

SQUASH RACKETS ASSOCIATION OF SA INC

ABN 21 339 545 083

ANNUAL FINANCIAL REPORT

30 June 2017

SQUASH RACKETS ASSOCIATION OF SA INC

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SQUASH RACKETS ASSOCIATION OF SA INC

INCOME STATEMENT for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue		2,796,172	3,111,838
Cost of sales		(868,328)	(992,635)
Gross profit		1,927,844	2,119,203
Administration expenses		(599,844)	(635,692)
Depreciation and amortisation		(121,773)	(133,200)
Finance costs		(10,826)	(17,804)
Operating expenses		(284,272)	(252,708)
Staffing expenses		(899,504)	(973,758)
Profit / (loss) for the year	2	11,625	106,041

The accompanying notes form part of these financial statements.

SQUASH RACKETS ASSOCIATION OF SA INC

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	3	176,798	206,611
Trade and other receivables	4	26,271	30,747
Inventories		15,317	22,991
Total current assets		218,386	260,349
Non-current assets			
Trade and other receivables	4	4,000	11,000
Property, plant and equipment	5	3,208,237	3,188,664
Intangible assets	6	124,241	148,241
Total non-current assets		3,336,478	3,347,905
Total assets		3,554,864	3,608,254
Current liabilities			
Trade and other payables	7	189,343	238,551
Borrowings	8	171,073	94,353
Short-term provisions	9	58,959	60,193
Total current liabilities		419,375	393,057
Non-current liabilities			
Borrowings	8	0	165,320
Total non-current liabilities		0	165,320
Total liabilities		419,375	558,377
Net assets		3,135,489	3,049,877
Equity			
Balance at beginning of financial period		3,049,877	2,943,836
Profit / (loss) for the year		11,625	106,041
Prior year land tax refund		33,987	0
Capital insurance recovery		40,000	0
Total equity		3,135,489	3,049,877

The accompanying notes form part of these financial statements.

SQUASH RACKETS ASSOCIATION OF SA INC

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		2,775,117	3,108,513
Payments to suppliers and employees		(2,670,442)	(2,877,315)
Interest received		85	75
Finance costs		(10,826)	(17,804)
Net cash provided/(used) in operating activities	10	93,934	213,469
Cash flows from investing activities			
Purchase of property, plant and equipment		(142,346)	(57,541)
Proceeds from sale of assets		25,000	0
Net cash used in investing activities		(117,346)	(57,541)
Cash flows from financing activities			
Repayment of borrowings		(163,600)	(75,205)
Proceeds from borrowings		75,000	0
Repayments by clubs		8,212	5,000
Prior year land tax refund		33,987	0
Capital insurance recovery		40,000	0
Net cash used in financing activities		(6,401)	(70,205)
Net increase/ (decrease) in cash held		(29,813)	85,723
Cash at beginning of financial period		206,611	120,888
Cash at end of financial period	10	176,798	206,611

The accompanying notes form part of these financial statements.

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 1: Statement of significant accounting policies

The directors have prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows.

Going concern

The financial report of the association has been prepared using the going concern basis.

Reporting period

The financial period of the association is 1 July 2016 to 30 June 2017.

Comparatives

Where necessary, the comparative figures have been adjusted to conform to the presentation of the 30 June 2017 financial report.

Revenue recognition

Revenue from the sale of goods is recognised (net of discounts and allowances) when control of the goods passes to the customer.

Revenue from rendering services is recognised at the completion of the contracted task.

Receivables

The collectability of debts is assessed at balance date and specific provision is made, if necessary, for any doubtful accounts.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

Property, plant and equipment and right of use of Barossa courts

Fixed and intangible assets are brought to account at cost less where applicable, any accumulated depreciation or amortisation.

All assets have limited useful lives and are depreciated or amortised using the straight line method over their estimated useful lives.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation and amortisation rates used for each class of assets are:

Furniture, fittings and floor coverings	12-25%	Gaming machines	25%
Motor vehicles	33%	Plant and equipment	25%
Right of use of Barossa courts	10%		

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST payable is included as a current liability in the statement of financial position.

Employee entitlements

Provision is made for the association's liability for employee entitlements to annual and long service leave arising from services rendered by employees to balance date.

Contributions are made by the association to the employees' superannuation funds and are charged as expenses when incurred.

