



NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

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**NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529**

COMMITTEE'S REPORT

Your committee members submit the financial report of the National Cutting Horse Association of Australia Incorporated for the financial year ended 31 December 2017.

Committee Members

The name of each member of the committee during the year and if different, at the date of the report;

Wayne Baumann
James Dixon
Jackson Gray
Jamie Inglis
Fred Johnson
Lori Mackay
Nadean McKenna
Richard Prew
Peter Shumack
Phil Webb
Debera Wilson

Principal Activities

The principal activities of the association during the financial year were:

- To promote and administer the sport of cutting.

Significant Changes

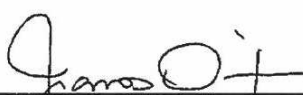
On 1st January 2018, the Association transferred its net assets to a company limited by guarantee being NCHA Ltd. NCHA Ltd will conduct all future activities.

Operating Result

The loss of the association after providing for income tax amounted to (\$216,445.79).

Signed in accordance with a resolution of the Members of the Committee.

Committee Member: 
Peter Shumack

Committee Member: 
James Dixon

Dated this 23rd day of February 2018.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
INCOME			
Cattle Hire		323,728.64	285,777.00
Day Fees		8,227.73	6,972.15
Diamond Deck		58,300.00	70,945.45
Entry Fees		763,796.65	702,081.90
Entry Penalty Fees		32,772.36	32,163.56
Equipment Hire		-	600.00
Fundraising		17,209.07	19,054.53
Funding - Equitana		-	20,000.00
Gate Takings		71,620.95	80,100.38
Interest Received		23,965.67	31,156.03
Judges Levies		36,528.48	-
Levies		89,968.46	77,650.87
Mechanical Cow		20,010.00	17,176.82
Member Facility Fees		113,071.95	93,153.17
Membership Fees		232,844.38	241,763.92
Merchant Fees Recovered		19,872.46	13,284.76
NCHA Chatta		123,685.35	176,483.71
NCHA Merchandise		63,435.35	65,711.75
Nomination Fees		58,900.00	45,900.00
Office Fees		130,440.13	112,348.45
Practice Pen		57,318.44	50,931.81
Pre Works		21,845.79	29,659.40
Programmes		10,409.15	10,366.45
Public Liability Insurance Levy		53,154.36	51,720.00
Schools & Clinics		5,181.70	46,640.81
Show Affiliation Fees		2,732.54	2,975.00
Site Fees - Camping		69,207.30	67,403.73
Site Fees - Traders		62,803.63	65,474.56
Sponsorship - Cash		225,720.22	242,198.20
Sponsorship - In Kind		132,132.35	140,048.37
Stables		225,686.25	180,345.80
Stallions - Eligible and Non-Eligible		16,400.00	15,983.64
Sundry Income		15,656.26	18,310.95
Transfer Fees		1,783.67	1,710.91
Video		27,581.20	22,627.04
Webcast		13,768.15	5,754.55
		3,129,758.64	3,044,475.67

The accompanying notes form part of these financial statements.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
EXPENDITURE			
Accountancy & Audit Fees		21,807.00	18,554.00
Advertising		83,547.11	92,092.86
Arena Expenses		62,675.89	46,338.84
Bad Debts Written Off		-	120.00
Bank Charges		18,152.75	13,417.81
Camping Expenses		6,195.45	4,422.73
Cattle Committee Expenses		12,408.00	11,643.05
Cattle Hire		280,060.45	243,049.47
Cleaning		11,618.50	9,757.79
Computer Expenses		14,022.90	8,856.60
Contract Staff		129,558.22	41,931.10
Depreciation		43,078.00	36,528.00
Diamond Deck		59,642.54	63,200.97
Directors Expenses		33,086.81	34,975.84
Donations		713.64	-
Drug Testing		1,496.60	1,072.29
Electricity & Gas		6,347.80	7,715.22
Entertainment Expenses		25,405.27	45,719.80
Freight & Cartage		2,207.12	1,679.08
Fuel & Oil		5,622.50	4,212.92
Gate Expenses		11,581.13	11,093.53
General Expenses		389.82	378.00
Hire of Plant & Equipment		101,334.69	87,497.93
Hire of Sites		121,158.63	115,421.93
Insurance - General		3,787.68	5,865.34
Insurance - Public Liability		53,505.72	53,505.72
Insurance - Workers Compensation		2,890.50	3,532.80
Judges Clinics		1,221.97	798.67
Judges Expenses		74,021.80	48,357.08
Legal Costs		4,175.60	2,930.00
Marketing		34,045.87	27,834.67
Medical Expenses		7,530.00	4,485.00
Meeting Expenses and Staff Amenities		2,999.79	5,904.26
Members Expenses		3,093.13	1,818.12
Merchandise		57,103.65	52,024.42
Monitor Judges Expenses		31,411.70	17,299.17
Motor Vehicle Expenses		2,583.34	7,418.66
NCHA Levies /Affiliate Expenses		31,990.47	26,745.76
NCHA Newsletter		148,314.83	151,437.38

