



PHHWV Tomba catches up on some sleep.

PHHWV Committee:

President:	Sue Kirkegard
Vice President:	Noelle Vine
Secretary:	Nikole Charlton
Treasurer:	Chase Ellis
Ordinary Committee:	Jane Duckworth Kerryn Brenton Carole Ainio Ania Tuschewski Judy Tricker

PHHWV Aims and Goals:

Throughout Victoria, whenever and wherever possible:

- To assist owners through education, assistance and advice to rehabilitate their own horses.
- To provide emergency care, treatment and assistance to horses.
- To rescue and rehabilitate any horse found abandoned, sick, injured or mistreated.
- To educate the community on the plight of neglected horses. To contribute to the development of improved government
- legislation and policy.

Organisational Details

Project Hope Horse Welfare Victoria Inc

GPO Box 1991, MELBOURNE 3001
 1300 881 606

www.phhvw.org.au
info@phhvw.org.au

PHHWV is a registered non-profit organisation and is an endorsed charity by the Australian Taxation Office.

ABN: 96 820 500 367

Registration No: A0027152D

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About:

Project Hope Horse Welfare Victoria Inc., originally known as Project Hope Horse Rescue first began in 1973 when a concerned Val Collingwood of Wallan, Victoria, wrote into RIDER magazine regarding the number of neglected horses in Australia.

She outlined a scheme whereby someone could co-ordinate the rescue and rehabilitation of these unfortunate animals and she suggested the name "Project Hope" in memory of a terribly neglected, supposedly aged, buck-jumper from Queensland. She had taken him home to try to save his life, giving him the name "Hope", although he had very little. He died three weeks later from massive worm infestation at the tender age of three.

People responded to Val's letter, assuming that she was to be co-coordinator and the scheme became loosely organised on a district basis.

Gradually, the organisation grew until it became necessary to use newsletters for communication, to introduce memberships fees to help cover costs, and to draw up a constitution. The group steadily grew from there and with the help of a logo and media coverage became a more familiar name in equine circles within Victoria. In 1993 the organisation became an incorporated and in 2005 was endorsed as a registered charity by Australian Taxation Office.

As the 2010 year ends, Project Hope Horse Welfare emerges as an active organisation. It has weathered a year of change, and is strongly responding to horses in need. This report notes 78 horse reports involving over 100 horses, 18 horses taken into care, and advice and help by phone.

That 75 of the 400 members have volunteered in 2010 shows the strength of PHHWV volunteer base¹. This is underpinned by support from many horse industry professionals who provide discounted or pro bono services to address neglect or retraining needs.

That horse-savvy Victorians will help where a horse is neglected or abused is our strength. Owners of horses reported clearly respond better to people who know and care about horses. However to do this is like doing a jigsaw - to match the nearest available skills, often fairly quickly, to a need of a specific horse. Having information on who can help with what, or when, is crucial.

I would like to thank committee members for their active managing of the tasks and in getting to know members, and also those members with big roles off-committee e.g. merchandise, training.

Public education is fitted in when members come to help a committee person. This year we attended Flemington Community Race Day, Gisborne Paws Walk, World Animal Day, and Equitana, and had 3 articles in horse and animal magazines.

So that new members know existing practice, writing policy is a work in progress. There is Short Term Care Policy and Handbook, Information Disclosure guidelines, and a Long Term Placement role.

The year commenced with the resignation of the committee on April 30th 2010 after a period of dispute and mediation. In hindsight it is salutary that had disciplinary and grievance processes been different, much legal expense and drama may have been avoided. The current centralised processes where the executive hears such matters has been replaced in proposed new rules by a more member-based process.

New rules are being put to this annual meeting that strengthen governance by the committee. The procedures committee that considered the administrative concerns put to the previous committee by a member, reported that they did not find best practice in all instances. Prior approval is not reflected in the PHHWV minutes for all major items. The auditor is examining some inconsistencies. Matters required by law to be reported to the annual meeting are not shown in annual minutes. Such declaration is to be a standing item for future meetings.

The trust placed by members is great in those who step forward to the work of governance. We are pleased when you can keep in touch, so that you know and influence in a practical ways what we do.

Thank you to each Project Hope Horse Welfare Victoria member for your help, whether you are new or have supported this work over many years. Thank you to our donors who continue to give generously. We hope you enjoy being part of this and look forward with all of us to its future.

Kindest regards

Sue Kirkegard - President

¹ This figure does not include all members who care for the 88 PHHWV horses surrendered over the years.

Since taking over from the interim committee after the last AGM, the administration role at Project Hope has steadily increased. All of the committee have attempted to use email communication as much as possible as it is a faster and more environmentally friendly way to communicate with members who have access to email. For those that don't, the traditional mailing system continues to be used and is just as effective. To this end, there has been a gradual increase in Project Hope email activity from an average of 2 emails a day to an average of 8 emails a day. There has also been an increase in emails coming in via the Project Hope website which is positive to see. These emails range from horse reports, to membership enquiries, to general horse enquiries. We have also had 3 bequests left to Project Hope from community members that have passed away in the last 12 months. Bequests are a great legacy for one to leave in their will as it ensures the continued support of Project Hope.

