

Townsville Hockey Association Inc

ABN: 94 920 839 303

Financial Statements

For the Period Ended 30 June 2020

Townsville Hockey Association Inc

ABN: 94 920 839 303

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For the Year Ended 30 June 2020

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Townsville Hockey Association Inc

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Association fees		205,818	184,628
Clubhouse income		72,323	49,793
Competitions and championships income		14,334	2,923
Flood recovery claims received		-	1,100,000
Grants and sponsorship		353,831	2,109,081
Hockey development income		13,895	8,649
Representative team income		25,510	81,146
Rental & hire income		19,559	7,295
Shop sale income		6,051	7,095
Other income	3	56,070	5,644
Total income		767,391	3,556,254
Expenditure			
Costs of goods sold		45,412	31,657
Bank charges		8,180	8,859
Club fee payments		15,323	-
Cleaning expenses		10,397	5,859
Competition & championship expenses		50,580	17,005
Depreciation		249,869	61,367
Employment costs		186,518	116,969
General operating expenses		40,197	76,024
Hockey development expenses		6,929	5,108
Motor vehicle expenses		9,115	7,027
Other expenses		253	12,452
Flood recovery repair expenses		14,424	205,868
Repairs and maintenance		49,879	47,847
Representative team expense		21,023	88,295
Utilities		68,937	39,647
Total expenditure		777,036	723,984
Total comprehensive income for the year		(9,645)	2,832,270

The accompanying notes form part of these financial statements.

Townsville Hockey Association Inc

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	859,919	1,087,096
Trade and other receivables	5	23,823	94,405
Inventories		33,438	31,964
TOTAL CURRENT ASSETS		917,180	1,213,465
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,425,396	2,360,522
TOTAL NON-CURRENT ASSETS		2,425,396	2,360,522
TOTAL ASSETS		3,342,576	3,573,987
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	61,176	282,642
Provisions		-	298
TOTAL CURRENT LIABILITIES		61,176	282,940
TOTAL LIABILITIES		61,176	282,940
NET ASSETS		3,281,400	3,291,047
EQUITY			
Retained surplus		3,281,400	3,291,047
TOTAL EQUITY		3,281,400	3,291,047

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee, the association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporation Act (Qld) 1981*.

The financial statements have been prepared on an accruals basis and are based on historical costs.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies.

2 Significant Accounting Policies

(a) Revenue and other income

Players registrations

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to customers (players). For each contract (membership) with a customer, the association recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sales revenue

Events, membership fees, nominations, fundraising and raffles are recognised when received or receivable.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income as each performance obligation is satisfied, in a manner that depicts the transfer to the customer of the goods or services promised. Where there are no sufficiently specific performance obligations attached to the grant, revenue is recognised on receipt.

Other income

Other income is recognised on an accruals basis when the association is entitled to it.

(b) Income Tax

The association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Significant Accounting Policies

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any expected credit losses.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Property, plant and equipment is depreciated on straight-line and diminishing value basis over the assets useful life to the association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land and buildings	2.5%
Plant and Equipment	2.5% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Trade and other payables

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3 Other Income

	2020	2019
	\$	\$
Interest income	888	1,138
Sundries	182	4,506
COVID -19 financial assistance	55,000	-
	<u>56,070</u>	<u>5,644</u>

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Notes to the Financial Statements For the Year Ended 30 June 2020

4 Cash and Cash Equivalents

	2020	2019
	\$	\$
ANZ credit card	-	977
ANZ online saver	-	31,790
Cash floats	2,310	4,884
Clearing Account	(157)	4,345
Deposits paid (ergon deposit)	110	108
Fundraising account	(43)	(1,746)
Gift cards	-	13
Prepaid visa cards	-	5,087
Westpac cheque account	39,232	1,005
Westpac facility provisions	782,446	748,461
Westpac flood recovery donation	-	5,938
Westpac grant funds account	36,622	286,234
Westpac CC	(601)	-
	859,919	1,087,096

5 Trade and Other Receivables

	2020	2019
	\$	\$
Accounts receivable	20,959	68,793
Less provision for doubtful debts	(1,108)	(1,589)
GST receivable	3,972	27,201
	23,823	94,405

6 Property, plant and equipment

	2020	2019
	\$	\$
Capital works in progress	-	56,636
Plant and equipment	460,560	366,566
Accumulated depreciation	(286,180)	(241,234)
Total plant and equipment	174,380	125,332
Land, buildings, playing surfaces and infrastructure	\$ 3,195,198	\$ 2,979,985
Accumulated depreciation	(944,181)	(801,431)
Total land, buildings, playing surfaces and infrastructure	\$ 2,251,017	\$ 2,178,554
	2,425,397	2,360,522

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Notes to the Financial Statements For the Year Ended 30 June 2020

7 Trade and Other Payables

	2020	2019
	\$	\$
Accounts payable	6,090	266,217
Credits owed to members	44,163	6,490
Gift card liability	16	-
PAYG payable	10,907	5,781
Superannuation payable	-	4,154
	<u>61,176</u>	<u>282,642</u>

8 Contingencies

In the opinion of the Committee, the association did not have any contingencies at 30 June 2020 (30 June 2019: None).

9 Commitments

In the opinion of the Committee, the association did not have any commitments as at 30 June 2020 (30 June 2019: None).

10 Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the association in future financial years.

Townsville Hockey Association Inc

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Statement by Members of the Committee

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 6:

1. Presents fairly the financial position of Townsville Hockey Association Inc as at 30 June 2020 and its performance for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Townsville Hockey Association Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President.....

Treasurer.....

Dated this 7th day of August 2020

Independent Auditor's Report to the Members of Townsville Hockey Association Inc.

Qualified Opinion

We have audited the financial report of Townsville Hockey Association Inc. (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2020, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements and the *Associations Incorporation Act (Qld) 1981*.

Basis for Qualified Opinion

Items Not Susceptible To Audit

It is not practicable for the association to establish accounting control over all sources of income prior to its receipt and accordingly it is not possible for our examination to include audit procedures to extend beyond the amounts of income recorded in the accounting records of the association.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting requirements under the *Associations Incorporation Act (Qld) 1981*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the Members of Townsville Hockey Association Inc. (cont.)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

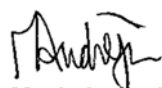
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA



Mark Andrejic

Partner

Townsville, 07 / 10 / 2020.

Townsville Hockey Association Inc

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For the Year Ended 30 June 2020

Trading Account

	2020 \$	2019 \$
CLUBHOUSE TRADING ACTIVITIES		
Clubhouse Sales	72,323	49,793
Cost of Goods Sold		
Opening Stock	4,861	4,846
Purchases	35,933	27,019
	<hr/>	<hr/>
Closing Stock	40,794	31,865
	<hr/>	<hr/>
Cost of Goods Sold	5,208	4,861
	<hr/>	<hr/>
Gross Profit	35,586	27,004
	<hr/>	<hr/>
	35,729	22,789
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