

SQUASH RACKETS ASSOCIATION OF SA INC

ABN 21 339 545 083

ANNUAL FINANCIAL REPORT

30 June 2014

SQUASH RACKETS ASSOCIATION OF SA INC

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SQUASH RACKETS ASSOCIATION OF SA INC

INCOME STATEMENT for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue		2,563,032	2,400,524
Cost of sales		(765,117)	(716,141)
Gross profit		1,797,915	1,684,383
Administration expenses		(287,959)	(288,021)
Depreciation		(116,869)	(125,456)
Finance costs		(15,914)	(18,455)
Operating expenses		(500,098)	(536,329)
Revaluation of glass court		0	(25,000)
Staffing expenses		(872,239)	(733,209)
Profit / (loss) for the year	2	4,836	(42,087)

The accompanying notes form part of these financial statements.

SQUASH RACKETS ASSOCIATION OF SA INC

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	3	132,033	118,648
Trade and other receivables	4	60,500	53,377
Inventories		16,607	21,050
Total current assets		209,140	193,075
Non-current assets			
Trade and other receivables	4	22,750	10,750
Property, plant and equipment	5	3,112,554	3,105,813
Intangible assets	6	196,241	216,970
Total non-current assets		3,331,545	3,333,533
Total assets		3,540,685	3,526,608
Current liabilities			
Trade and other payables	7	248,163	174,717
Borrowings	8	44,461	56,088
Short-term provisions	9	49,654	30,897
Total current liabilities		342,278	261,702
Non-current liabilities			
Borrowings	8	168,851	240,186
Total non-current liabilities		168,851	240,186
Total liabilities		511,129	501,888
Net assets		3,029,556	3,024,720
Equity			
Members funds		3,024,720	3,091,807
Profit / (loss) for the year		4,836	(42,087)
Revaluation of ATM float		0	(25,000)
Total equity		3,029,556	3,024,720

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 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers		2,575,158	2,401,820
Payments to suppliers and employees		(2,344,233)	(2,416,229)
Interest received		113	985
Finance costs		(15,914)	(18,455)
Net cash provided/(used) in operating activities	10	215,124	(31,879)
Cash flows from investing activities			
Purchase of property, plant and equipment		(102,881)	(65,745)
Net cash used in investing activities		(102,881)	(65,745)
Cash flows from financing activities			
Repayment of borrowings		(82,962)	(116,626)
Loans to clubs		(20,000)	0
Repayments by clubs		4,104	6,032
Net cash used in financing activities		(98,858)	(110,594)
Net increase/ (decrease) in cash held		13,385	(208,218)
Cash at beginning of financial period		118,648	326,866
Cash at end of financial period	10	132,033	118,648

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 2014

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 2013 to 30 June 2014.

Comparatives

Where necessary, the comparative figures have been adjusted to conform to the presentation of the 30 June 2014 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 2014

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 2014

	2014 \$	2013 \$
Note 2: Profit/(loss) for the year		
Racquets SA:		
Bar trading	82,359	59,127
Gaming	697,160	782,386
Kitchen trading	(21,261)	(45,689)
Other income	45,140	37,528
Administration	(307,856)	(240,727)
Loss re ceiling collapse	0	(35,013)
	<u>495,542</u>	<u>557,612</u>
Squash SA:		
Administration	(308,223)	(322,988)
Member services	0	(23,023)
Pathways	(169,014)	(187,631)
Pennant	(6,679)	(30,418)
Racquetball	2,594	(5,383)
Revaluation of glass court	0	(25,000)
Tournaments	(9,384)	(5,256)
	<u>(490,706)</u>	<u>(599,699)</u>
Net profit / (loss) for the year	<u><u>4,836</u></u>	<u><u>(42,087)</u></u>
Note 3: Cash and cash equivalents		
Cash on hand	51,118	47,351
Cash at bank	80,915	71,297
	<u>132,033</u>	<u>118,648</u>

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	2014 \$	2013 \$
Note 4: Trade and other receivables		
Current:		
Trade receivables	6,801	23,385
Loans to clubs	13,112	9,216
Accrued income	10,795	6,545
Prepaid expenses	29,792	14,231
	<u>60,500</u>	<u>53,377</u>
Non-current:		
Loans to clubs	<u>22,750</u>	<u>10,750</u>
Note 5: Property, plant and equipment		
Land and buildings	2,516,348	2,513,188
Furniture, fittings and floor coverings	289,388	245,628
Accumulated depreciation	(150,091)	(138,080)
	<u>139,297</u>	<u>107,548</u>
Gaming machines	1,296,969	1,257,911
Accumulated depreciation	(1,091,017)	(1,035,330)
	<u>205,952</u>	<u>222,581</u>
Motor vehicle	37,341	37,341
Accumulated depreciation	(14,071)	(7,383)
	<u>23,270</u>	<u>29,958</u>
Plant and equipment	541,086	524,183
Accumulated depreciation	(313,399)	(291,645)
	<u>227,687</u>	<u>232,538</u>
Net book value	<u>3,112,554</u>	<u>3,105,813</u>

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	2014 \$	2013 \$
Note 6: Intangible assets		
Right of use of Barossa courts	250,000	250,000
Accumulated amortisation	(53,759)	(33,030)
Net book value	196,241	216,970
Note 7: Trade and other payables		
Trade payables	69,118	80,704
Other creditors	117,197	82,710
Prepaid income	11,208	11,303
Accrued expenses	50,640	0
	248,163	174,717
Note 8: Borrowings		
Bank loans secured	213,312	296,274
The bank loans are secured by way of a fixed charge over the land and buildings of the association.		
Borrowings are provided for in the financial statements as follows:		
Current	44,461	56,088
Non-current	168,851	240,186
	213,312	296,274
Note 9: Short-term provisions		
Employee benefits	49,654	30,897

SQUASH RACKETS ASSOCIATION OF SA INC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Note 10: Notes to the cash flow statement			
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	51,118	47,351
Cash at bank	3	80,915	71,297
		<u>132,033</u>	<u>118,648</u>
Reconciliation of cash flow from operations with profit/(loss):			
Profit / (loss) for the year		4,836	(42,087)
Non-cash flows in profit/(loss):			
Amounts set aside to provisions		18,757	4,538
Depreciation and amortisation		116,869	125,456
Revaluation of glass court		0	25,000
Revaluation of ATM float		0	(25,000)
Change in assets and liabilities:			
Decrease / (increase) in trade and other receivables		(3,227)	45,549
Decrease / (increase) in inventories		4,443	(441)
Increase / (decrease) in trade and other payables		73,446	(164,894)
Net cash provided / (used) in operating activities		<u>215,124</u>	<u>(31,879)</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 3 to 14 present fairly the entity's financial position as at 30 June 2014 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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Elroy Todd
Director

4 September 2014

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 2014.

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 2014.



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Rod Shearing OAM FIPA
Auditor

5 September 2014