Overall the last 12 months has been a steep learning curve as to what it takes to run an organisation like Project Hope. I am honoured and pleased that I was able to contribute to such a dynamic and dedicated organisation and look forward to many years working with Project Hope.

Nikole Charlton- Secretary

Website

The biggest change to the website this year was our transfer of the website to a new server (which is being donated free of charge) and the taking over of website maintenance duties by the committee rather than an outside contractor. We encourage members to check the website regularly so that they can keep up-to-date with news and events. The other major change was the decision to discontinue the maintenance of our own 'Horse Crisis Register', and instead to put our support behind www.thegolist.org.au. As a volunteer organisation we were hard pressed to maintain the Register in the event of an emergency and there was also the concern of duplication of resources that were already ably managed by The Go List. This website is run by the Emerald Community House and receives government funding, it provides all of the facilities that were offered by the Horse Crisis Register along with some extras and improved functionality.

Chase Ellis- Webmaster

Newsletters

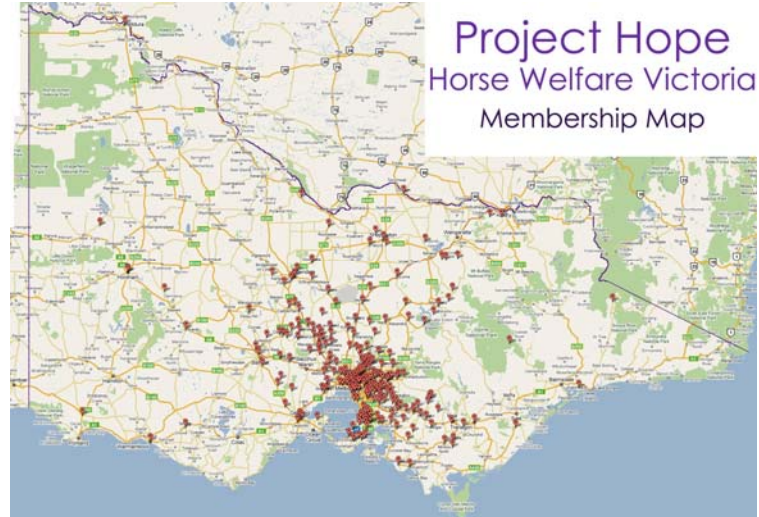
The earlier quarterly magazine has become a monthly electronic newsletter that provides members with regular updates of Project Hope activities. This form of communication from the organisation enables members to feel well informed and to have plenty of notice of events that they may choose to be a part of. Being aware of committee meetings that are open to members; of fundraising/educational days where volunteers are welcomed and of Rep Training Days are important news items. Horse Reports (new 'out in the field' reports) and Horse Updates (progress made with earlier cases) are crucial parts of each edition of the newsletter. Rehabilitated horses ready for re-homing are advertised as well. Selected full colour photos help to give Project Hope news items an added dimension. Last year a new member volunteered to do the design and formatting with accompanying professional marketing advice, so the newsletter is gradually evolving into a truly proficient publication.

Jane Duckworth- Committee Member

Membership

Over the last few months, I have been busy learning the role of membership secretary and signing up new members, as well as looking after current memberships. At the time of writing this, the data base currently stands at 401 financial members. In the months I have been on board, I have signed up approximately 20 new members. Additional new members joined up at Equitana last year.

Some members had some great gift ideas and decided to purchase memberships for their friends and family via Christmas or birthday gifts late last year. Alongside this I have been assisting with emailing correspondence, and reviewing the current membership database information and format.



As the currently appointed membership secretary, I would like to thank Project Hope and its members for allowing me to contribute to such a worthy cause. It has been a pleasure knowing that our efforts go towards rescuing our equine friends through rehabilitation, education and advocacy

Ania Tuschewski – Membership Secretary

Representative Training

Three training days were held in 2010 by Lucy Clyde, Sharon Picking and Renee Neebauer. Thank you to Lucy Clyde for writing a new training resource with existing trainers and committee

- The training aims to equip representatives
- To be able to assess the condition of a reported horse using a universal body scoring system
- To observe the conditions in which the horse is located as well as available feed, shelter and water
- To offer advice and information to the owners if necessary
- To fill in reports as a record and notify the report coordinator of their findings so appropriate action can be taken if necessary

We have 37 representatives throughout Victoria. Further training days are to be held in 2011.

In Memorium

We wish to extend our condolences to the family and friends of the Jan Scales and Margaret Foy, two long term members who sadly passed away this year.