The accompanying notes form part of these financial statements.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

Note	2017 \$	2016 \$
Printing, Postage & Stationery	30,707.26	29,623.70
Prizemoney	819,770.02	781,736.64
Program Expenses	19,537.82	20,398.24
Protrainer Clinic Expenses	-	48,424.13
Rates & Water	2,884.86	2,829.88
Repairs & Maintenance	3,809.36	1,004.00
Salaries, Wages & Superannuation	489,211.22	509,285.28
Sale Expenses	480.00	795.23
Sale Incentive	38,000.00	40,000.00
Security Costs	6,843.20	7,129.70
Sponsors	50,848.54	88,228.56
Stable Expenses	142,149.72	104,009.45
Staff Training & Recruitment	2,345.91	1,631.44
Subscriptions	145.45	1,688.83
Telephone	11,718.45	9,169.78
Travel & Accommodation	7,359.41	12,608.11
Trophies	158,554.69	156,071.53
Uniforms	6,370.24	-
Video & Photography	34,321.00	22,500.44
Website Expenses	3,600.00	2,678.37
Youth Expenses	6,760.41	9,912.71
	3,346,204.43	3,159,362.83
Loss before income tax	(216,445.79)	(114,887.16)
Loss for the year	(216,445.79)	(114,887.16)
Retained earnings at the beginning of the financial year	1,046,686.93	1,161,574.09
Retained earnings at the end of the financial year	830,241.14	1,046,686.93

The accompanying notes form part of these financial statements.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,105,935.84	1,396,794.83
Trade and Other Receivables	4	23,993.95	9,258.29
Inventories	5	34,789.39	34,251.16
Prepaid Expenses		52,968.06	31,051.84
TOTAL CURRENT ASSETS		217,687.24	1,471,356.12
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	295,063.44	296,891.44
Intangible Assets	7	9,605.36	9,605.36
TOTAL NON-CURRENT ASSETS		304,668.80	306,496.80
TOTAL ASSETS		1,522,356.04	1,777,852.92
LIABILITIES			
CURRENT LIABILITIES			
AUS/US Challenge		12,562.05	9,804.42
Trade and Other Payables		27,984.29	7,772.49
Sundry Creditors		15,510.82	-
GST Payable		31,073.64	41,640.95
PAYG Withholding Payable		3,460.00	5,688.00
Superannuation Payable		7,793.65	10,955.58
Provision for Staff Leave		31,601.31	53,209.96
Income in Advance		445,866.84	495,527.52
TOTAL CURRENT LIABILITIES		575,852.60	624,598.92
NON-CURRENT LIABILITIES			
Provision for Staff Leave		19,199.30	9,504.07
NON-CURRENT LIABILITIES		19,199.30	9,504.07
TOTAL LIABILITIES		595,051.90	634,102.99
NET ASSETS		927,304.14	1,143,749.93
MEMBERS' FUNDS			
Reserves	8	97,063.00	97,063.00
Retained Earnings	9	830,241.14	1,046,686.93
TOTAL MEMBERS' FUNDS		927,304.14	1,143,749.93

The accompanying notes form part of these financial statements.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from customers		3,046,808.01	3,142,841.02
Interest received		23,965.67	31,156.03
Payments to suppliers and employees		<u>(3,320,382.67)</u>	<u>(3,147,704.16)</u>
Net cash generated from (used in) operating activities		<u>(249,608.99)</u>	<u>26,292.89</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		-	10,000.00
Payment for property, plant and equipment		<u>(41,250.00)</u>	<u>(70,552.09)</u>
Net cash used in investing activities		<u>(41,250.00)</u>	<u>(60,552.09)</u>
Net decrease in cash held		(290,858.99)	(34,259.20)
Cash and cash equivalents at beginning of financial year		<u>1,396,794.83</u>	<u>1,431,054.03</u>
Cash and cash equivalents at end of financial year	3	<u>1,105,935.84</u>	<u>1,396,794.83</u>

The accompanying notes form part of these financial statements.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

The financial statements cover National Cutting Horse Association of Australia Incorporated as an individual entity. National Cutting Horse Association of Australia Incorporated is a not for profit Association incorporated in New South Wales under the Associations Incorporation Act 2009.

