



ANNUAL REPORT

2011

PRESIDENTS REPORT

To our Members,

On behalf of the Board of Directors of the AQHA please accept the following statement of position for the Association year 2010/2011.

The overall financial result for the trading year was an excellent achievement given the extreme difficulties members dealt with throughout the year. While revenue was down 2%, costs savings to operations were down by 6%. This was significant, due mainly to the commitment in the way the office managed the budget and in accordance with the business plan. Harry van Dyk will elaborate further in the Treasurers report.

The construction of the AQHA corporate office and Heritage centre were completed this year and the funding of this milestone was by cash reserves and the liquidation of some assets. The centre is now fully owned and unencumbered and this is a credit to the whole Association and the strength within.

Also I would like to thank the whole Board for their cooperation and achievements throughout the year. The cohesive structure of the Board was very pleasing.

Finally our AQHA Staff at Tamworth should be acknowledged for their work ethics on behalf of the Board for the benefit of the members.

Regards
Peter John Bellden

TREASURERS REPORT

Dear Members,

The AQHA achieved a \$195,172 positive operating surplus for the trading year from a total income of \$2,402,481 and expenses of \$2,207,309.

This is a good trading result considering the economic climate and the challenges facing all associations. The AQHA continued to fund an ever growing National Championship (Q11) program as well as maintaining high service levels to members. Credit has to go to our AQHA Management in delivering an outcome that was almost 100% correct in budgeting the income with expenditure being held to \$158,760 below the previous year.

Major items for the year included the completion of our AQHA Office and Heritage Centre at AELEC in Tamworth. The Association managed to pay for the construction of the building from retained and realised funds. These funds included the sale of our previous real estate holdings in Tamworth -11 Darling Street and 131Gunnedah Road. The Board continued to assert that it was appropriate to sell these sites in order to ensure that the Association maintained a positive cash surplus. At the close of the trading year we still have liabilities (payments yet to be made) to the Tamworth Regional Council for the completion of the land sale to the AQHA of \$267,300 and the final payment to the builder in the way of a retained amount of \$33,152.04.

My personal thanks go to the Board and the AQHA staff for their ongoing support and efforts in a year that has also seen the Association finally deliver a new AQHA Office and Heritage Centre – a long term dream for many in the AQHA.

Regards
Harry van Dyk

NATIONAL SHOW REPORT

Q11 was another great success for the AQHA, with increased entries and prize money, and offering 2 American Judges to officiate. The Show ran over the 10 days in April at AELEC. Unfortunately the campdraft was not as successful as in Q10. The Cutting and Super Cow horse saw some great competition.

The 2nd week of Q11, Western and English events, saw entries increase in some classes by over 100%. Thank you to the members for their support.

Plans are moving ahead for Q12 and the prize money has been increased in most of the Open and Amateur classes and for the first time ever that I can remember we are offering a small amount of jackpot prize money for youth events.

Thanks must go to the AQHA office staff for producing such a high quality event.

Regards
Trish Wettenhall

HALL OF FAME

Dear Members,

As convener of the AQHA Hall of Fame sub-committee I have great pleasure in reporting what we have tried to do over this year. As you are all aware, the AQHA, through my sub-committee, looks at all the organisations, people and horses and evaluates their impact and contribution to our breed.

We have looked at many who, through the passing of the years, may have escaped our consideration. It is now over 50 years since the Quarter Horse came to this country so the sub-committee has a lot of information to look through, not only for Hall of Fame nomination, but also for both the Medals of Esteem and Excellence. We have tried to evaluate the individual contributions and make our recommendations to the Board with the utmost care and unbiased opinion.

We have looked at the heritage value for those who were contributing so much in the 1960s and 70s due to the fact in those days evaluation of their impact through objective measure was impossible as there was virtually no point scoring. It was through this process that we put to the Board two Hall of Fame nominations and one Medal of Excellence.

These nominees have done their bit towards the development of the Quarter Horse in Australia and they will be revealed at the Annual awards night in Sydney this October.

The sub-committee continues to look at as many possible nominees from the earlier years to make sure we do not miss some worthy recipient. We welcome any input from the membership because I am sure that there will be people or horses which we may miss.