40 investigations were made into reports of one or more horses at risk of neglect. Of these:

- Eighteen horses taken into care by Project Hope
- Six horses either died or were euthanized due to their condition
- Thirteen horses that were aged were reported. Of these, most were being looked after by caring owners – they just looked ‘geriatric’ (like humans who are elderly). Other aged horses were owned by people who may not have known the additional feed and care that aged horses require, or had neglected to notice that the horses as they aged, needed extra care. Advice was given in these instances. Unfortunately, several other owners were difficult to locate, absent, or appeared to be just not interested.
- More than half of owners spoken to accepted advice offered by Project Hope on the needs of the horse. Education about horse care is large part of this role.
- Between 5-10 reports were either referred to the RSPCA, referred to Project Hope by the RSPCA, or where both Project Hope and the RSPCA were both involved.
- There were four cases where either veterinary care or feed was given
- A few reports were of riding or training establishments. In most of these PH worked with the RSPCA and/or Racing Victoria to respond to the needs of the horses.
- Two reports were concerns for multiple horses where one person had accumulated numbers of horses, whether as a breeding or a rescue property. These are difficult to resolve – however PH will continue to monitor the condition of horses where concerns seem to be evident.
- A number remain unresolved, either because insufficient evidence has yet come to light but some long term monitoring seems warranted, the owner remains difficult to contact, the horse was removed, or the horses remain with the owner resisting outside input

Owners also rang the Project Hope 1300 number to get help for their horses:

- Some callers enquiring re surrender need support and advice e.g. an injured horse that they cannot catch, a horse left unattended due to family stress, fear of the horse leading to consideration of the knackery, needing to talk when it becomes necessary to end a horses’ life.
- If a horse is not neglected, owners unable to care for their horse can list it on the **PHHW placement register** on the PHHW website. This is a ‘free to a good home’ service: people list their horses, with photos, and people looking for a horse contact that person directly. No money changes hands nor does PHHWV supervise. Up to 4 callers a week are referred to the Placement Register

Noelle Vine- Vice President

Horse Taken into Care in 2010

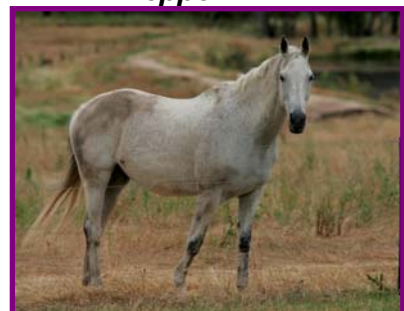
PHHWV Romeo



PHHWV Makalali



PHHWV Pepper



PHHWV Blaze II



PHHWV Torry



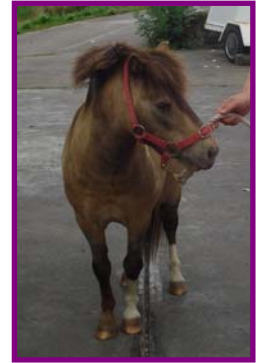
PHHWV Lil



PHHWV Tomba (born into PHHWV care) PHHWV Vault



PHHWV Cassidy



PHHWV Damsel



PHHWV Ricky



PHHWV Sabo/Bobby Bones



PHHWV Mikki



PHHWV Jack II



PHHWV Jill



PHHWV Roger



PHHWV Zoe/Tia



PHHWV Pocket



Long Term Leases

Five horses in short term care found long term homes in this period: PHHWV Romeo, PHHWV Pepper, PHHWV Jack, PHHWV Mikki and PHHWV Vault.

PHHWV Dynamite, PHHWV Omni, PHHWV Honey, PHHWV Decoda and PHHWV Gemma all went to new homes.

PHHWV Boo came back into short term care.

We currently have eight horses are ready to be placed in a permanent home, or having to relocate due to changes in their existing home.

To assess occasional requests that a carer take a horse interstate when they move, PHHWV developed criteria that evaluate the welfare to the horse of such a move. Such criteria include the length of lease, evidence of horse's wellbeing, references, and undertakings. One move to New South Wales was approved.

Kerryn Brenton

In Memorium

Sadly 2010 saw us say goodbye to several Project Hope horses: PHHWV Freddy, PHHWV Ricky, PHHWV Pearl, PWWHV Dolly, PHHWV Huggy.