The functional and presentation currency of National Cutting Horse Association of Australia Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods 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.

2 Summary of Significant Accounting Policies

Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Property

Freehold land and buildings are shown at fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations less subsequent depreciation.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Plant and Equipment

Plant and equipment are carried at cost less any accumulated depreciation and any impairment losses.

Depreciation

The depreciation method and useful life used for items of property, plant & equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the Association. Depreciation commences from the time the asset is held ready for use. The depreciation method and useful life of assets are reviewed annually to ensure they are still appropriate.

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The association's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Impairment of Non-Financial Assets

At the end of each reporting period the Association determines whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over the recoverable amount is immediately recognised in the profit and loss statement.

Employee Benefits

Short-term Employee Benefits

Provision is made for the association's liability for short term employee benefits arising from services rendered by employees to the end of the reporting period. Short-term employee benefits are benefits (other than termination benefits) that are expected to be wholly settled within one year after the end of the reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled.

Other Long-term Employee Benefits

The Association classifies employees' long service leave and annual leave as other long-term employee benefits as they are not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Provision is made for the Association's obligation for other long-term employee benefits, which are measured at the present value of the expected future payment made to the employees. Upon the remeasurement of obligations of other long-term employee benefits, the net change in the obligation is recognised in the profit and loss.

The Association's obligations for long-term employee benefits are presented as non-current liabilities in its balance sheet, except where the Association, does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case obligations are presented as current liabilities.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, deposits at call with banks and other short term highly liquid investments with original maturities of twelve months or less.

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Interest revenue is recognised using the effective interest rate method.

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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 payables 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 balance sheet.

**NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
3 Cash and Cash Equivalents		
Cash on Hand	500.00	500.00
Cash at Bank	1,105,435.84	1,396,294.83
	<u>1,105,935.84</u>	<u>1,396,794.83</u>
4 Trade and Other Receivables		
Current		
Trade Debtors	23,993.95	9,258.29
	<u>23,993.95</u>	<u>9,258.29</u>
5 Inventories		
Current		
Stock on Hand	34,789.39	34,251.16
	<u>34,789.39</u>	<u>34,251.16</u>
6 Property, Plant and Equipment		
Land and Buildings		
Goonan Street, Tamworth	192,937.00	192,937.00
Less: Accumulated Depreciation	(29,193.00)	(27,786.00)
	<u>163,744.00</u>	<u>165,151.00</u>
Total Land and Buildings	<u>163,744.00</u>	<u>165,151.00</u>
Plant & Equipment	288,202.08	279,413.08
Less: Accumulated Depreciation	(156,882.64)	(147,672.64)
	<u>131,319.44</u>	<u>131,740.44</u>
Total Plant and Equipment	<u>131,319.44</u>	<u>131,740.44</u>
Total Property, Plant and Equipment	<u>295,063.44</u>	<u>296,891.44</u>
7 Intangible Assets		
Formation Expenses	9,605.36	9,605.36
Total	<u>9,605.36</u>	<u>9,605.36</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
8 Reserves		
Asset Revaluation Reserve	<u>97,063.00</u>	<u>97,063.00</u>
9 Retained Earnings		
Retained earnings at the beginning of the financial year	1,046,686.93	1,161,574.09
Net loss attributable to the association	<u>(216,445.79)</u>	<u>(114,887.16)</u>
Retained earnings at the end of the financial year	<u>830,241.14</u>	<u>1,046,686.93</u>

10 Subsequent Events

On 1st January 2018, the Association transferred its net assets to a company limited by guarantee being NCHA Ltd. NCHA Ltd will conduct all future activities.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

STATEMENT BY MEMBERS OF THE COMMITTEE


The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 13:

1. Presents a true and fair view of the financial position of National Cutting Horse Association of Australia Incorporated as at 31 December 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that National Cutting Horse Association of Australia Incorporated will be able to pay its debts as and when they fall due.