Kind regards,
Peter Stuart-Fox

AFFILIATE REPORT

Hello Affiliates and Members,

This past year has been productive for our Affiliates. I have enjoyed being your Affiliate Director and helping to implement some new ideas and changes for the benefit of all Affiliates.

We have been able to introduce another option to the Affiliate entitlements, which has been the one off option to obtain a computer program to run your shows, "Show Me". This package is in place of your normal benefits from the entitlement program, for the year and comes with full back up and with help from the office. Please be aware that if you are already running the 'Show Me' program at your club, the office is available for any trouble shooting problems you may have.

The Board and office are in the process of putting together data sheets that can be downloaded from the AQHA website as reference for your workers on show day. It has been apparent when talking to different Affiliates that these data sheets would be of great assistance when seeking volunteers help.

The option of having the AQHA office involved in running each State Show has been very well received. The idea of having the AQHA process all entries and stabling for the Affiliates will lighten the work load of running the show. The AQHA have kindly offered their Staff to officiate as Show Secretary for the event, which is a saving of time and money to the Affiliate running the show. I urge all Affiliates who are tendering for the State show consider this option.

I would also like to remind all members that you're local Affiliates are volunteers, donating their time and efforts to run the Shows and Events for you, the member, and need to be commended on their efforts.

Finally, I wish to thank the membership for their support over the past year while I have been the Affiliate Director.

Kind Regards
Liz Keating

MARKETING/SPONSORSHIP REPORT

At Equitana 2011, the AQHA launched its new product branding and logo, the black and white theme was very popular with new and old members.

There was a great presence of the Quarter Horse at Equitana, I was able to secure training/Information sessions in the demonstration arenas to promote the Quarter Horse and their talents. These demonstrations covered Halter, Reining, Western Pleasure and Hunter, from an AQHA Judges and Trainers perspective. In total we had 3 sessions which were all well supported by spectators.

We have employed new staff to help co coordinate our Marketing and Sponsorship. I believe this will see a much broader promotion of AQHA and our great horse. Together we have already secured Bullzye as a major Youth World Cup sponsor and also other Tran Tasman and National Show sponsors.

Regards
Trish Wettenhall

AMATEUR REPORT

Dear Members,

Our Amateur Division is in a very healthy position thanks to the tireless efforts of the Amateur Sub-Committee.

The Nationals in Tamworth were very well attended and the competition very intense. The numbers in our Select Amateur classes were huge and the competition and camaraderie of competitors in these classes was what, I believe, our Industry is all about.

2011 is also the year of the Trans Tasman Amateur Challenge. Judging by the number of applications received it appears to me that the concept has been wholeheartedly accepted by the Amateurs. Thanks to all those who applied and congratulations to the six team members selected. We now look forward to success and lots of fun in New Zealand from the 4th to the 9th October, 2011.

It was also pleasing to see the Amateurs (even those who had not put in an application) join in our fund raising venture at the Nationals. My sincere thanks to you all, it wasn't easy work.

Thanks all and happy showing.

Terry McSweeney

JUDGING AND NON-TRADITIONAL REPORT

Over the past 12 months we have seen an increase in entries at AQHA competitions which keep our judges very busy. Part of the judge's committee duty is to ensure that the AQHA is providing a sound educational system for our judges to either update or upgrading. For the first time in many years we were able to hold a NSW judges seminar which was very well attended and as a result we had five new associate judges approved and an accredited upgrade. This is very pleasing and the judges committee is looking forward to working with those new judges over the next few years. What was also very exciting was that we had a number of youth attend the clinic which we offer free of charge to them.

The committee have also implemented Judging Training Weekends which are run by AQHA Affiliates and the first of these was held in Tasmania in August 2011 (STQHA) and in WA towards the end of the year. If affiliates are interested to learn more about these please feel free to contact the judges committee. Thank you to AQHA Staff at the office for your great efforts.

In the area of Non Traditional events we have certainly seen a large increase in the number of QH competing in dressage and hacking at the Nationals and State Championships which is tremendously pleasing. We are also still driving the \$2000 incentives at major non-traditional competitions. This will be a steady process of building a name and reputation in the fields - but as we all know the QH can do it. We are looking forward to bigger and better things in this area in 2011-2012.

