

Townsville Hockey Association Inc

ABN 94 920 839 303

SPECIAL PURPOSE FINANCIAL REPORT for the year ended 30 June 2023

Townsville Hockey Association Inc
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For the year ended 30 June 2023

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Townsville Hockey Association Inc
Statement of comprehensive income
For the year ended 30 June 2023

		2023	2022
	Notes	\$	\$
Revenue			
Association fees		378,442	363,833
Clubhouse income		160,848	192,411
Competitions and championships income		35,909	39,546
Grants and sponsorships		26,413	23,581
Hockey development income		7,994	6,772
Representative team income		89,665	122,002
Rental and hire income		15,418	17,750
Shop sale income		14,760	21,730
Other income	3	16,946	10,724
Total revenue		746,395	798,349
Expenditure			
Cost of goods sold		108,243	119,148
Bank charges		11,750	12,072
Club fee payments		37,350	19,023
Cleaning expenses		13,699	13,538
Competition and championship expenses		49,192	52,990
Depreciation		200,234	234,012
Employment costs		221,303	204,786
General operating expenses		62,827	61,896
Hockey development expenses		4,624	2,406
Motor vehicle expenses		6,062	9,632
Other expenses		4,000	751
Flood recovery repair expenses		-	(2,618)
Repairs and maintenance		39,194	47,159
Representative team expenses		76,723	109,365
Utilities		92,332	72,129
Total expenditure		927,533	956,289
Deficit for the year		(181,138)	(157,940)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(181,138)	(157,940)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Townsville Hockey Association Inc
Statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	910,389	879,807
Trade and other receivables	5	7,979	19,583
Inventories	6	31,575	33,437
Total current assets		949,943	932,827
Non-current assets			
Property, plant and equipment	7	1,949,873	2,134,328
Total non-current assets		1,949,873	2,134,328
Total Assets		2,899,816	3,067,155
LIABILITIES			
Current liabilities			
Trade and other payables	8	35,310	40,665
Provision for employee entitlements	9	19,154	-
Total current liabilities		54,464	40,665
Total Liabilities		54,464	40,665
Net assets		2,845,352	3,026,490
EQUITY			
Retained earnings	10	2,845,352	3,026,490
Total equity		2,845,352	3,026,490

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Townsville Hockey Association Inc
Statement of changes in equity
For the year ended 30 June 2023

	Retained earnings \$	Total equity \$
Balance at 1 July 2021	3,184,430	3,184,430
Total comprehensive income/(loss) for the year	<u>(157,940)</u>	<u>(157,940)</u>
Balance at 30 June 2022	<u>3,026,490</u>	<u>3,026,490</u>
 Balance at 1 July 2022	 3,026,490	 3,026,490
Total comprehensive income/(loss) for the year	<u>(181,138)</u>	<u>(181,138)</u>
Balance at 30 June 2023	<u>2,845,352</u>	<u>2,845,352</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

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

(a) Basis of accounting

This is a special purpose financial report that has been prepared for the sole purpose of complying with the financial requirements of the Association and to distribute to its members. The committee members have agreed that the accounting policies adopted are appropriate to meet the needs of the members.

The Association is not a reporting entity because, in the Management Committee's opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored to satisfy, specifically, all of their information needs.

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

Historical cost convention

The financial report is prepared in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability. The financial statements have been prepared on an accrual's basis.

(b) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable with amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Association's activities. The Association bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

(i) Grant revenue

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligation where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

(ii) Association fees, competition, and championship income

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 a customer. For each contract with a customer, the Association recognised 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.

(iii) Sales revenue

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

(iv) Donations

Donations are recognised as revenue when received.

(v) Other income

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

(c) Income tax

The Association is exempt from the payment of income tax under Section 50-10 of the Income Tax Assessment Act 1997.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short – term highly liquid investments with original maturities of three months or less.

(e) Trade receivables

Trade receivables are recognised initially at fair value. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expense in the income statement.

(f) Property, Plant and Equipment

Property, plant, and equipment is carried at cost less, where applicable, any accumulated depreciation.

