

ORIGINAL SIGNED
2019 ACCOUNTS

THOROUGHBRED HORSE REHABILITATION TRUST
ABN 21 050 660 688

General Purpose Financial Report
For the year ended 31 July 2019

Released under FOI Act 1982
Australian Charities and Not-for-profits Commission

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2019**

The trustees present their report together with the general purpose financial statements of the Thoroughbred Horse Rehabilitation Trust (The "Trust") for the financial year ended 31 July 2019 and the auditor's report thereon.

1 TRUSTEES

The trustees of the Trust at any time during or since the end of financial year are:

Dr Craig Suann
Ms Carole Molyneux-Richards
Ms Trish Egan
Mr Graeme Hinton

2 PRINCIPAL ACTIVITIES

The principal activity of the Trust during the financial year was to provide money, property and services for the care and rehabilitation of Thoroughbred horses which have ceased to be competitive or have ceased to race and have been mistreated or are without owners or are at risk of being killed or mistreated.

3 OPERATING AND FINANCIAL REVIEW

At a meeting of trustees held 13 November 2012, the trustees resolved that Racing NSW, as appointer of the Trust, provide administrative services to the Trust at no cost and be engaged as agent with authority to open bank accounts for the Trust.

4 EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to the reporting date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

THOROUGHBRED HORSE REHABILITATION TRUST ABN 21 050 660 688

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 \$	2018 \$
REVENUE			
Donations		18,910	16,071
Royalties		3,368	3,217
Interest Income		1,328	1,293
TOTAL REVENUE AND OTHER INCOME		23,606	20,581
EXPENSES			
Grant	3	127,273	0
Bank Fees		2	-
Depreciation Plant and Equipment		335	335
TOTAL EXPENSES		127,610	335
SURPLUS BEFORE INCOME TAX		(104,004)	20,246
Income Tax Expense		-	-
NET SURPLUS FOR THE PERIOD		(104,004)	20,246
Other Comprehensive Income		-	-
TOTAL SURPLUS/(LOSS) FOR THE PERIOD		(104,004)	20,246

The Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

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THOROUGHBRED HORSE REHABILITATION TRUST ABN 21 050 660 688

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalent	3	110,318	213,979
Receivables	4	15	-
TOTAL CURRENT ASSETS		<u>110,333</u>	<u>213,979</u>
NON-CURRENT ASSETS			
Plant and Equipment	5	11,267	11,603
TOTAL NON-CURRENT ASSETS		<u>11,267</u>	<u>11,603</u>
TOTAL ASSETS		<u>121,600</u>	<u>225,582</u>
TOTAL LIABILITIES			
Payables	6	49	27
NET ASSETS		<u>121,551</u>	<u>225,555</u>
TRUST FUNDS			
Retained surpluses		121,551	225,555
TOTAL ASSETS		<u>121,551</u>	<u>225,555</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

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THOROUGHBRED HORSE REHABILITATION TRUST ABN 21 050 660 688

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019

	Retained Surplus \$	Trust Funds \$
At 31 July 2017	205,309	205,309
Total comprehensive income for the period	20,246	20,246
At 31 July 2018	<u>225,555</u>	<u>225,555</u>
Total comprehensive income for the period	(104,004)	(104,004)
At 31 July 2019	<u>121,551</u>	<u>121,551</u>

The statement of changes in equity should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donations		18,910	16,071
Receipts from royalties		3,368	3,217
Cash receipts from suppliers for goods and services		21	28
Interest received		1,313	1,292
Net Cash inflow from Operating Activities	9(b)	<u>23,612</u>	<u>20,608</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of Grant		(127,273)	-
Net Cash Outflow from Investing Activities		<u>(127,273)</u>	<u>-</u>
Net Cash Inflow from Financing Activities		<u>-</u>	<u>-</u>
Net (decrease)/ increase in Cash		(103,661)	20,608
Cash at beginning of the financial year		213,979	193,371
Cash at the End of the Financial year	9(a)	<u>110,318</u>	<u>213,979</u>

The statement of cash flows should be read in conjunction with the accompanying notes.