Current Project Hope Horses

PHHWV Amber	PHHWV Cindy	PHHWV Honey II	PHHWV Omni	PHHWV Shebba
PHHWV Autumn	PHHWV Cleo	PHHWV Jack	PHHWV Oni	PHHWV Sherry
PHHWV Bear	PHHWV Clover	PHHWV Jack	PHHWV Ozzie	PHHWV Smopey
PHHWV Beau	PHHWV Cookie	PHHWV Jane	PHHWV Paris	PHHWV Spaggles
PHHWV Ben	PHHWV Creature	PHHWV Jessie	PHHWV Patches	PHHWV Star Jazmyn
PHHWV Birch	PHHWV Damsel	PHHWV Jet	PHHWV Penny	PHHWV Stormy
PHHWV Blaze II	PHHWV Decoda	PHHWV Jill	PHHWV Pepper	PHHWV Suede
PHHWV Bobby	PHHWV Dillion	PHHWV Jim Boy	PHHWV Pirate	PHHWV Sultan
PHHWV Bobby	PHHWV Dolly	PHHWV Jordan	PHHWV Pixie	PHHWV Sunny
Bones	PHHWV Dynamite	PHHWV Kate	PHHWV Pocket	PHHWV Texas
PHHWV Boo	PHHWV Eddy	PHHWV Lil	PHHWV Princess	PHHWV Thomas
PHHWV Bubbles	PHHWV Ella	PHHWV Lilly	PHHWV Quigley	PHHWV Tia
PHHWV Buckley	PHHWV Gemma	PHHWV Makalali	PHHWV Rafki	PHHWV Tilly
PHHWV Buster	PHHWV Georgia	PHHWV Matthew	PHHWV Rasheem	PHHWV Tinkerbelle
PHHWV Cassidy	PHHWV Ginger I	PHHWV Meldam	PHHWV Red	PHHWV Tomba
PHHWV	PHHWV Ginger II	Streak	PHHWV Red II	PHHWV Torry
Charisma	PHHWV Gizmo	PHHWV Mickey	PHHWV Roger	PHHWV Valentino
PHHWV Charlie	PHHWV Grace	PHHWV Mini	PHHWV Romeo	PHHWV Vault
Brown	PHHWV Graham	PHHWV Nikita	PHHWV Scoobie	PHHWV Vella
PHHWV Chico	PHHWV Hailey	PHHWV Olive	PHHWV Shakisma	PHHWV Zelda

Our community events continue to be very successful and manage to assist us in raising much needed funds and also in getting the message about equine welfare disseminated through the community. This year we obtained our registration with the Victorian Commission on Gaming and Racing for holding fundraising events. If an event is expected to raise in excess of \$5,000 or will involve gambling, then it needs to be registered with the VCGR. If you are planning on holding a fundraising event please contact the committee to inform them, this way we can ensure that your event will be advertised in our newsletters and on the website and increase your publicity. It also ensures we can acknowledge your efforts! More information on fundraising for Project Hope can be found in our "Extra Little Bit of Hope" document which can be downloaded from the website at: <http://www.phhvv.org.au/fund.html>

PHHWV Out and About!

PHHWV was recognised by the Victorian Racing Club for its outstanding charity work by having a race named after us at the **Flemington Community Race Day on Saturday 10th April 2010**. PHHWV Vice President (at the time) Tania Smith was interviewed on the big screen outside the mounting yards and informed the crowd about the work of PHHWV. Within minutes the PHHWV logo stood 50 foot tall while the horses were taken to the barriers. The Project Hope Horse Welfare Race was the first race of the day and PHHWV President (at the time) Andrea Schaeede and Tania were treated to centre stage Director's seating to watch the running of the race. Andrea presented the winner's trophy to the owners in the Winner's bar and our two representatives networked with owners, trainers, and racing officials discussing future connections and possible donations.

A colourful event was held at **Edgar's Mission, Willomavin on Sunday, 3rd October 2010** to celebrate World Animal Day. This picturesque Kilmore property is a not-for-profit sanctuary for neglected, discarded and abused farm animals, and a year round educational facility. Its founder is Pam Ahern, Project Hope member, twice winner and now a judge of the famous Garryowen Trophy equestrienne competition. There were a many stalls on the being kind to animals. Noelle Vine, Jane Duckworth and her daughter Lauren greeted people and handed out membership and horse care info. Donations were placed in our tin and people came over to share their horse stories. The event without doubt gave PHHWV more exposure.

During **Equitana 2010**, The Project Hope stall again gave out many leaflets on horse care and talked with passers-by about horse welfare. Seventeen members helped over the 4 days. Highlights were the 42 new members, 400 horse information packs given out, 10 offers of homes for horses, and a \$4,100 (net) in donations and sales.

The **Paws in the Park Walk in Gisborne** was a local event where Project Hope had information at a walk by stall. PHHWV Gemma was a popular attraction:



Hay for Hungry Horses

Hay for hungry horses was a success story thanks to PHHWV and Triple R Equine Welfare (TREW) tirelessly working together. We had a large number of people call with generous donations of hay and lucerne, from all areas of Victoria. We didn't receive as many calls for help as first thought but did manage to get the word out to all the flood affected areas with the help of pony clubs, flood affected community members, PHHWV members and by calling equine stores, feed stores and local rangers to notify them of our register and how effected people could obtain help should they need it.