Property, plant and equipment is depreciated on a 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
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.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Townsville Hockey Association Inc
Notes to the financial statements
30 June 2023
(continued)

3. Other income

	2023	2022
	\$	\$
Interest income	6,941	140
Sundry income	10,005	10,584
	16,946	10,724

4. Current assets - Cash and cash equivalents

	2023	2022
	\$	\$
Cash floats	2,700	3,200
Deposits paid	112	112
Westpac cheque account	212,818	208,564
Westpac facilities provisions account	152,472	168,132
Westpac turf provisions account	550,629	505,278
Gift card accounts	2,451	2,451
Westpac credit card	(10,793)	(7,930)
	910,389	879,807

5. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	9,087	20,691
Less Allowance for doubtful debts	(1,108)	(1,108)
	7,979	19,583

6. Inventories

	2023	2022
	\$	\$
Stock on hand – bar and canteen stock	4,991	5,208
Stock on hand – uniform and merchandise stock	26,584	28,229
	31,575	33,437

7. Property, plant and equipment

	2023 \$	2022 \$
Plant and equipment	613,123	602,456
Accumulated depreciation	(384,383)	(340,670)
Total plant and equipment	<u>228,740</u>	<u>261,786</u>
Land, buildings, playing surfaces and infrastructure	3,230,858	3,226,721
Accumulated depreciation	(1,509,725)	(1,354,179)
Total land, buildings, playing surfaces and infrastructure	<u>1,721,133</u>	<u>1,872,542</u>
Total property, plant and equipment	<u>1,949,873</u>	<u>2,134,328</u>

8. Current liabilities - Trade and other payables

	2023 \$	2022 \$
Accounts payable	1,593	11,712
Goods and services tax payable	19,470	15,679
VEND/fundraising accounts	2,628	245
Accrued expense	6,259	-
PAYG payable	3,307	8,262
Superannuation payable	2,053	4,767
	<u>35,310</u>	<u>40,665</u>

9. Current liabilities – Provision for employee benefits

	2023 \$	2022 \$
Employee benefits – annual leave	12,457	-
Employee benefits – long service leave	6,697	-
	<u>19,154</u>	<u>-</u>

10 Retained earnings

(a) Retained earnings

Movements in retained earnings were as follows:

	2023 \$	2022 \$
Balance 1 July	3,026,490	3,184,430
Net Loss for the year	<u>(181,138)</u>	<u>(157,940)</u>
Balance at 30 June	<u>2,845,352</u>	<u>3,026,490</u>

11 Remuneration of auditor

During the year Paragon Business Services was paid or payable \$2,500 (2022: \$NIL) for services provided for the audit and review of the financial statements as auditor of the association. No other services were provided to the association during the year, or the prior year, outside of audit services.

12 Contingencies

In the opinion of the Committee of Management, the association did not have any contingencies as at 30 June 2023 (2022: Nil).

13 Events occurring after the reporting date

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
Committee members' declaration
30 June 2023


As stated in note 1(a) to the financial statements, in the committee members' opinion, the association is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Association Incorporations Act (QLD) 1981* requirements.

The financial report has been prepared in accordance with accounting policies to the extent described in note 1(a).


In the committee members' opinion:

- (a) the financial statements and notes set out on pages 1 to 9:
 - (i) comply with Note 1 to the financial statements as detailed above; and
 - (ii) present fairly the Association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Association 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 committee.


.....
President 09/08/2023

Townsville
September 2023


.....
Treasurer 09/07/2023

Townsville
September 2023

Independent auditor's report to the members of the Townsville Hockey Association Inc

Report on the Financial report

I have audited the accompanying financial report, being a special purpose financial report, of the Townsville Hockey Association Inc ("Association"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income for the year then ended and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee members' declaration.

Committee's responsibility for the financial report

The committee of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the *Association Incorporations Act (QLD) 1981* and appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Associations preparation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies.

Basis of accounting and restriction on distribution

Without modifying my opinion, I 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 Management Committee financial reporting responsibilities under the *Association Incorporations Act (QLD) 1981*. As a result, the financial report may not be suitable for another purpose.

Opinion

In my opinion the financial report of the Townsville Hockey Association Inc presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the Association at 30 June 2023 and the results of its operations for the year then ended.

Jodi Davison
Certified Practising Accountant
Principal
Paragon Business Services
Dated this day of September 2023



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