

## 12. FINANCIAL ASSET

### *Available-for-sale financial assets*

Ceasy was a horse purchased in the financial year ending 30 June 2016 and was held as an asset available for sale. This was subsequently sold in the financial year ending 30 June 2017. The loss on sale was recorded at \$30,138.

## Sharon Jarvis & Ceasy (Para) Rio

### 12 FINANCIAL ASSET

#### *Available-for-sale financial assets*

Ceasy was a horse purchased in the financial year ending 30 June 2016 and was held as an asset available for sale. This was subsequently sold in the financial year ending 30 June 2017.

Horse	-	75,138
-------	---	--------

## **Comment - Who wants to argue that E.A. is not primarily focused on elite riders?**

From the EA annual report financials 2016-2017- Horse purchased \$75,138

Form the EA annual report financials 2017-2018 -

Ceasy was a horse purchased in the financial year ending 30 June 2016 and was held as an asset available for sale. This was subsequently sold in the financial year ending 30 June 2017.

The loss on sale was recorded at \$30,138

This would indicate that Ceasy was sold for \$45,000 2 years after she was purchased for \$75,000.

Was she sold to the syndicate?

Did the sale take 2.5 years? Why wasn't Ceasy syndicated at her purchase price?

Please note I don't wish to cast any aspersions on Sharon, this post is about questionable figures and actions by E.A.

<http://www.equestrian.org.au/news/ea-statement-horse-syndication>

<http://www.equestrian.org.au/what-is-high-performance>

Sharon's website would suggest that the Mare was syndicated shortly after her purchase 'Ceasy is owned by the Ceasy Syndicate. A group of people who are keen to see me compete for Australia at Rio'

<http://www.sharonjarvis.com/current-horses.html>

<http://www.equestrian.org.au/news/ea-statement-horse-syndication>

Syndication usually indicates a share sale to several parties who assume joint ownership and expenses. When did the syndication take place? Did the sale take 2.5 years? Why wasn't Ceasy syndicated at her initial purchase price?

\$30,138 is not an insignificant loss! If the Australian Institute of Sport fully funded this purchase via E.A. doesn't the AIS require any reporting or follow-up on an asset they have funded?

---

**Posted by Equestrian Australia on 20/10/2015.**

**EA Statement - Horse Syndication**

**Ceasy was purchased in January 2015 by Equestrian Australia (EA) in accordance with EA's Australian Sports Commission's "Winning Edge" strategy to ensure quality horses are part of the Australian teams' stable to deliver medal outcomes at Rio. The horse was purchased for Sharon Jarvis, a Paralympian and two time World Equestrian Games bronze medallist, identified as a former and potential medal contender in accordance with Australia's Winning Edge.**

**EA purchased Ceasy with a view to syndicate the horse, in the same way that it purchased TS Jamaimo for Eventing rider Chris Burton.**

**As with the TS Jamaimo syndicate, EA identified a potential medal winning horse and purchased the horse outright with the intention to sell the shares in the horse to allow EA to recover the costs.**

**In accordance with our reporting requirements the purchase of the horse was listed on the financial statements as goods to be sold.**

The proposed syndicate will comprise a mixture of individuals and corporate entities known as the Ceasy Syndicate. EA will not own a share in Ceasy and the syndicate will be managed by Sharon.

Although the EA membership is a key stakeholder to High Performance it is important to note that EA's High Performance plans are solely funded by the Australian Sports Commission and no membership levies are spent on its high performance programs.

The management and preparation of EA syndicated horses are the responsibility of the rider in conjunction with the Individual Performance plan required as part of a High Performance squad athlete. Sharon and Ceasy must complete the same qualification process as all riders on a Para-Equestrian squad and will be considered against the same selection criteria as all riders.

The National levy is a portion of your membership that is allocated to Equestrian Australia for the purpose of administering our sports.