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

President:



Peter Shumack

Treasurer:



James Dixon

Dated this 23rd day of February 2018.

BROSIE MARTIN

CHARTERED ACCOUNTANTS

131 Marius Street, P.O. Box 418, Tamworth, N.S.W. 2340
Telephone: 02 67665866 Facsimile: 02 67665586
Email: office@bmb.net.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA ABN 48 860 509 529

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of National Cutting Horse Association of Australia Incorporated (the association), which comprises the balance sheet as at 31 December 2017, and the income and expenditure statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and management's assertion statement.

In our opinion, the accompanying financial report of the association for the year ended 31 December 2017 is prepared, in all material respects, in accordance with the Associations Incorporation Act (NSW) 2009.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the association to meet the requirements of the Associations Incorporation Act (NSW) 2009. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the association and should not be distributed to or used by parties other than the association. Our opinion is not modified in respect to this matter.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (NSW) 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.



Chartered Accountants

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

In preparing the financial report, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the committee, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Name of Firm: Brosie Martin
Chartered Accountants



Name of Partner:



Brian Brosie

Address: 131 Marius Street, Tamworth NSW 2340

Dated this 23rd day of February 2018.

**COMPILATION REPORT
TO NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529**

We have compiled the accompanying special purpose financial statements of National Cutting Horse Association of Australia Incorporated which comprise the balance sheet as at 31 December 2017, income statement, statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the additional information contained in the detailed profit and loss statements.

The specific purpose for which the special purpose financial statements have been prepared is set out in the notes to the accounts.

The responsibility of the committee of management

The Committee of Management of National Cutting Horse Association of Australia Incorporated is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our responsibility

On the basis of the information provided by the committee of management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315: Compilation of Financial Information.

We have applied professional expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee of management who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Name of Firm: Brosie Martin Barnett
Chartered Accountants

Name of Partner: _____
Robert Studte



Address: 131 Marius Street, Tamworth NSW 2340

Dated this 23rd day of February 2018.

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
GENERAL		
INCOME		
Day Fees	8,227.73	6,972.15
Entry Penalty Fees	-	454.55
Equipment Hire	-	600.00
Interest Received	23,903.01	31,098.49
Levies	80,697.46	68,781.87
Membership Fees	227,644.38	233,763.92
Merchant Fees Recovered	19,872.46	13,284.76
NCHA Merchandise	63,435.35	65,711.75
Public Liability Insurance Levy	53,154.36	51,720.00
Schools & Clinics	886.35	-
Sponsorship - In Kind	14,400.00	14,400.00
Sundry Income	5,729.08	7,107.57
Transfer Fees	1,783.67	1,710.91
	499,733.85	495,605.97
EXPENSES		
Accountancy & Audit Fees	21,807.00	18,554.00
Advertising	6,234.09	8,224.99
Bank Charges	18,152.75	13,417.81
Cleaning	3,290.00	2,661.84
Computer Expenses	12,264.76	8,856.60
Contract Staff	33,349.04	-
Depreciation	43,078.00	36,528.00
Directors Expenses	33,086.81	34,975.84
Donations	713.64	-
Electricity & Gas	3,773.80	3,122.95
Fuel & Oil	3,086.89	4,212.92
General Expenses	389.82	378.00
Insurance - General	3,787.68	5,865.34
Insurance - Public Liability	53,505.72	53,505.72
Insurance - Workers Compensation	2,890.50	3,180.31
Judges Clinics	1,185.61	798.67
Legal Costs	3,675.60	2,930.00
Marketing	4,887.81	3,164.63
Medical Expenses	330.00	-
Meeting Expenses and Staff Amenities	2,925.84	3,874.33
Members Expenses	3,093.13	1,818.12
Merchandise	57,103.65	52,024.42
Motor Vehicle Expenses	2,583.34	7,418.66