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 \$	2016 \$
Note 2: Profit / (loss) for the year		
The Southern:		
Administration	(894,808)	(1,000,582)
Bar trading	302,178	323,873
Bistro trading	42,894	29,921
Gaming	1,048,967	1,205,379
Sponsorships	(9,522)	(4,822)
	<u>489,709</u>	<u>553,769</u>
Squash SA:		
Administration	(274,332)	(286,893)
Competitions	(22,020)	(2,804)
Pathways	(169,459)	(155,589)
Tournaments	(12,273)	(2,442)
	<u>(478,084)</u>	<u>(447,728)</u>
Profit / (loss) for the year	<u><u>11,625</u></u>	<u><u>106,041</u></u>
Note 3: Cash and cash equivalents		
Cash on hand	49,705	51,064
Cash at bank	127,093	155,547
	<u>176,798</u>	<u>206,611</u>

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017	2016
	\$	\$
Note 4: Trade and other receivables		
Current:		
Trade receivables	5,836	11,392
Loans to clubs	14,650	15,862
Accrued income	2,963	2,827
Prepaid expenses	2,822	666
	26,271	30,747
	26,271	30,747
Non-current:		
Loans to clubs	4,000	11,000
	4,000	11,000
Note 5: Property, plant and equipment		
Land and buildings	2,680,206	2,680,206
Furniture, fittings and floor coverings	300,517	299,337
Accumulated depreciation	(213,811)	(192,571)
	86,706	106,766
Gaming machines	1,451,338	1,384,859
Accumulated depreciation	(1,238,497)	(1,190,498)
	212,841	194,361
Motor vehicle	36,157	35,613
Accumulated depreciation	(3,040)	(15,960)
	33,117	19,653
Plant and equipment	601,766	563,237
Accumulated depreciation	(406,399)	(375,559)
	195,367	187,678
Net book value	3,208,237	3,188,664

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	2017 \$	2016 \$
Note 6: Intangible assets		
Right of use of Barossa courts	250,000	250,000
Accumulated amortisation	(125,759)	(101,759)
Net book value	124,241	148,241
Note 7: Trade and other payables		
Trade payables	57,831	56,978
Other creditors	71,495	89,643
Prepaid income	3,101	29,576
Accrued expenses	56,916	62,314
	189,343	238,511
Note 8: Borrowings		
Bank loan secured	96,073	259,673
Other loan secured	75,000	0
	171,073	259,673
<p>The bank loan is secured by way of a fixed charge over the land and buildings of the association.</p> <p>Borrowings are provided for in the financial statements as follows:</p>		
Current	171,073	94,353
Non-current	0	165,320
	171,073	259,673
Note 9: Short-term provisions		
Employee benefits	58,959	60,193

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Note 10: Notes to the statement of cash flows			
Reconciliation of cash:			
For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash as at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash on hand	3	49,705	51,064
Cash at bank	3	127,093	155,547
		<u>176,798</u>	<u>206,611</u>
Reconciliation of cash flow from operations with profit / (loss):			
Profit / (loss) for the year		11,625	106,041
Non-cash flows in profit/(loss):			
Amounts set aside to provisions		(1,234)	10,148
Depreciation and amortisation		121,773	133,200
Change in assets and liabilities:			
Decrease / (increase) in trade and other receivables		3,264	4,307
Decrease / (increase) in inventories		7,674	(7,037)
Increase / (decrease) in trade and other payables		(49,168)	(33,190)
Net cash provided / (used) in operating activities		<u>93,934</u>	<u>213,469</u>

SQUASH RACKETS ASSOCIATION OF SA INC

DIRECTORS' DECLARATION

The directors have determined that the association is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the association declare that:

1. the financial statements and notes, as set out on pages 1 to 9 present fairly the entity's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the entity 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.

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Sam Abishara
President

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Bill Cochrane
Director

August 2017

SQUASH RACKETS ASSOCIATION OF SA INC

INDEPENDENT AUDIT REPORT

I have audited the special purpose Income Statement and the Statement of Financial Position for the Squash Rackets Association of S.A. Incorporated in accordance with Australian Auditing Standards, for the financial year ended 30 June 2017.

The audit included checking and forming a view on the Association's responsibility for the maintenance of adequate accounting records and internal controls.

The audit procedures assessed whether in all material aspects the Statements presented fairly in accordance to Accounting Standards. The procedures included testing, examination, discussion and analysis, and any other disclosures in the Statements that were not directly derived from the full financial statements.

The Statements are prepared for the information of the membership and in accordance with the *Associations Incorporations Act 1985*.

In my opinion the Association's Income Statement and Statement of Financial Position presents a true and fair view of the activities and position of the Association for the financial year ended 30 June 2017.

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Rod Shearing OAM FIPA
Auditor

August 2017