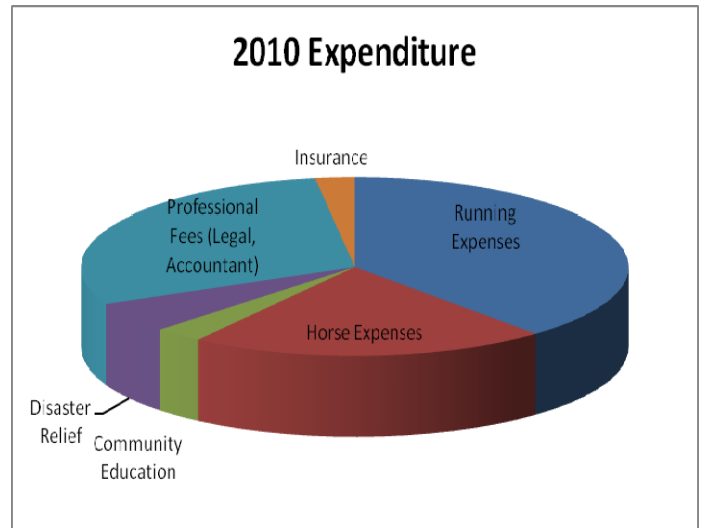
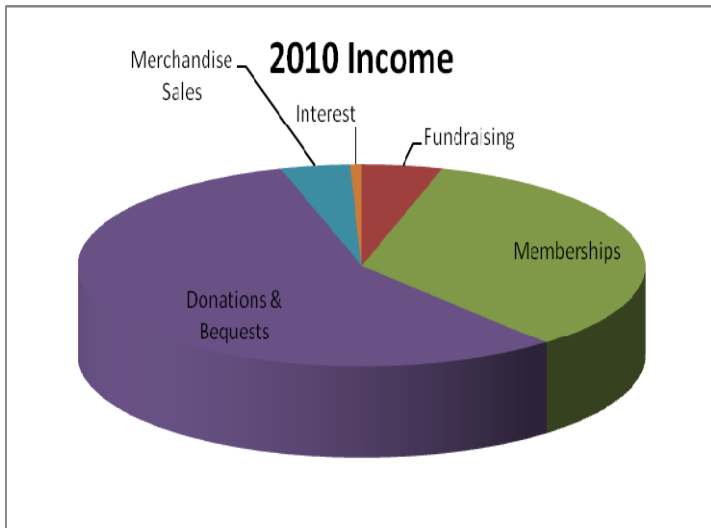
We collected from areas such as Tatura, Benalla, Kerang, South Gippsland, Merricks North, Warrigal and a fair few more places. We then successfully delivered hay to Charlton, Horsham, Skipton and Kerang and with what we had on sight left over we donated to the Victorian Brumby Association. We still have around 600 bales of hay and lucerne on offer to us but at this point have no-one to give it too so have left it where it is. Should we need it we may still call upon our generous donors. We have had so many people come forward with offers of help in the form of truck driver's, hands to load and unload hay. I have started to create a spreadsheet of areas and people who can assist us in the future should the need arise. We also need to look back on this experience and think how we could better manage and or delegate some responsibilities and chores to others, so we can be a more effective organisation and reach deeper into the communities who need help.

I feel the hay register was a huge success but am the first to say I personally could have spent more time on the register and maybe even obtained a better result in people asking us for more help. But all lessons are not in vein in life as I have learnt so much from this unfortunate flood disaster and thankfully it wasn't as devastating as the fires were, and this smaller tragedy, has taught us some valuable lessons which we will can take on board and defiantly be better equipped and more knowledgeable to assist people on the next unfortunate tragedy.

- Sharron Todd



As Treasurer, one of the best things that I am able to report is that this year we have seen a decrease in percentage of expenditure on running costs and an increase in percentage of our expenditure on horses. I see this as a great achievement and wish to thank all of the committee for being so generous in volunteering their time and other resources to effect this change.



Thank you to everyone who has supported us through financial donations and membership dues. I would also like to thank those businesses and practitioners who donated, or significantly reduced the cost of, their goods and services as this helps to keep our expenses down. Thanks are owed to our short term carers, many who choose to fund all or part of the rehabilitation themselves.

In terms of review of the accounts, it was agreed at the AGM to again use the same auditors as reviewed the 2009 accounts, this enables them to confirm the starting figures and maintains consistency. Their report is attached to this document.

Chase Ellis – Treasurer

Donation of Goods and Services

The following either donated or substantially discounted their goods or services for the benefit of Project Hope Horses. These donations enable us to stretch our finances further whilst still providing our horses with the best of care:

- **Lea Smart, Smart Bowen Therapy**
- **Mark Burnell, Equine Dentist**
- **Shannon Lee, Advanced Equine Dentistry**
- **Yarrambat Veterinary Clinic**
- **Dr. Ann Jacobsen, Rosehill Stud**
- **Australian Equine Behaviour Centre**
- **Suzannah Hawke, Veterinarian**
- **Trent Mills, Trainer**
- **Arnold Bloch Leibler Lawyers**
- **Barastoc Horse Feed**
- **Definitive Events**
- **The Balmers Blend**
- **Margie Bourke, Lawyer**

