

# **SQUASH RACKETS ASSOCIATION OF SA INC**

**ABN 21 339 545 083**

## **ANNUAL FINANCIAL REPORT**

**30 June 2016**

# SQUASH RACKETS ASSOCIATION OF SA INC

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# SQUASH RACKETS ASSOCIATION OF SA INC

## INCOME STATEMENT for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue		3,307,133	2,857,411
Cost of sales		(1,187,930)	(940,002)
<b>Gross profit</b>		<b>2,119,203</b>	<b>1,917,409</b>
Administration expenses		(635,692)	(545,565)
Depreciation and amortisation		(133,200)	(138,150)
Finance costs		(17,804)	(18,044)
Operating expenses		(252,708)	(249,394)
Staffing expenses		(973,758)	(1,007,214)
<b>Profit / (loss) for the year</b>	2	<b>106,041</b>	<b>(40,958)</b>

The accompanying notes form part of these financial statements.

# SQUASH RACKETS ASSOCIATION OF SA INC

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	3	206,611	120,888
Trade and other receivables	4	30,747	40,054
Inventories		22,991	15,954
<b>Total current assets</b>		<b>260,349</b>	<b>176,896</b>
<b>Non-current assets</b>			
Trade and other receivables	4	11,000	11,000
Property, plant and equipment	5	3,188,664	3,258,273
Intangible assets	6	148,241	172,241
<b>Total non-current assets</b>		<b>3,347,905</b>	<b>3,441,514</b>
<b>Total assets</b>		<b>3,608,254</b>	<b>3,618,410</b>
<b>Current liabilities</b>			
Trade and other payables	7	238,511	289,651
Borrowings	8	94,353	10,038
Short-term provisions	9	60,193	50,045
<b>Total current liabilities</b>		<b>393,057</b>	<b>349,734</b>
<b>Non-current liabilities</b>			
Borrowings	8	165,320	324,840
<b>Total non-current liabilities</b>		<b>165,320</b>	<b>324,840</b>
<b>Total liabilities</b>		<b>558,377</b>	<b>674,574</b>
<b>Net assets</b>		<b>3,049,877</b>	<b>2,943,836</b>
<b>Equity</b>			
Balance at beginning of financial period		2,943,836	3,029,556
Profit / (loss) for the year		106,041	(40,958)
Prior year adjustment – land tax		0	(44,762)
<b>Total equity</b>		<b>3,049,877</b>	<b>2,943,836</b>

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 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		3,303,808	2,856,145
Payments to suppliers and employees		(3,072,610)	(2,715,026)
Interest received		75	83
Finance costs		(17,804)	(18,044)
<b>Net cash provided/(used) in operating activities</b>	10	<b>213,469</b>	<b>123,158</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(57,541)	(279,869)
Proceeds from sale of motor vehicle		0	20,000
<b>Net cash used in investing activities</b>		<b>(57,541)</b>	<b>(259,869)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		0	141,566
Repayment of borrowings		(75,205)	(20,000)
Repayments by clubs		5,000	4,000
<b>Net cash used in financing activities</b>		<b>(70,205)</b>	<b>125,566</b>
<b>Net increase/ (decrease) in cash held</b>		<b>85,723</b>	<b>(11,145)</b>
Cash at beginning of financial period		120,888	132,033
<b>Cash at end of financial period</b>	10	<b>206,611</b>	<b>120,888</b>

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 2016

### **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 2015 to 30 June 2016.

#### **Comparatives**

Where necessary, the comparative figures have been adjusted to conform to the presentation of the 30 June 2016 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 2015