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Printing, Postage & Stationery	27,962.64	28,080.00
Rates & Water	2,884.86	2,829.88
Repairs & Maintenance	3,664.36	1,004.00
Salaries, Wages & Superannuation	465,913.24	466,079.10
Security Costs	930.00	835.00
Staff Training & Recruitment	2,345.91	1,558.18
Subscriptions	145.45	1,688.83
Telephone	11,718.45	9,169.78
Travel & Accommodation	934.31	4,457.03
Trophies	14,400.00	18,198.42
Uniforms	1,181.36	-
Website Expenses	1,000.00	(200.45)
	<u>848,276.06</u>	<u>799,212.92</u>
NET LOSS	<u>(348,542.21)</u>	<u>(303,606.95)</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
FUTURITY		
INCOME		
Cattle Hire	188,968.56	154,909.32
Diamond Deck	58,300.00	70,945.45
Entry Fees	645,319.13	571,927.16
Entry Penalty Fees	32,772.36	31,709.01
Gate Takings	71,620.95	78,553.10
Judges Levies	36,528.48	-
Mechanical Cow	13,430.00	11,820.00
Member Facility Fees	113,071.95	93,153.17
Office Fees	79,149.19	61,581.79
Practice Pen	35,225.44	31,165.00
Pre Works	-	12,613.95
Programmes	8,290.94	7,995.45
Schools & Clinics	4,295.35	6,886.22
Site Fees - Camping	43,727.36	46,804.65
Site Fees - Traders	62,003.63	60,854.56
Sponsorship - Cash	155,821.51	170,824.99
Sponsorship - In Kind	108,545.90	116,697.00
Stables	111,877.03	100,280.60
Sundry Income	4,818.18	2,284.64
Video	11,540.91	10,640.00
Webcast	11,318.15	5,754.55
	1,796,625.02	1,647,400.61
EXPENSES		
Advertising	44,494.03	51,458.51
Arena Expenses	27,243.95	37,304.77
Cattle Committee Expenses	8,167.50	7,947.05
Cattle Hire	143,825.00	131,397.30
Cleaning	8,328.50	7,095.95
Computer Expenses	258.14	-
Contract Staff	72,657.36	28,505.10
Diamond Deck	59,429.67	61,662.61
Drug Testing	1,224.49	1,072.29
Electricity & Gas	2,574.00	4,592.27
Entertainment Expenses	17,459.82	38,547.07
Freight & Cartage	1,042.16	354.67
Fuel & Oil	2,455.24	-
Gate Expenses	11,581.13	11,093.53
Hire of Plant & Equipment	97,986.51	79,734.73

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Hire of Sites	82,851.82	82,279.09
Insurance - Workers Compensation	-	352.49
Judges Clinics	36.36	-
Judges Expenses	52,444.52	34,889.84
Legal Costs	500.00	-
Marketing	16,171.28	17,760.00
Medical Expenses	4,550.00	4,485.00
Meeting Expenses and Staff Amenities	73.95	2,029.93
Monitor Judges Expenses	19,276.25	11,949.78
NCHA Levies /Affiliate Expenses	31,261.97	26,245.76
Printing, Postage & Stationery	2,744.62	463.22
Prizemoney	627,747.23	561,775.52
Program Expenses	14,147.19	14,194.24
Salaries, Wages & Superannuation	16,876.20	33,714.46
Security Costs	5,913.20	6,294.70
Sponsors	47,212.18	83,464.92
Stable Expenses	58,709.13	40,560.36
Travel & Accommodation	819.63	3,385.46
Trophies	115,068.59	110,149.15
Uniforms	5,188.88	-
Video & Photography	19,120.00	11,345.45
Website Expenses	2,600.00	2,481.82
	1,622,040.50	1,508,587.04
NET PROFIT	174,584.52	138,813.57