Financial Donors

Austin, J	Gallagher, W	Marshall, L	Ritchies IGA
Ayres, B	Gason, M	Martin, A	Roberts, C
Bailey, O	Gawthrop, M	Martin, H	Saunders, J
Bakes, N	Gisborne & District ARC	Mathieson, C	Schonfelder, K
Bakker, P	Gittens, A	McAuley, K	Schween, A
Bamford, C	Gorick, J	McGain, M	Shaeffner, A
Banyule City Council	Green, R	McWade, K	Sharp, B
Barnard, R & J	Grimmant, B	Merricks Saddle Club	Shaw, D
Best, V	Hampson & Buckey Pty Ltd	Minchin-King, J & S	Shearn, J
Blanks, D	Hansen, K	Mitchell, H	Sheehan, K
Bossence, K	Hanson, F	Monaghan, J	Shelders, B
Boyd-Jones, E	Hardenberg, B	Moores, E	Show Horse Council of SA
Bramblebee, S	Harding, J	Moran, L	Sims, S
Buckley, K (H& B Fashion)	Hargrave, F & R	Morgan, C	Slater, K
Bucknell, J	Harris, T	Morgan, F	Smart, J
Campbell, H	Hart, J & J	Morris, C	Smith, J
Cambell, V	Harvey, L	Mullen, D	Stevens, S
Caunt, R	Hawkins, Z	Nar Nar Goon ARC	Sturrock, J
Cavagna, M	Higgins, K	Nelles, Z	Sundt, F
Charter, T	Hoffman, S	Norton, S	Taranto, P
Cochrane, F	Holt, R & S	Nutter, C	Tarrant, M
Cole, K	Horseguide	Oades, A	Thompson, J
Collins, G	Howard, K	Osborne, T	Todd, S
Cooper-Smith, J	Jack, A	Oxley, C	Toon, S
Dane, J & A	James, J	Pakenham Produce	Tresize, K
Davies, D	Jedlicka, M	Parr, K	Tuohy, T
De Fraga, C	Jolley, A	Pechotsch, L	Turnor, V
Degenhardt, D	Jordan, G	Perry, D	Versteeg, C
Denholm, D	Kerlin, K	Perry, T	Wade, M
Dickens, A	King, J	Petschel, R	Walker, K
Dowler, A	Kirby, T	Pickering, J	Watkins, R
Drayton, M	Kosa, S	Power, K	Watson, L
Duckworth, J	Kyneton Dog Obedience Club	Probst, J	Wells, M
Duncan, J	Lang, T	Pryor, C	Wheaton, M
Eckberg, J	Langbehn, P	Pyke, J	White, H
Eppingstall, R	Lindsay, G	Pywell, M	Whiting, M
Fischbacher, H	Livera, A	Randwick Trust (Inglis)	Yendall, R & D
Flynn, K	Lovell, S	Re, J	Zajicek, S
Fraser, K	Luc, D	Reynolds, R	
Fred's Fodder	Malmgren, J	Ridd, H	

PROJECT HOPE HORSE WELFARE VICTORIA INC.
FINANCIAL REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2011

***Project Hope Horse
Welfare Victoria Inc.***

*Financial Report for the year ended
28 February 2011*

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**PROJECT HOPE HORSE WELFARE VICTORIA INC.
STATEMENT BY EXECUTIVE COMMITTEE**

In the opinion of the Executive Committee of Project Hope Horse Welfare Victoria Inc.:


- (a) the accompanying statement of comprehensive income and cash flow statement are drawn up so as to give a true and fair view of the result and cash flows of Project Hope Horse Welfare Victoria Inc for the year ended 28 February 2011;
- (b) the accompanying statement of financial position and statement of changes in equity is drawn up so as to give a true and fair view of the state of affairs of Project Hope Horse Welfare Victoria Inc. as at the end of the financial year; and
- (c) at the date of this statement there are reasonable grounds to believe that Project Hope Horse Welfare Victoria Inc is able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Executive Committee.

Sue Kirkegard
 President
 Project Hope Horse Welfare Victoria Inc.



Chase Ellis
 Treasurer
 Project Hope Horse Welfare Victoria Inc.



Dated this 1st day of June 2011



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**INDEPENDENT AUDIT REPORT
 TO THE MEMBERS OF
 PROJECT HOPE HORSE WELFARE VICTORIA INC.**

We have audited the accompanying financial report, being a special purpose financial report, of Project Hope Horse Welfare Victoria Inc., which comprises the statement of financial position as at 28 February 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Committee for the Financial Report

The Committee members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial 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 and fair presentation of the financial report 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.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

PROJECT HOPE HORSE WELFARE VICTORIA INC. (CONTINUED)

Qualifications

In common with other entities of its size and nature, the Association receives a substantial proportion of revenue from donations in the form of cash. Project Hope Horse Welfare Victoria Inc. has determined that it is impractical to establish controls over the collection of cash revenue prior to its entry into its financial records. Accordingly, as the evidence available to us regarding cash revenue was limited, our audit procedures with respect to cash revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenue from fundraising and donations by the Association is complete.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitations on our audit procedures referred to in the qualification paragraphs not existed, the financial report presents fairly, in all material respects, the financial position of Project Hope Horse Welfare Victoria Inc. as of 28 February 2011 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist Project Hope Horse Welfare Victoria Inc to comply with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporations Act 1981 (Vic)*. As a result, the financial report may not be suitable for another purpose.