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1 TRUST INFORMATION

The financial report of the Thoroughbred Horse Rehabilitation Trust ('the Trust') for the year ended 31 July 2019 was authorised for issue in accordance with a resolution of the Trustees of the Trust company on 14 June 2020.

The registered office and principal place of business of the Trust is: Level 7, 51 Druitt Street, Sydney, NSW, 2000.

At year end, the Trust entity did not have any employees but rather relies on Racing NSW to provide administrative staff.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) New and revised standards effective for these financial statements

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board (See point 2(a) above), the Australian Charities and Not-for-Profits Commissions Act 2012, the Charitable Fundraising Act 1991 and Associated regulations, as appropriate for not-for-profit orientated entities. The accounting policies used in the preparation of this report in the opinion of the Trustees are appropriate to meet the needs of stakeholders.

The financial statements are presented in Australian dollars and have been prepared in accordance with the historical cost convention.

(c) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. At reporting date the Trust has a net asset position of \$121,551 (2019 \$225,555).

(d) Foreign currency translation

Both the functional and presentation currency of the Trust is Australian dollars (\$).

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within two working days.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is recognised for the major business activities as follows:

(i) Interest income

Interest income is the income on the funds invested. Interest is recognised as interest accrues using the effective interest rate method.

(ii) Donations income

Donation income is recognised as revenue on receipt of the funding.

(iii) Royalties

Royalties is received for the sale of racing merchandise

(g) Income tax

The Trust operates under the charitable fundraising legislation as prescribed by each individual State in Australia and associated regulators including the Australian Charities and Not-for-profits Commission.

The Trust has been granted endorsement as a tax deductible gift recipient under Subdivision 30-BA of the Income Tax Act 1997 ("the Act") and as a charitable entity which is exempt from income tax under Subdivision 50-B of the Act by the Australian Commissioner of Taxation.

(h) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

(ii) Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

The Trust is a charitable fund endorsed to access GST Concessions from 30 May 2011.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

No critical accounting estimates and judgements have been required to be made in the preparation of the financial report.

(j) Depreciation

The depreciable amount of all fixed assets is calculated on a straight line basis over their estimated useful lives to the Trust commencing from the time the asset is held ready for use. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period. An asset's 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 disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

	Depreciation Rate
Plant & Equipment - Arena	2.50%
Motor Vehicle	20.00%

(k) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs except for investments carried at fair value through profit or loss. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Trust's only financial instruments which are not a trade receivable or payable are cash and cash equivalents.

Trade and other receivables and contract assets

The Trust makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Trust uses its historical experience, knowledge of its debtors, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Trust has determined there is no expected life-time credit risk to its debtors.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDING 31 July 2019

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Trust's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Trust's financial liabilities consist of trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

New standards adopted as at 1 August 2018**AASB 9 – Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

While this represents significant new guidance, the implementation of this new guidance did not have any financial impact upon the Trust during the year nor did it result in any changes in classification of any of the Trust's financial assets or liabilities. The Trust has undertaken work to restate its financial instruments and impairment of assets excluding goodwill policies to demonstrate compliance with the new standard. The Trust's new accounting policy is documented in Note 2.

New standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 July 2019 reporting periods. The Trust's assessment of the impact of these new standards and interpretations is set out below.

New/revised pronouncement	Impact on the financial statements
AASB 15 - Revenue from Contracts with Customers	When this Standard is first adopted for the year ending 31 July 2020, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 16 - Leases	The Trust does not hold any leases as a lessor or lessee. As such, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 July 2020.
AASB 2014-10 Amendments to Australian Accounting Standards - Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	When these amendments are first adopted for the year ending 31 July 2020, there will be no material impact on the financial statements.
AASB 1058 - Income of Not-for-Profit Entities	The Trust is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the Trust's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 July 2020.

3 GRANT

	2019	2018
	\$	\$
Grant provided	127,273	-
Total Grant Provided	127,273	-

The grant is provided to Thoroughbred Racing Board trading as 'Racing NSW'. The trustees made a resolution to provide a grant to Racing NSW to purchase the truck on behalf of The Trust. Racing NSW will make the truck available to be used by the Trust and pay all future costs associated with it.

