanied by the written consent of the Member nominated and shall contain such information as may be prescribed by the Board from time to time.

Motion 6: ELECTION OF BOARD

The Board recommends that Article 50 of the Articles of Association be amended from the following:

50. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be by any one of the Chairman, the Honorary Treasurer and any other person appointed by the Board for that purpose and countersigned by any one of the General Manager and any other person appointed by the Board for that purpose.

The Board recommends that the Article 50 Articles of Association be amended to the following:

50. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be by any one of the Chairman, Honorary Treasurer and any other person appointed by the Board for that purpose, or by any two of minimum four staff authorised by the General Manager for that purpose.

Motion 7: VACANCY ON THE BOARD

The Board recommends that Article 52.3 of the Articles of Association be amended from the following:

52.3. If he be absent from two (2) consecutive Meetings of the Board without applying for leave of absence in writing or by telegram or facsimile.

The Board recommends that the Article 52.3 Articles of Association be amended to the following:

52.3. If he be absent from two (2) consecutive Meetings of the Board without applying for leave of absence in writing.

Motion 8: PROCEEDINGS OF THE BOARD

The Board recommends that Article 68 of the Articles of Association be amended from the following:

68. Any Director shall give to the General Manager at least sixty days notice of any resolution which he intends to submit to a meeting of the Board but this provision shall in no way prejudice the right of any Director to raise any matter at a meeting of the Board without having given such notice.

The Board recommends that the Article 68 Articles of Association be amended to the following:

68. Any Director shall give to the General Manager at **least thirty days** notice of any resolution which he intends to submit to a meeting of the Board but this provision shall in no way prejudice the right of any Director to raise any matter at a meeting of the Board without having given such notice.

Motion 9: CHAIRMAN, SENIOR VICE-CHAIRMAN, VICE-CHAIR MAN AND HONORARY TREASURER

The Board recommends that Article 75 of the Articles of Association be amended from the following:

75. A Chairman, Senior Vice-Chairman, Vice-Chairman and Honorary Treasurer shall be elected annually by the Board, from amongst the Directors present at the first Meeting of the Board after the Annual General Meeting of the Society. The Chairman, Senior Vice-Chairman, Vice-Chairman and Honorary Treasurer shall hold Office until the close of the Annual General Meeting next succeeding the date of their election.

The Board recommends that the Article 75 Articles of Association be amended to the following:

75. A Chairman, Senior Vice Chairman, Vice Chairman and Honorary Treasurer shall be elected annually by the Board, from amongst the Directors present at the first Meeting of the Board after the Annual General Meeting of the Society. **Nominations can be accepted in writing.** The Chairman, Senior Vice-Chairman, Vice-Chairman and Honorary Treasurer shall hold Office until the **opening of the next Board meeting after the Annual General Meeting.**

Motion 10: GENERAL MEETINGS

The Board recommends that Article 79 of the Articles of Association be amended from the following:

79. The Board may convene an Extraordinary General Meeting of the members of the Society if, when and where it shall think it desirable to do so or if so directed by the Chairman or by a direction in writing to the General Manager signed by at least one hundred Honorary Life and/or Honorary and/or Life and/or Full Financial Members entitled to vote at a General Meeting. The direction shall specify the business to be brought before the Meeting and discussion at such Meeting will be strictly confined to the Business specified.

The Board recommends that the Article 79 Articles of Association be amended to the following:

79. The Board may convene an Extraordinary General Meeting of the members of the Society if, when and where it shall think it desirable to do so or if so directed by the Chairman or by a direction in writing to the General Manager signed by at least **one hundred (100) Honorary Life, Life and Full Financial Members** entitled to vote at a General Meeting. The direction shall specify the business to be brought before the Meeting and discussion at such Meeting will be strictly confined to the Business Specified.

Motion 11: PROXIES

The Board recommends that Article 97 of the Articles of Association be amended from the following:

97. No person shall be eligible for appointment as proxy to attend a General Meeting unless such person is an Honorary Life Member, Life Member, Honorary Member or Full Member of the Society entitled to vote.

The Board recommends that the Article 97 Articles of Association be amended to the following:

97. No person shall be eligible for appointment as proxy to attend a General Meeting unless such person is an **Honorary Life Member, Life Member or Full Member** of the Society entitled to vote.

Motion 12: PROXIES

The Board recommends that Article 94 of the Articles of Association be amended from the following:

94. The instrument appointing a proxy and the Power of Attorney of other authority if any under which it is signed or a notorially certified copy of that Power or authority shall be deposited at the Registered Office of the Society or at such other place as is specified for that purpose in the notice convening the Meeting not less than twenty four hours prior to the opening of the Meeting at which it is intended to be used and in default the instrument of proxy shall not be treated as valid.

The Board recommends that the Article 94 Articles of Association be amended to the following:

94. The instrument appointment a proxy and the Power of Attorney of other authority if any under which it is signed or a notorially certified copy of that Power of authority shall be deposited at the Registered office of the Society **in the notice convening the Meeting not less than 48 hours prior to the opening of the meeting at which it is intended to be used and in default the instrument of proxy shall not be treated as valid.**

Motion 13: ELECTION OF BOARD

The Board recommends that Article 39 of the Articles of Association be amended from the following:

39. Nominations for election to the Board shall be by any two financial Full Members, Honorary Life Members, Life Members or Honorary Members being natural persons over the age of eighteen (18) years and shall be in writing in the manner prescribed by the Board and shall be forwarded to the General Manager and received no later than 4.30pm on the last business day of April preceding the election. Nominations shall be accompanied by the written consent of the Member nominated and shall contain such information as may be prescribed by the Board from time to time.