DFK Collins

**DFK Collins
Chartered Accountants**

08 June 2011

Robert Wernli

**Robert Wernli
Partner**

Melbourne

PROJECT HOPE HORSE WELFARE VICTORIA INC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2011

	2011	2010
	\$	\$
Revenues from ordinary activities		
Fundraising	8,581	8,293
Memberships	19,860	18,375
Donations & Bequests	26,733	227,694
Interest	387	-
Other Income	2,232	4,721
Total Revenue from Ordinary Activities	57,793	259,083
Expenses from ordinary activities		
Bank Charges	1,392	1,758
Postage	3,093	5,119
Office Expenses	3,024	7,449
Storage Unit	2,275	-
Professional Fees (Legal, Accountant)	16,633	27,053
Administration Fees	5,808	43,561
Phone/Internet	3,651	4,924
Printing	378	9,927
Advertising & Publicity	699	3,259
Insurance	1,314	-
Cost of Sales	140	1,424
Venue Hire & Catering	1,098	-
Miscellaneous	625	-
Depreciation	1,480	1,377
Horse Training	758	1,026
Vet	4,146	2,561
Dentist	592	175
Farrier	269	60
Euthanasia	891	-
Feed	4,043	-
Travel & Transport	1,014	-
General Horse Expenses	320	429
Community Education	1,609	-
Disaster Relief	4,655	131,358
Sundry Expenses	456	-
Total expenses from ordinary activities	60,363	241,460
Comprehensive result – surplus / (deficit)	(2,570)	17,623
Net result attributable to members of the Association	(2,570)	17,623

The above statement of comprehensive income is to be read in conjunction with the accompanying notes

PROJECT HOPE HORSE WELFARE VICTORIA INC

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2011

	NOTE	2011	2010
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	91,401	112,112
Inventory	4	12,664	13,667
TOTAL CURRENT ASSETS		<u>104,065</u>	<u>125,799</u>
NON CURRENT ASSETS			
Property, plant & equipment	5	2,785	3,921
TOTAL NON CURRENT ASSETS		<u>2,785</u>	<u>3,921</u>
TOTAL ASSETS		<u>106,850</u>	<u>129,720</u>
CURRENT LIABILITIES			
Trade and other payables	6	7,700	28,000
TOTAL CURRENT LIABILITIES		<u>7,700</u>	<u>28,000</u>
TOTAL LIABILITIES		<u>7,700</u>	<u>28,000</u>
NET ASSETS		<u>99,150</u>	<u>101,720</u>
EQUITY			
Retained Surplus	7	99,150	101,720
TOTAL EQUITY		<u>99,150</u>	<u>101,720</u>

The above statement of financial position is to be read in conjunction with the accompanying notes

PROJECT HOPE HORSE WELFARE VICTORIA INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2011

	NOTE	2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		57,793	259,083
Cash payments in the course of operations		(78,160)	(211,373)
Net cash provided by / (used in) operating activities	8(ii)	<u>(20,367)</u>	<u>47,710</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Fixed Assets		(344)	-
Net cash used in investing activities		<u>(344)</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>(20,711)</u>	<u>47,710</u>
Cash at the beginning of period		112,112	64,402
Cash at the end of the period	8(i)	<u>91,401</u>	<u>112,112</u>

The above statement of cash flows is to be read in conjunction with the accompanying notes

PROJECT HOPE HORSE WELFARE VICTORIA INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR 28 FEBRUARY 2011

	RETAINED EARNINGS	TOTAL
AT 1 MARCH 2010	101,720	101,720
Comprehensive result for the period	(2,570)	(2,570)
AT 28 FEBRUARY 2011	99,150	99,150
AT 1 MARCH 2009	84,097	84,097
Comprehensive result for the period	17,623	17,623
AT 28 FEBRUARY 2010	101,720	101,720

The above statement of changes in equity is to be read in conjunction with the accompanying notes

PROJECT HOPE HORSE WELFARE VICTORIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting and preparation

The Association is incorporated under the Associations Incorporation Act 1981. The Association is not a reporting entity because, in the Committee's opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

This is a special purpose financial report that has been prepared for distribution to members of the Association for the purpose of fulfilling the committee members' financial reporting requirements under its Constitution. The Committee has determined that the accounting policies adopted are appropriate to meet the needs of the members.