Regards
Simon Myers

YOUTH REPORT

Well another year is over and it seems to have gone so quickly, in this report I would like to briefly cover all that has happened this year, and what I have been working on.

Firstly we have introduced Youth Judging at all State Shows from 1st August 2011 plus the Nationals. We have included this event as a high point class which worked very well at the Nationals and hopefully the state affiliates will get behind this class and it will be a success everywhere whilst improving education in our industry.

The development of the AQHA Professional Horse Persons Group, with qualifications and criteria, is nearing finalisation and we would hope to have this done by the end of the year.

The Youth Trans Tasman Team is off to New Zealand in October and they were able to train and get to know each other at the YWC selection camp. Everything is organised for the trip and we wish all team members the best of luck.

The YWC camp went off extremely well, all 17 youth had a great time and the only ones that had it tough were the selectors, as all youth stepped up and demonstrated their talents. The announcement of the YWC Team was made at the end of August and the team with their Coach and Manager will be travelling to Germany in July 2012.

We have established the criteria for the Youth World Show (USA) so if any of our youth are interested in competing at the AmQHA Youth World, they can contact the AQHA Office for details. The AmQHA allows 4 youth from Australia to compete each year.

Kind Regards
Kim Johnson

INTERNATIONAL REPORT

The year 2010/2011 has been steady on the International front. A new application for registration from the American Quarter Horse Association has made it easier for our Australian members to register their horses in the USA, if eligible, and is available through the AQHA office in Tamworth. The registry department is only too happy to assist with American registrations on behalf of our members.

The American Quarter Horse Convention was held in March in Dallas, and was a great forum of ideas and rule changes that are going through the American Quarter Horse Association. As a participant of the International forum, as well as being the elected Director for Oceania, it was fantastic to interact with members of Quarter Horse Associations from around the globe. At this convention I put forward some questions that the Australian membership requested, and as a result of this I am currently on a task force that is looking at accessing membership benefits for American QHA members around the world, the same as are achieved by its members in the USA. The new directions that the American QHA are looking too were laid out at the General membership meeting, and some new and innovative showing programs were also put out to the 250 odd directors plus members that were at the convention.

The American Quarter Horse shows, that have been held at most State Championship shows as well as at Q11. They have been a great success, and we look forward to participation in the classes in all events on the American program continuing to grow. The assistance from AQHA to run these American classes has been well received nationally.

At Q11, the General Meeting for American QHA members was held and it was well attended. The minutes of this meeting are available on the AQHA web site for anyone interested in accessing these. There will be another General Meeting again at Q12.

As always, I am here to answer any questions that you may have, so please don't hesitate to contact me for anything you may want to know with regard to International affairs.

Kind Regards
Pauline Stuart-Fox

STUD BOOK REPORT

2011 has seen a steady continuance of the numbers in registrations and membership as the previous year. This shows a strong support for the registration of Quarter Horses in Australia.

In March of this year, there was a meeting held at the new AQHA office building in the AELEC precinct at Tamworth, of interested parties with regard to the ongoing management of HERDA within the AQHA registry.

24 AQHA members were present at this forum, as well as many written submissions regarding the direction that members wished to go with HERDA. The outcome of this meeting was then deliberated by the Stud Book sub- committee, and the recommendation from the sub-committee was then presented to the AQHA Board. The decision by the AQHA Board was that overseas horses, as well as semen from overseas stallions, that are HERDA carriers are eligible for registration with AQHA, as long as they fulfil all other registration requirements as laid out in the AQHA rule book. Any horse that is HERDA afflicted is ineligible for registration, and all horses with lineage to Poco Bueno must be tested and the results of the testing will go on the registration papers, on the web site, and is available for any interested party to know. The results of any genetic testing that is required by AQHA, must accompany any advertising of a Quarter Horse in the Quarter Horse magazine, the AQHA's official publication.

The Stud Book is an important section of the AQHA, and the AQHA Board continues to look at all aspects of the rules and regulations with a view to fulfilling the mission statement of the AQHA : "To record and preserve the pedigrees of the Australian Quarter Horse whilst maintaining the integrity of the breed."

It has been a pleasure to be the Stud Book Convenor for the past year, and I look forward to serving the members of the AQHA in 2012.