## **The SportAus Sports Governance Principles EXCERPT**

### **Failures in Governance, accountability**

influenced by its tradition and culture establish and maintain an ethical culture through a committed self-regulatory approach

provide members and stakeholders with benchmarks against which to gauge the entity's performance

accountability, contestability and transparency. There is an obligation for all sporting organisations to explain to stakeholders if any alternative approach to the best-practice principles is adopted (the 'if not, why not' obligation).

Sport Australia recognises that effective sports governance requires leadership, integrity and good judgment. Additionally, effective governance will ensure more effective decision making, with the organisation demonstrating transparency, accountability and responsibility in the activities undertaken and resources expended.

if a national sporting organisation carries a company limited by guarantee if a national sporting organisation carries on business in a state other than that in which it is incorporated, it is required to be registered under the Corporations Act as a registrable Australian body. This registration imposes additional administrative requirements on the organisation.

*Corporations Act 2001 (Cth)*

[https://www.sportaus.gov.au/governance/sports\\_governance\\_principles#principle\\_1\\_board\\_composition\\_roles\\_and\\_powers](https://www.sportaus.gov.au/governance/sports_governance_principles#principle_1_board_composition_roles_and_powers)

## Principle 1 - Board composition, roles and powers.

### Principle 1.7

That the board should:

- approve, monitor and be accountable for the financial and non-financial performance of the organisation, including setting fees
- ensure an effective system of internal controls exists and is operating as expected, and that policies on key issues are in place and appropriate and that these can be applied effectively and legally to those participants or persons for whom they are intended
- develop a clearly articulated and effective grievance procedure
- ensure the organisation complies with all relevant laws, codes of conduct and appropriate standards of behaviour
- 

### Principle 1.11

That the board outline the role of individual directors/board members, including (at a minimum):

- the legal duties of individual directors, including the requirement of directors to:act in good faith and for a proper purpose
  - exercise due care and diligence
  - ensure the organisation does not continue to carry on its business while insolvent
  - meet the requirements of various other federal and state laws that directly impact on the organisatio

- a code of conduct or policy specifying the behaviour expected of directors (see Principle 6)
- a conflict of interest provision that specifies:
  - a director must disclose actual/potential conflicts of interest
  - the process for disclosure of real or potential conflicts of interest
  - a process that governs a director's involvement in any decisions with which they have a conflict of interest
  - the requirement for a register of ongoing interest to provide a record of all potential conflicts
  - a director should not hold any other official or corresponding administrative position within the organisation at any level that creates a material conflict of interest. This is to ensure no actual or perceived conflicts of interest
- the responsibilities of directors for completing an induction program, undertaking continuing professional development as well as engagement in ongoing performance assessment (see Principle 4).

## Principle 3 - Governance systems

### Principle 3.3

That the board should have in place an effective and efficient monitoring and evaluation system. This will include financial and non-financial monitoring. In particular, each board should monitor outcomes of the implementation of the strategies as the basis for the evaluation of overall performance and reporting to members (see Principle 5).

### Principle 3.4

That the board should have in place an effective risk management strategy and process. This will require the board to take actions to identify key risks facing the organisation and ensure that risk management strategies are developed and actioned. The risk management system should comply with the Australian Risk Management Standard HB 246:2010.

### **Commentary and guidance**

It is essential that an organisation regularly reviews its risk exposure across all facets of the organisation.

An organisation should establish its risk appetite and assess risk in line with this. In line with HB 246:2010 an organisation should review the likelihood and impact of all possible incidents and assess the actions required to minimise, avoid or eliminate potential risks. An organisation should ensure it also assesses the opportunities forgone as part of its risk assessment and evaluation process, as

risk is not only a negative element; the opportunity cost of not doing activities should also be considered.

In addition, some events or activities often need a specific and comprehensive risk assessment to be done (for example, the hosting of a large sporting event). In this situation a business case should be developed as part of normal risk management processes to assess the impact and potential outcomes, negative or positive, of such an event.