The Board recommends that the Article 39 Articles of Association be amended to the following:

39. Nominations for election to the Board shall be by any two financial Full Members, Honorary Life Members, Life Members or Honorary Members being natural persons over the age of eighteen (18) years and shall be in writing in the manner prescribed by the Board and shall be forwarded to the General Manager and received no later than 4.30pm on the **last business day of April** preceding the election. Nominations shall be accompanied by the written consent of the Member nominated and shall contain such information as may be prescribed by the Board from time to time.

39.1. That nominations for election to the Board are released for public knowledge upon receipt.

Motion 14: VACANCY ON THE BOARD

The Board recommends that Article 55 of the Articles of Association be amended to include the following:

55.6. That if there is a vacancy on the board that seat remains vacant. Nominations will be called for this vacancy, closing on the 30th April next, in line with Society elections, to fill the vacancy for the remainder of that term.

13. Life Memberships

Motion 15: Mr Malcolm Field

That the recommendation from The Board for Honorary Life Membership for Mr Malcolm Field be accepted for presentation to the AGM in July 2011.

Motion 16: Mrs Judy Field

That the recommendation from The Board for Honorary Life Membership for Mrs Judy Field be accepted for presentation to the AGM in July 2011.

Motion 17: Ms Joy Poole

That the recommendation from The Board for Honorary Life Membership for Ms Joy Poole be accepted for presentation to the AGM in July 2011.

Motion 18: Mr Paul Lawson

That the recommendation from The Board of Honorary Life Membership for Mr Paul Lawson be accepted for presentation to the AGM in July 2011.

Motion 19: Mrs Robin Lawson

That the recommendation from The Board of Honorary Life Membership for Mrs Robin Lawson be accepted for presentation to the AGM in July 2011.

14. General Business

15. Close of Meeting

The Australian Stock Horse Society Limited

ABN 35 001 440 437 ACN 001 440 437

Proxy Form Annual General Meeting 30th July 2011

If you want to appoint a proxy, use this form and make sure that the General Manager receives it by 10am Friday 29th July 2011.

Step 1 - Your Details (please print)

Family Name _____ Given Names _____ ASHS Membership Number _____

Your Postal Address (please include postcode) _____

Step 2 - Proxy Details (Mark one box only, as shown here)

For the Annual General Meeting of The Australian Stock Horse Society Limited on 30th July 2011 and any adjournment of that meeting:

(a) I appoint the person I have named below as my proxy:

This person must be a Financial Member of The Australian Stock Horse Society Limited.

Your Proxy's Family Name _____ Their Initials _____ Their ASHS Membership Number _____ Their Postcode _____
or if an ASHS Director write 'Director'

OR

(b) I appoint the Chairman of the meeting (including any adjournment of the meeting) as my proxy vote for me on a poll in accordance with my instructions (if any) on this proxy form.

Step 3 - Voting Instructions

To direct your proxy how to vote on the resolutions set out in the Notice of Meeting, mark one box only for the items set out below. If you do not direct your proxy how to vote, your proxy may decide how to vote.

Where a person appointed as a proxy is not given instructions as to how to vote on this proxy form by you and the proxy chooses not to vote, the Chairman cannot vote as your alternative proxy.

1. I authorise my proxy to vote

Articles of Association

Motion 1 For Against (Amendments to Article 14)
Motion 2 For Against (Amendments to Article 28.2)
Motion 3 For Against (Amendments to Article 31)
Motion 4 For Against (Amendments to Article 37)
Motion 5 For Against (Amendments to Article 39)
Motion 6 For Against (Amendments to Article 50)
Motion 7 For Against (Amendments to Article 52.3)
Motion 8 For Against (Amendments to Article 68)
Motion 9 For Against (Amendments to Article 75)
Motion 10 For Against (Amendments to Article 79)

Motion 11 For Against (Amendments to Article 97)
Motion 12 For Against (Amendments to Article 94)
Motion 13 For Against (Amendments to Article 39)
Motion 14 For Against (Amendments to Article 55)

Life Membership

Motion 15 For Against (Life membership of Malcolm Field)
Motion 16 For Against (Life membership of Judy Field)
Motion 17 For Against (Life membership of Joy Poole)
Motion 18 For Against (Life membership of Paul Lawson)
Motion 19 For Against (Life membership of Robin Lawson)

the resolutions contained in the Notice to Members for the Annual General Meeting on 30th July 2011.

Step 4 - Your Signature

Member's Signature - For Full Membership only the Nominee may sign the Proxy Form



Australian Stock Horse SOCIETY

Now available on The Australian Stock Horse Society website

www.ashs.com.au

The Australian Stock Horse Society
PO Box 288, 48 Guernsey Street
SCONE NSW 2337

P (02) 6545 1122 F (02) 6545 2165 E info@ashs.com.au

www.ashs.com.au