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
NATIONAL FINALS		
INCOME		
Cattle Hire	73,000.82	61,432.79
Entry Fees	50,412.95	42,545.94
Levies	9,271.00	8,869.00
Mechanical Cow	5,100.00	3,520.00
Office Fees	25,050.00	21,059.00
Practice Pen	15,760.00	11,980.00
Pre Works	21,845.79	17,045.45
Programmes	-	15.46
Site Fees - Camping	16,399.99	14,917.28
Site Fees - Traders	300.00	1,620.00
Sponsorship - Cash	11,791.20	7,145.94
Sponsorship - In Kind	650.00	1,031.82
Stables	72,172.70	51,212.73
Sundry Income	5,281.73	2,594.25
Video	8,917.41	5,184.79
	315,953.59	250,174.45
EXPENSES		
Advertising	10,835.54	11,884.00
Arena Expenses	24,845.30	4,022.99
Cattle Committee Expenses	3,787.50	3,696.00
Cattle Hire	69,352.00	47,482.50
Contract Staff	21,500.00	12,926.00
Drug Testing	272.11	-
Entertainment Expenses	7,945.45	7,172.73
Freight & Cartage	156.89	119.59
Hire of Plant & Equipment	2,048.18	5,173.70
Hire of Sites	34,515.90	28,388.30
Judges Expenses	8,302.05	6,483.91
Marketing	4,452.34	1,554.55
Medical Expenses	2,650.00	-
Monitor Judges Expenses	2,188.18	2,440.91
Printing, Postage & Stationery	-	313.30
Prizemoney	85,567.23	71,136.03
Program Expenses	-	440.00
Repairs & Maintenance	145.00	-
Salaries, Wages & Superannuation	6,421.78	9,491.72
Stable Expenses	32,150.36	20,951.00
Staff Training & Recruitment	-	73.26
Travel & Accommodation	1,187.64	695.46

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Trophies	11,487.08	12,623.35
Video & Photography	<u>7,500.00</u>	<u>6,157.72</u>
	<u>337,310.53</u>	<u>253,227.02</u>
NET LOSS	<u>(21,356.94)</u>	<u>(3,052.57)</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<hr/>		
NYCHA		
INCOME		
Fundraising	17,209.07	19,054.53
Interest Received	62.66	57.54
Sundry Income	267.27	-
	<hr/>	<hr/>
	17,539.00	19,112.07
EXPENSES		
Advertising	1,527.27	1,118.18
Freight & Cartage	-	498.00
Hire of Plant & Equipment	-	136.36
Marketing	1,152.97	-
Trophies	-	360.00
Youth Expenses	6,760.41	9,912.71
	<hr/>	<hr/>
	9,440.65	12,025.25
NET PROFIT	<hr/>	<hr/>
	8,098.35	7,086.82

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<hr/>		
EQUITANA CUTTING		
INCOME		
Cattle Hire	-	2,181.80
Entry Fees	-	20,000.00
Funding - Equitana	-	20,000.00
Office Fees	-	5,400.00
Stables	-	160.00
Video	-	400.00
	<hr/>	<hr/>
	-	48,141.80
EXPENSES		
Cattle Hire	-	3,600.00
Hire of Plant & Equipment	-	703.14
Judges Expenses	-	400.00
Marketing	-	1,600.00
Prizemoney	-	40,000.00
Travel & Accommodation	-	2,103.80
Website Expenses	-	45.00
	<hr/>	<hr/>
	-	48,451.94
NET LOSS	<hr/>	<hr/>
	-	(310.14)

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
VICTORIAN FUTURITY		
INCOME		
Cattle Hire	49,805.00	52,815.00
Entry Fees	54,681.92	51,544.99
Gate Takings	-	1,547.28
Mechanical Cow	1,480.00	1,836.82
Office Fees	17,836.36	16,363.60
Practice Pen	6,333.00	7,786.81
Programmes	-	105.46
Site Fees - Camping	9,079.95	5,681.80
Site Fees - Traders	500.00	3,000.00
Sponsorship - Cash	25,513.63	29,227.27
Sponsorship - In Kind	8,536.45	7,919.55
Stables	40,136.52	25,113.84
Sundry Income	(440.00)	5,292.49
Video	5,781.82	5,434.21
Webcast	2,450.00	-
	221,694.65	213,669.12
EXPENSES		
Advertising	9,572.54	11,982.91
Arena Expenses	9,923.23	4,452.67
Bad Debts Written Off	-	120.00
Camping Expenses	6,195.45	4,422.73
Cattle Hire	59,155.45	47,657.67
Contract Staff	2,051.82	500.00
Diamond Deck	212.87	1,538.36
Freight & Cartage	75.64	101.46
Fuel & Oil	80.37	-
Hire of Plant & Equipment	1,300.00	1,000.00
Hire of Sites	3,790.91	4,754.54
Judges Expenses	11,275.23	6,583.33
Marketing	3,752.30	1,915.03
Monitor Judges Expenses	-	2,908.48
Printing, Postage & Stationery	-	739.91
Prizemoney	74,401.00	69,452.37
Program Expenses	-	1,000.00
Sponsors	3,636.36	4,763.64
Stable Expenses	26,717.50	23,174.09
Travel & Accommodation	4,417.83	1,966.36
Trophies	9,093.18	7,881.55