The report has been prepared in accordance with the requirements of the Associations Incorporation Act 1981, and the following applicable Australian Accounting Standards and Interpretations:

AASB 101	Presentation of Financial Statements	AASB 116	Property, Plant and Equipment
AASB 107	Cash Flow Statements	AASB 117	Leases
AASB 110	Events after Balance Sheet Date	AASB 1031	Materiality
		AASB 1048	Interpretation and Application of Standards

The financial report is prepared in accordance with the historical cost convention.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

(b) Basis of measurement

The financial report has been 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

(c) Revenue

Donations & Grants

Donations and Grants are recognised at the time when the Association obtains control over the assets, this usually occurs upon receipt of the funds.

(d) Cash and cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at call in bank accounts and cash on hand. These amounts are carried at the face value of the amounts deposited and approximate net fair value.

PROJECT HOPE HORSE WELFARE VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

Acquisitions
Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.

Depreciation

Items of property, plant and equipment are depreciated over their estimated useful lives.

The depreciation rates used for each class of asset are as follows:

- Office equipment 20% - 30%
- Furniture & Fittings 10% - 25%

(f) Income tax

In the opinion of the Committee, the Association is exempt from income tax under Section 50-45 of the Income Tax Assessment Act.

(g) Trade and Other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Association. Trade accounts payable are normally settled within 30 days. The carrying value of payables approximate net fair value.

(h) Comparatives

The classification of line items in the statement of comprehensive income has changed from prior year. This has been done to provide more relevant information to the users of the financial statements.

(i) Horses

The association owns a number of horses that are acquired and recorded at zero cost. The horses do not meet the definition of an asset as it is not probable that any future economic benefits embodied in the horses will eventuate. It is the policy of the association not to sell any of the horses and in the event of the association ceasing, the horses will be gifted to another organisation for no consideration.

As at 28 February 2011 the Association had recorded 83 horses on its horse database. These horses are maintained by members under long term lease agreements with the Association.

Expenditure incurred on maintaining and keeping the horses in short term care are expensed as incurred.

As part of the deed of settlement with previous committee members, horses that were previously controlled by the association have been transferred to the previous committee members. As part of this settlement there was no recovery of expenditures incurred by the Association on the properties of the previous committee members. There is no financial impact on the financial statements arising from these transactions.

PROJECT HOPE HORSE WELFARE VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

2. NET INCOME

Net income has been arrived at after charging / (crediting) the following items:	2011	2010
Depreciation of plant and equipment	1480	1,377

3. CASH AND CASH EQUIVALENTS

Cheque Account - Westpac	31,438	30,048
Gift Account - Westpac	18,610	27,333
Grant Account - Westpac	21,278	20,052
Appeals Account - Westpac	75	34,285
Undeposited Funds	-	394
Term Deposit	20,000	-
	<u>91,401</u>	<u>112,112</u>

4. INVENTORY

Merchandise	12,664	13,687
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PROJECT HOPE HORSE WELFARE VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

5. PROPERTY, PLANT & EQUIPMENT

	2011 \$	2010 \$
(i) Book value disclosure		
Equipment at cost	6,749	6,405
Less accumulated depreciation	<u>(3,964)</u>	<u>(2,484)</u>
Total property, plant & equipment	2,785	3,921
Net book value	<u>3,921</u>	<u>5,298</u>
Opening WDV at beginning of year	344	-
Additions	<u>(1,480)</u>	<u>(1,377)</u>
Depreciation expense	2,785	3,921
Balance at year end	<u>3,921</u>	<u>3,921</u>

6. TRADE AND OTHER PAYABLES

Creditors & Accruals	7,700	28,000
	<u>7,700</u>	<u>28,000</u>

7. RETAINED EARNINGS

Retained surplus at the beginning of the financial year	101,720	84,097
Net (deficit) surplus	<u>(2,570)</u>	<u>17,623</u>
Retained surplus at the end of the financial year	99,150	101,720

PROJECT HOPE HORSE WELFARE VICTORIA INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

8. NOTES TO THE CASH FLOW STATEMENT

	2011 \$	2010 \$
(i) Reconciliation of cash		
For the purposes of the cash flow statement, cash includes cash on hand and short term deposits with banks or financial institutions.		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash at bank & short term deposits	91,401	112,112
	<u>91,401</u>	<u>112,112</u>
(ii) Reconciliation of operating surplus to net cash provided used in operating activities		
Operating (deficit)/ surplus after income tax	(2570)	17,623
Add/(less) non-cash items:		
Depreciation	1,480	1,377
Net cash used in operating activities before change in assets and liabilities	(1,090)	19,000
Changes in assets and liabilities:		
(Decrease)/ Increase in payables	(20,300)	27,900
Decrease in inventory	1,023	810
Net cash (used in)/ provided by operating activities	<u>(20,367)</u>	<u>47,710</u>