Kind regards,
Pauline Stuart-Fox

REPORT FROM R GLEN

Dear Members,

Another term draws to a close and I am sure you will agree that the last 12 months has seen several major developments for the AQHA as a whole. The main one would be the members owned building which if you have seen the office, you must agree that the AQHA now has a home which will suit them for many years in the future as it allows for growth as well as expansion if needed.

Q11 was a great success and Q12 looks like being another great show for members to look forward too. The stud book has seen some new genetic issues looming which will be dealt with to protect the integrity of our breed as has been done in the past.

The office staff has excelled themselves again over the past 12 months and as always they are ready and able to help members with any problems which they may have.

The magazine is now back in the Tamworth office where it will be compiled and it's great to see it home at last. The Quarter Horse industry as a whole looks very strong in the harder times that we have seen recently which is encouraging. The cutting and performance horses are holding their own quite well but the halter side of the industry seems to need a helping hand. I would encourage anyone with any suggestions on how to get this back to its former glory to offer their thoughts on this matter.

The Amateurs as well as the Select Amateurs have seen growth in their ranks, guess we are all growing older so that's why the select is growing so much. The youth side of the AQHA has seen some tough competition amongst their ranks and what is encouraging is the fact that some of the more talented trainers now in our ranks are the product of the AQHA youth program.

The AQHA feels quite strongly about the promotion of the youth as without them coming up and remaining part of the AQHA, where will a good part of our future lie.

With Thanks
Ricky Glen

SHOW AND PERFORMANCE

The 2010/2011 Show season was another great success with the AQHA approving 229 "A" and 51"AA" Shows and 5 "AAA" State Shows. This is a 15% increase on last year, which is a great result considering the economy.

I would like to thank the AQHA Competition Services department for all their dedicated work in processing the points from these shows and the many NCHA, Reining Australia shows and all the other shows that AQHA members attend.

I believe the decision to only change the rule book every two years, has been a success as the stability is allowing members to gain a better understating of the rules. There will be a new Rule Book in August 2012 and so I invite all members to submit any suggested Rule Changes to the AQHA.

These suggestions will all be considered by the Show and Performance Sub-committee for consideration.

Regards
Paul Lorimer

AUSTRALIAN QUARTER HORSE ASSOCIATION
DIRECTORS REPORT FOR THE PERIOD ENDED 30TH JUNE, 2011

Your Directors submit the financial accounts for the Company for the period ended 30th June, 2011.

DIRECTORS

The names of the Directors in office at the date of the report are as follows:

Directors	Years on Board	Possible Attendance	Meetings Attended
P J Belden	15	6	5
H Van Dyk	4	6	6
R N Glen	18	6	5
P G Lorimer	17	6	6
W K Johnson	9	6	6
E Keating	2	6	6
T J McSweeney	5	6	6
S J Myers	8	6	6
Peter Stuart-Fox	9	6	6
Pauline Stuart-Fox	9	6	6
P S Wettenhall	6	6	6
C A Ahern	1	4	4

Company Secretary

The following person held the position of company secretary at the date of this return.
C Ricketts

PRINCIPAL ACTIVITY

The principal activities of the Company during the period was to provide the infrastructure for and encourage competition of Quarter Horses and the education of it's members and to maintain the appropriate registries.

No significant change in the nature of these activities occurred during the period.

OPERATING RESULTS

The net profit for the period ended 30th June, 2011 was \$195172 after allowing for depreciation of \$53766.

REVIEW OF OPERATIONS

Income for the year 2010/2011 is down 2.64% from the previous trading year and the expenditure levels decreased by 6.7% compared to last year. This is in line with the Board's budgeted forecasts. The trading profit for the year whilst modest, was a good result for the Association. During the trading year the Association managed to move to new office accommodation in Tamworth whilst maintaining member services and operations.

SUBSEQUENT EVENTS

The Association has allocated \$70,000 towards the completion of the AQHA Heritage Centre at the new offices in Tamworth as well as allowed some further exterior completion. This expenditure will come out of the 2011/2012 expenses.

No matter or circumstances have arisen since the end of the period that have significantly affected or may significantly affect the operations of the Company.

DIRECTORS' BENEFITS

No Director either during nor since the financial year has received, or become entitled to receive, a benefit by reason of a contract made by the Company in which he or she has a substantial interest.