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Video & Photography	6,201.00	4,997.27
Website Expenses	-	275.00
	<u>231,852.68</u>	<u>202,187.37</u>
NET PROFIT (LOSS)	<u>(10,158.03)</u>	<u>11,481.75</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<hr/>		
CHATTA		
INCOME		
NCHA Chatta	<u>123,685.35</u>	<u>176,483.71</u>
EXPENSES		
NCHA Newsletter	<u>148,314.83</u>	<u>151,437.38</u>
NET PROFIT (LOSS)	<u>(24,629.48)</u>	<u>25,046.33</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
SELECT SALE		
INCOME		
Nomination Fees	58,900.00	45,900.00
Programmes	2,118.21	2,250.08
Sponsorship - Cash	32,593.88	30,000.00
Stables	1,500.00	3,509.09
	<u>95,112.09</u>	<u>81,659.17</u>
EXPENSES		
Advertising	4,283.64	4,333.36
Arena Expenses	663.41	558.41
Cattle Hire	480.00	-
Computer Expenses	1,500.00	-
Freight & Cartage	80.00	80.00
Marketing	1,458.79	807.28
Program Expenses	5,390.63	4,764.00
Sale Expenses	480.00	795.23
Sale Incentive	38,000.00	40,000.00
Stable Expenses	24,572.73	19,324.00
	<u>76,909.20</u>	<u>70,662.28</u>
NET PROFIT	<u>18,202.89</u>	<u>10,996.89</u>

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<hr/>		
AFFILIATES		
INCOME		
Show Affiliation Fees	2,732.54	2,975.00
Sundry Income	-	1,032.00
	<hr/>	<hr/>
	2,732.54	4,007.00
EXPENSES		
Freight & Cartage	761.34	525.36
Marketing	145.16	-
Monitor Judges Expenses	9,947.27	-
NCHA Levies /Affiliate Expenses	728.50	500.00
Printing, Postage & Stationery	-	27.27
Trophies	6,212.30	4,059.45
	<hr/>	<hr/>
	17,794.57	5,112.08
NET LOSS	<hr/>	<hr/>
	(15,062.03)	(1,105.08)

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
BREEDERS INCENTIVE		
INCOME		
Cattle Hire	11,954.26	14,438.09
Entry Fees	13,382.65	16,063.81
Office Fees	8,404.58	7,944.06
Sponsorship - Cash	-	5,000.00
Stallions - Eligible and Non-Eligible	16,400.00	15,983.64
Video	1,341.06	968.04
	51,482.55	60,397.64
EXPENSES		
Advertising	6,600.00	3,090.91
Cattle Committee Expenses	453.00	-
Cattle Hire	7,248.00	12,912.00
Freight & Cartage	91.09	-
Hire of Plant & Equipment	-	750.00
Judges Expenses	2,000.00	-
Marketing	2,025.22	1,033.18
Prizemoney	32,054.56	39,372.72
Trophies	2,293.54	2,799.61
Video & Photography	1,500.00	-
Website Expenses	-	77.00
	54,265.41	60,035.42
NET PROFIT (LOSS)	(2,782.86)	362.22

NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529

DEPARTMENTAL TRADING, PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
<hr/>		
PROTRAINER CLINIC		
INCOME		
Membership Fees	5,200.00	8,000.00
Schools & Clinics	-	39,754.59
Stables	-	69.54
	<u>5,200.00</u>	<u>47,824.13</u>
EXPENSES		
Protrainer Clinic Expenses	-	48,424.13
	<u>-</u>	<u>48,424.13</u>
NET PROFIT (LOSS)	<u>5,200.00</u>	<u>(600.00)</u>

**NATIONAL CUTTING HORSE ASSOCIATION OF AUSTRALIA INCORPORATED
ABN 48 860 509 529**

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Peter Shumack of 217 Tullamore Road, Loomberah, NSW 2340, certify that:

- (a) I attended the annual general meeting of the association held on 20th March 2018.
- (b) The financial statements for the year ended 31 December 2017 were submitted to the members of the association at its annual general meeting.

Dated this 20th day of March 2018.

Committee Member: _____
Peter Shumack