### **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 2016

	2016 \$	2015 \$
<b>Note 2: Profit / (loss) for the year</b>		
<b>The Southern:</b>		
Administration	(1,000,582)	(923,054)
Bar trading	323,873	243,724
Bistro trading	29,921	(370)
Gaming	1,205,379	1,121,828
Sponsorships	(4,822)	(12,714)
	<u>553,769</u>	<u>429,414</u>
<b>Squash SA:</b>		
Administration	(286,893)	(281,894)
Competitions	(2,804)	(6,176)
Pathways	(155,589)	(172,579)
Tournaments	(2,442)	(9,723)
	<u>(447,728)</u>	<u>(470,372)</u>
<b>Profit / (loss) for the year</b>	<u><u>106,041</u></u>	<u><u>(40,958)</u></u>
<b>Note 3: Cash and cash equivalents</b>		
Cash on hand	51,064	50,026
Cash at bank	155,547	70,862
	<u>206,611</u>	<u>120,888</u>



# SQUASH RACKETS ASSOCIATION OF SA INC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

	2016 \$	2015 \$
<b>Note 4: Trade and other receivables</b>		
<b>Current:</b>		
Trade receivables	11,392	8,067
Loans to clubs	15,862	20,862
Accrued income	2,827	0
Prepaid expenses	666	11,125
	<b>30,747</b>	<b>40,054</b>
	<b>30,747</b>	<b>40,054</b>
<b>Non-current:</b>		
Loans to clubs	11,000	11,000
	<b>11,000</b>	<b>11,000</b>
	<b>11,000</b>	<b>11,000</b>
<b>Note 5: Property, plant and equipment</b>		
Land and buildings	2,680,206	2,675,805
Furniture, fittings and floor coverings	299,337	295,360
Accumulated depreciation	(192,571)	(171,332)
	106,766	124,028
Gaming machines	1,384,859	1,361,869
Accumulated depreciation	(1,190,498)	(1,142,497)
	194,361	219,372
Motor vehicle	35,613	35,613
Accumulated depreciation	(15,960)	(6,840)
	19,653	28,773
Plant and equipment	563,237	555,014
Accumulated depreciation	(375,559)	(344,719)
	187,678	210,295
<b>Net book value</b>	<b>3,188,664</b>	<b>3,258,273</b>

# SQUASH RACKETS ASSOCIATION OF SA INC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

	2016 \$	2015 \$
<b>Note 6: Intangible assets</b>		
Right of use of Barossa courts	250,000	250,000
Accumulated amortisation	(101,759)	(77,759)
<b>Net book value</b>	<b>148,241</b>	<b>172,241</b>
<b>Note 7: Trade and other payables</b>		
Trade payables	56,978	139,197
Other creditors	89,643	92,789
Prepaid income	29,576	3,747
Accrued expenses	62,314	53,918
	<b>238,511</b>	<b>289,651</b>
<b>Note 8: Borrowings</b>		
Bank loan secured	<b>259,673</b>	<b>334,878</b>
The bank loan is secured by way of a fixed charge over the land and buildings of the association.		
<b>Borrowings are provided for in the financial statements as follows:</b>		
Current	94,353	10,038
Non-current	165,320	324,840
	<b>259,673</b>	<b>334,878</b>
<b>Note 9: Short-term provisions</b>		
Employee benefits	<b>60,193</b>	<b>50,045</b>

# SQUASH RACKETS ASSOCIATION OF SA INC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Note 10: Notes to the statement of cash flows</b>			
<b>Reconciliation of cash:</b>			
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	51,064	50,026
Cash at bank	3	155,547	70,862
		<u>206,611</u>	<u>120,888</u>
<b>Reconciliation of cash flow from operations with profit / (loss):</b>			
Profit / (loss) for the year		106,041	(40,958)
Prior year adjustment – land tax		0	(44,762)
Non-cash flows in profit/(loss):			
Amounts set aside to provisions		10,148	391
Depreciation and amortisation		133,200	138,150
Change in assets and liabilities:			
Decrease / (increase) in trade and other receivables		4,307	28,196
Decrease / (increase) in inventories		(7,037)	653
Increase / (decrease) in trade and other payables		(33,190)	41,488
<b>Net cash provided / (used) in operating activities</b>		<u>213,469</u>	<u>123,158</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 2016 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.



.....  
Sam Abishara  
President



.....  
Dave Whan  
Director

9 September 2016

# 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 2016.

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 2016.



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Rod Shearing OAM FIPA  
Auditor

9 September 2016