Signed in accordance with a resolution of the Board of Directors



.....
P J BELLDEN – Director

DECLARATION BY DIRECTORS

In the opinion of the directors of the Company,

the financial statements are drawn up in accordance with the Corporations Act 2001 and:

- (a) Comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) Give a true and fair view of the financial position as at 30 June 2011 and of the Performance for the year ended on that date of the company;

the Chief Executive Officer and the Chief Finance Officer have each declared that:

- (a) The financial records of the company for the financial year have been properly Maintained in accordance with Section 286 of the Corporations Act 2001;**
- (b) The financial statements and notes for the financial year comply with the Accounting Standards; and**
- (c) The financial statements and notes for the financial year give a true and fair view.**

in the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
P J BELLDEN – Director

Dated this Twenty Seventh day of August 2011

AUSTRALIAN QUARTER HORSE ASSOCIATION

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001
TO THE DIRECTORS OF AUSTRALIAN QUARTER HORSE ASSOCIATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

MORGAN-JONES & CO.



Date.....*27th August 2011*.....
Suite 3, 417-419 Peel Street
TAMWORTH. 2340

AUSTRALIAN QUARTER HORSE ASSOCIATION

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN QUARTER HORSE ASSOCIATION

We have audited the accompanying financial report of the Australian Quarter Horse Association, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 report.

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*, which has been given to the directors of Australian Quarter Horse Association would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion

- (a) the financial report of the Australian Quarter Horse Association is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the Association's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1

Robert Morgan-Jones


MORGAN-JONES & CO.

Date *27th August 2011*
Suite 3, 417-419 Peel Street
TAMWORTH 2340

**AUSTRALIAN QUARTER HORSE ASSOCIATION
BALANCE SHEET AS AT 30TH JUNE 2011**

	<i>note</i>	<i>2011</i>	<i>2010</i>
CURRENT ASSETS			
Cash		169,521	172,835
Receivables			
Investments		566,249	725,439
Inventories		32,187	24,457
Other		43,697	15,710
TOTAL CURRENT ASSETS		<u>811,654</u>	<u>938,441</u>
NONCURRENT ASSETS			
Property, Plant & Equipment	8	1,858,481	1,125,970
TOTAL NONCURRENT ASSETS		<u>1,858,481</u>	<u>1,125,970</u>
TOTAL ASSETS		<u>2,670,135</u>	<u>2,064,411</u>
CURRENT LIABILITIES			
Accounts Payable		171,281	139,589
Other		9,951	5,462
Financial Liabilities		289,532	
Provisions		45,661	31,766
		<u>516,425</u>	<u>176,817</u>
NONCURRENT LIABILITIES			
Financial Liabilities		23,438	
Provisions		13,413	7,267
		<u>36,851</u>	<u>7,267</u>
TOTAL LIABILITIES		<u>553,276</u>	<u>184,084</u>
NET ASSETS		<u>2,116,859</u>	<u>1,880,327</u>
EQUITY			
Asset Revaluation Increment		344,323	302,963
Retained Earnings		<u>1,772,536</u>	<u>1,577,364</u>
TOTAL EQUITY		<u>2,116,859</u>	<u>1,880,327</u>

**AUSTRALIAN QUARTER HORSE ASSOCIATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2011**

	<i>2011</i>	<i>2010</i>
Balance as at 1 July 2010	1,880,327	1,778,891
Operating Profit	195,172	101,436
Revaluation Increase(Decrement)	<u>41,360</u>	<u> </u>
Balance as at 30 June 2011	<u>2,116,859</u>	<u>1,880,327</u>