3 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash on hand and at Bank	110,318	213,979
Total Cash and Cash Equivalents	110,318	213,979

4 RECEIVABLES

	2019	2018
	\$	\$
Interest receivable	15	-
	15	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDING 31 July 2019

5 PLANT & EQUIPMENT

	Plant & Equipment \$	Total \$
Gross carrying amount		
Balance 1 August 2018	13,412	13,412
Additions	-	-
Disposals	-	-
Transfer	-	-
Revaluation increase	-	-
Balance 31 July 2019	<u>13,412</u>	<u>13,412</u>
Depreciation and impairment		
Balance 1 August 2018	(1,810)	(1,810)
Disposals	-	-
Depreciation	(335)	(335)
Balance 31 July 2019	<u>(2,145)</u>	<u>(2,145)</u>
Carrying amount 31 July 2019	<u>11,267</u>	<u>11,267</u>

6 PAYABLES

	2019 \$	2018 \$
GST payable	49	27
	<u>49</u>	<u>27</u>

7 COMMITMENTS

As at 31 July 2019 the Trust had no lease or capital commitments.

8 AUDITORS' REMUNERATION

All audit services of the Racing NSW Equine Welfare Fund Trust are provided by Grant Thornton on a pro-bono basis.

9 CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at Bank	110,318	213,979
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(b) Reconciliation of Cash Flow from Operating Activities

Operating surplus after tax	(104,004)	20,246
Depreciation	335	335
Increase in payables	127,296	27
Decrease/(increase) in receivables	<u>(15)</u>	
Cash Flows from operating activities	<u>23,612</u>	<u>20,608</u>

THOROUGHBRED HORSE REHABILITATION TRUST ABN 21 050 660 688

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDING 31 July 2019

11 EVENTS SUBSEQUENT TO THE END OF THE REPORTING DATE

There have been no significant events subsequent to the reporting date which may affect either the Trust's operations or results of those operations or the Trust's state of affairs.

12 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Trust in relation to 2019.

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DECLARATION BY TRUSTEES OF THE TRUST

In the opinion of the Trustees of the Thoroughbred Horse Rehabilitation Trust:

- a) the Trust is a reporting entity as defined in the Australian Accounting Standards.
- b) the financial statements and notes of the Trust are in accordance with the Australian charities and Not-for-profits commission act 2012 and the Trust Deed, including:
- (i) presenting fairly the Trust's financial position as at 31 July 2019 and its performance for the twelve months ended 31 July 2019; and
 - (ii) complying with Accounting Standards reduced disclosure requirements and the Australian charities and Not-for-profits commission regulation 2013.
- c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- d) the financial statements and associated records have been properly kept during the year ended 31 July 2019 in accordance with the Charitable Fundraising Act 1991 (NSW) and the Regulations under that Act.
- e) money received as a result of fundraising appeals conducted during the year ended 31 July 2019 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 (NSW) and the Regulations under that Act.

In making this declaration, the Trustees have considered the current financial position of the Trust.

This statement is made in accordance with a resolution of the Board of Trustees of the Thoroughbred Horse Rehabilitation Trust and is signed for and on behalf of the Trustees.

Trustee

GRAEME HINTON

10 JUNE 2020

Auditor's Independence Declaration

To the Directors of Thoroughbred Horse Rehabilitation Trust

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Thoroughbred Horse Rehabilitation Trust for the year ended 31 July 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A G Rigele
Partner – Audit & Assurance

Sydney, 10 June 2020

Independent Auditor's Report

To the Members of Thoroughbred Horse Rehabilitation Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of Thoroughbred Horse Rehabilitation Trust (the Trust), which comprises the statement of financial position as at 31 July 2019, and the statement comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and other explanatory information to the financial report and the declaration by the Trustees of the Trust.

In our opinion, the financial report of Thoroughbred Horse Rehabilitation Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the Trust's financial position as at 31 July 2019 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with 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 audit opinion.

Responsibilities of the Trustees for the financial report

The Trustees of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are responsible for assessing the Registered Entity'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 the Trustees either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's responsibilities 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 auditor's 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Registered Entity 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 those charged with governance 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



A G Rigele
Partner – Audit & Assurance

Sydney, 10 June 2020

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