BROSIE MARTIN BARNETT
CHARTERED ACCOUNTANTS

PO Box 418
131 Marius Street
Tamworth NSW
2340

Phone
(02) 6766 5866

Facsimile
(02) 6766 5586

Email
office@bmb.net.au

Partners
David Barnett CA
Robert Taggart CA
Robert Studte CA

Auditors Report for the year ended 31 December 2020

The Financial Report has been audited by Brosie Martin Barnett Chartered Accountants and we have issued an unqualified audit report in regards to these financials.

Financial Results Overview:-

The final operating result for the year was a profit of $100,478. This follows a profit in the 2019 year of $106,818 after a loss of $120,221 in the 2018 year.

We wish to note that the entities financial position and performance has been heavily impacted by the COVID-19 pandemic.

During September 2020, the freehold land and buildings owned by the company at 15 Goonan Street Tamworth were sold. The carrying value of this property was $160,904. With the net sale proceeds of $247,570 (after commission and other selling costs paid), the one off profit realised on this sale was $86,666 and this is included in the profit on sale of assets as contained in the detailed income statement (page 26).

After adding back this one off property sale, the net trading result was a profit of $13,812. Due to the COVID-19 pandemic, the company was entitled to receive government assistance, which included Cash Flow Boost and JobKeeper payments. These are included as income in the detailed profit and loss. This assistance was provided to cover overheads and other operational expenses (inc. wages) due to restricted trading and event hosting during the pandemic.

For the members' information, we note the following areas:-

Income

- Government Assistance received was $183,168;
- Sponsorship (both Cash and In-Kind) decreased significantly (96%) due to the Futurity not proceeding in the 2020 year;
- Membership fees received were also lower by $40,928;
- Total event income (inc. Entry Fees, Cattle Hire, Stable Fees, Office Fees, Diamond Deck, Camping Site Fees, Trade Site Fees and Public Liability) have decreased due to events not proceeding. Please note that the refund of entry fees is included in the expenses section under refunds.

Expenses

- Many expenses categories are significantly lower and the reductions are attributed to the cancellation of the 2020 Futurity;

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

- Due to the sale of 15 Goonan Street and the subsequent relocation of the office, there were expenses incurred of $8,414. Under the Australian Accounting Standards, the right to the use of the asset (head office) is amortised over the term of the lease. The net rental cost is included as depreciation in the detailed profit and loss (Office Rent – Depreciation). The cost for the 2020 year was $18,525;
- Salaries, Wages and Superannuation expenses have decreased by 22.4% due to changes in the overall staffing requirements. Additional casual staff for events were also not required;
- Director's costs and travel and accommodation are significantly less due to COVID-19 restrictions and the use of technology to facilitate meetings.

Should any directors or members have specific queries or questions they would like answered from the Financial Reports and information provided, please don't hesitate to contact our office.

We once again wish to thank Tim, Tanya and the staff of NCHA Limited for their assistance and availability during the completion of the audit for the 2020 year. With hopefully the worst of the COVID-19 pandemic behind us, we look forward to return to a more normal trading year in 2021.

Robert Studte
Partner
Brosie Martin Barnett