Refer to Independent Auditors Report

**AUSTRALIAN QUARTER HORSE ASSOCIATION
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2011**

INCOME	<i>note</i>	2011	2010
Affiliates		49,738	49,660
Amateur Owner		29,381	31,310
Approved Show		14,759	12,475
AQHA Clinics		11,205	12,667
Awards Night		6,991	5,464
Breeding Returns		135,634	122,878
DNA Testing		214,270	210,009
Genetic Testing		102,446	109,371
Initial Breeding Fees		82,398	93,795
Interest received		28,868	38,867
Judging		2,773	3,015
Membership		689,877	651,604
Merchandise Trading	3	6,553	2,501
National Show	4	375,355	420,311
Other Events & Programmes		16,091	29,714
Quarter Horse News		208,144	232,627
Registration and Appendix		254,399	233,301
Rents Received		16,481	36,000
Sundry Income		3,556	6,531
Transfers		110,207	113,975
Youth		3,986	51,430
Gain on Sale of Assets		39,369	
		<u>2,402,481</u>	<u>2,467,505</u>
EXPENSES			
Association Activities			
Affiliates		41,984	45,180
Awards Night		27,322	27,032
Amateur Owner		1,904	5,547
DNA Testing		172,383	171,421
Genetic Testing		98,205	98,227
International		3,195	3,443
Judging		5,065	8,681
National Show	4	411,974	459,615
Other Events & Programmes		18,505	48,075
Quarter Horse News		267,059	302,278
Rule Books			25,925
Show & Events		5,869	7,035
Sponsorship & Promotion		19,922	23,664
Stud Book		5,091	1,528
Website Development		3,523	1,683
Youth		7,980	73,621
		<u>1,089,981</u>	<u>1,302,955</u>
Administration	5	293,586	323,733
Office	6	86,807	86,026
Depreciation		53,766	27,633
Member Services		4,430	4,893
Relocation Expenses		35,756	
Rental Property Expenses		2,415	9,200
Staff	7	640,568	611,629
TOTAL EXPENSES		<u>2,207,309</u>	<u>2,366,069</u>
OPERATING PROFIT		<u>195,172</u>	<u>101,436</u>
Retained Profits at Beginning of Financial Year		1,577,364	1,475,928
Operating Profit		195,172	101,436
Retained Profits at End of Financial Year		<u>1,772,536</u>	<u>1,577,364</u>

Refer to Independent Auditors Report

**AUSTRALIAN QUARTER HORSE ASSOCIATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Association receipts	2,360,370	2,364,239
Payments to suppliers and employees	(2,155,546)	(2,216,221)
Interest received	28,868	42,133
Interest paid	(3,619)	(3,247)
Net cash provided by operating activities	<u>230,073</u>	<u>186,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Property, Plant & Equipment	877,638	
Purchase of Property, Plant & Equipment	(1,583,185)	(256,606)
Net cash used in investing activities	<u>(705,547)</u>	<u>(256,606)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	328,455	
Repayment of Borrowings	(15,485)	(24,004)
	312,970	(24,004)
NET INCREASE(DECREASE) IN CASH HELD	(162,504)	(93,706)
Cash at beginning of the financial year	<u>898,274</u>	<u>991,980</u>
Cash held at 30 June 2011	<u>735,770</u>	<u>898,274</u>

	2011	2010
RECONCILIATION OF CASH		
Cash	500	500
Bank Accounts	169,021	172,335
Deposits	566,249	725,439
	<u>735,770</u>	<u>898,274</u>

	2011	2010
RECONCILIATION OF OPERATING PROFIT TO NET CASH FROM OPERATING ACTIVITIES		
Operating Profit	195,172	101,436
Depreciation	53,766	27,633
Gain on Asset Sales	(39,370)	
Increase(decrease) in Provisions	20,041	2,950
Changes in Assets and Liabilities		
Decrease(Increase) in Debtors		5,477
Decrease(Increase) in Inventories	(7,730)	12,816
Decrease(Increase) in Other Assets	(27,987)	(12,316)
Increase(decrease) in Creditors	36,181	48,908
Increase(decrease) in Other Liabilities		
Increase(decrease) in Prepayments		
	<u>230,073</u>	<u>186,904</u>

Refer to Independent Auditors Report

**AUSTRALIAN QUARTER HORSE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report which has been prepared specifically for distribution to members in accordance with the entity's constitution.

The financial report has been prepared in accordance with the requirements of the Corporations Act, 2001 and the following applicable Accounting Standards and the Urgent Issues Group Consensus Views.

AASB 101	Financial Report Presentation and Disclosures
AASB 107	Statement of Cashflows
AASB 110	Events Occurring After Reporting Date
AASB 116	Property, Plant and Equipment
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1018	Statement of Financial Performance
AASB 1031	Materiality
AASB 1040	Statement of Financial Position
AASB 1041	Revaluation of Non-current Assets

No other Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

- (a) 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.
- (b) International Financial Reporting Standards
Land and buildings were revalued as at 30 June 2005. The holding value of the plant and equipment at that date is not considered to be materially different from its recoverable amount. The effect of the introduction of AASB 1047 will not, therefore, be material

NOTE 2 COMPANY STRUCTURE

The Company is limited by Members' guarantee. If the Company is wound up, the Articles of Association state that each current member, or for a period of one year after leaving to be a member, is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company.

NOTE 3 MERCHANDISE TRADING

	2011	2010
Sales	<u>22,241</u>	<u>15,766</u>
Less		
Cost of Sales		
Opening Stock	24,457	37,273
Purchases	<u>23,418</u>	449
	47,875	<u>37,722</u>
Closing Stock	<u>32,187</u>	24,457
	<u>15,688</u>	<u>13,265</u>
Trading Profit	<u>6,553</u>	<u>2,501</u>
Gross Margin	29.5%	15.9%

Refer to Independent Auditors Report

**AUSTRALIAN QUARTER HORSE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

NOTE 4 NATIONAL SHOW

	2011	2010
INCOME		
Bedding	522	14,725
Cattle Hire	3,473	3,718
Campsite	25,221	27,266
Entries	170,063	201,932
Rodeo	32,576	23,914
Sponsorship	44,256	51,543
Stabling	56,375	45,419
Traders Sites	25,152	40,460
Other	17,717	11,334
	<u>375,355</u>	<u>420,311</u>
EXPENSES		
Advertising	3,489	7,607
Campdraft	17,513	21,808
Challenge Costs	565	4,186
Cutting	14,303	12,549
Entertainment		6,549
Equipment Hire	4,054	2,919
General	7,155	5,782
Ground Hire	108,643	128,223
Judges Expenses	2,541	3,970
Portfolio Expenses	1,398	649
Printing & Postage	3,599	4,587
Prize Money & Trophies	173,807	208,990
Reining	5,000	1,080
Rodeo Expenses	50,577	30,290
Show Team	9,541	13,321
Super Cow Costs	9,789	7,105
	<u>411,974</u>	<u>459,615</u>
SURPLUS(DEFICIT)	<u>(36,619)</u>	<u>(39,304)</u>

Refer to Independent Auditors Report

**AUSTRALIAN QUARTER HORSE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2011**

NOTE 5 ADMINISTRATION EXPENSES	2011	2010
Audit and Accountancy	6,000	5,840
Bad Debt	65	8,567
Bank Charges	28,945	24,602
Board Expenses	53,146	58,086
Computer	73,634	108,472
General	5,402	4,544
Legal	39,193	19,160
Management Travel & Costs	3,021	4,131
Motor Vehicle	8,085	7,540
Printing, Postage & Stationery	57,528	60,333
Subscriptions	2,621	2,748
Telephone	15,946	19,710
	<u>293,586</u>	<u>323,733</u>

NOTE 6 OFFICE EXPENSES

Cleaning	5,559	8,247
Electricity	12,870	10,039
Insurance	60,610	59,828
Rates	1,370	2,715
Repairs & Maintenance	6,398	5,197
	<u>86,807</u>	<u>86,026</u>

NOTE 7 STAFF

Contract Labour	510	605
Fringe Benefit Tax	1,288	1,262
Payroll Tax		(498)
Provision for Annual Leave	13,895	(4,317)
Provision for Long Service Leave	6,146	7,267
Staff Expenses	9,509	9,655
Superannuation	49,039	48,169
Wages & Salaries	560,181	549,486
	<u>640,568</u>	<u>611,629</u>

NOTE 8 PROPERTY, PLANT & EQUIPMENT

Building - Under Construction	-	240,999
Buildings- at valuation	1,750,000	843,041
Accumulated depreciation	(20,950)	(24,127)
	<u>1,729,050</u>	<u>1,059,913</u>
Plant & Equipment	190,470	220,732
Accumulated depreciation	(61,039)	(154,675)
	<u>129,431</u>	<u>66,057</u>
Total Property, Plant & Equipment	<u>1,858,481</u>	<u>1,125,970</u>