

# **Gosford District Tennis Association**

## **Financial Statements**

**For the year ended 30 June 2019**

## Gosford District Tennis Association

### Statement of Income and Expenditure For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>Income</b>		
Alex Court Hire	8,857	-
Cafe Income	56,741	40,274
Coaching Income	28,697	166,707
Competition Income	26,651	44,368
Court Hire	62,795	60,131
Events Revenue	3,166	3,629
Grants Received	3,735	-
Holiday Camps	4,650	24,077
Membership Income	8,409	3,540
Other Revenue	2,656	10,607
Pro-Shop Income	38,153	26,838
Tournament Income	104,560	64,829
	<b>349,070</b>	<b>445,000</b>
<b>Less cost of goods sold</b>		
Opening Stock	7,472	6,244
Cafe Purchases	32,213	28,452
Coaching Contractor	32,800	28,069
Court Fees	1	-
Competition Expenses	1,557	2,704
Coaching Equipment & Balls	-	593
Pro-shop Purchases	20,728	25,172
Coaching Expenses	(1,807)	3,580
Tournament Expense	70,295	59,664
Less Closing Stock	(6,868)	(7,472)
	<b>156,391</b>	<b>147,006</b>
<b>Gross profit from trading</b>	<b>192,679</b>	<b>297,994</b>

## Gosford District Tennis Association

### Statement of Income and Expenditure For the year ended 30 June 2019

	2019	2018
	\$	\$
<b>Other income</b>		
Interest Income	23	49
Sponsorship Income	54,368	13,218
Insurance Recoveries	8,868	-
	<b>63,259</b>	<b>13,267</b>
<b>Expenditure</b>		
Accountancy & Financial Reporting	2,500	6,693
Advertising & Promotion	3,522	2,204
Affiliation Fees	12,200	5,393
Bank Charges	1,298	3,652
Capital Assets Expensed<\$20K	-	3,337
Cleaning and Waste Removal	2,941	3,477
Computer Expenses	545	245
Consulting & Accounting	-	3,713
Depreciation	24,802	19,986
Electricity	14,589	13,712
Entertainment	-	243
Event Costs	1,408	1,971
Freight & Courier	709	225
Fuel	81	-
General Expenses	69	(209)
Insurance	8,832	8,459
Interest Expense	233	3,028
Junior Player Assistance	375	-
Legal expenses	-	975
Light, Power, Heating	4,157	600
Meeting Expense	-	264
Motor Vehicle Expenses	-	1,190
Office Expenses	1,646	2,369
Printing, Stationery & Postage	2,336	2,155
Rates - Water	457	-
Rent - Council	5,054	5,349
Repairs and Maintenance	23,599	5,786
Salaries	90,760	226,993
Superannuation	7,900	19,657
Security	260	2,075
Subscriptions	4,275	4,131
Staff Amenities	562	1,013
Toilet and Washroom Supplies	762	1,271
Telephone & Internet	4,739	6,576
Workers Compensation	-	764
Uniforms	1,218	4,015
Holiday Camp Expenses	3,094	1,917
Extraordinary Expense	4,952	-
	<b>229,875</b>	<b>363,229</b>
<b>Profit/(loss) before income tax</b>	<b>26,063</b>	<b>(51,968)</b>

## Gosford District Tennis Association

### Balance sheet

As at 30 June 2019

		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and Cash Equivalents	Note 2	31,050	37,823
Trade and Other Receivables (current)	Note 3	39,190	12,792
Inventories (current)		6,868	7,472
		<u>77,108</u>	<u>58,087</u>
<b>Non-current assets</b>			
Plant & Equipment	Note 4	-	11,178
		<u>-</u>	<u>11,178</u>
<b>Total assets</b>		<u><b>77,108</b></u>	<u><b>69,265</b></u>
<b>Current liabilities</b>			
Trade and Other Payables (current)	Note 5	28,797	47,017
		<u>28,797</u>	<u>47,017</u>
<b>Net assets</b>		<u><b>48,311</b></u>	<u><b>22,248</b></u>
<b>Equity</b>			
Opening retained earnings		22,248	74,216
Profit/(loss) for the year		26,063	(51,968)
		<u><b>48,311</b></u>	<u><b>22,248</b></u>

# Gosford District Tennis Association

## Notes to the Financial Statements For the year ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

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

#### (b) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents and presented within current liabilities on the balance sheet.

#### (c) Property, Plant and Equipment

Property, plant and equipment are carried at cost less where applicable, any accumulated depreciation. All assets excluding freehold land are depreciated over their useful life to the association.

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first in first out basis and are net of any rebates and discounts received.

#### (e) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

#### (f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST component is recognised as part of the cost of acquisition of the asset or as part of an item 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 ATO is included with other receivables or payables in the balance sheet.

## Gosford District Tennis Association

### Notes to the Financial Statements For the year ended 30 June 2019

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
GDTA Capital Works	28,199	25,101
GDTA Visa Debit	-	-
ANZ Merchant Transactions	795	3,530
GDTA Visa	297	124
GDTA t/as Gosford Tennis Club	1,390	8,194
Tournament Account	369	874
	<b>31,050</b>	<b>37,823</b>
<b>3 Trade and Other Receivables</b>		
Accounts Receivable	38,866	11,032
Mind Body Debtors	324	1,760
	<b>39,190</b>	<b>12,792</b>
<b>4 Property, Plant and Equipment</b>		
General Pool	-	11,178
<b>5 Trade and Other Payables</b>		
Accounts Payable	25,186	14,062
Other Creditors - IFS Deposit Bond	500	500
ATO ICA	(2,173)	26,057
GST	804	2,630
PAYG Withholdings Payable	718	(1,980)
Superannuation Payable	3,762	5,748
	<b>28,797</b>	<b>47,017</b>

## Gosford District Tennis Association

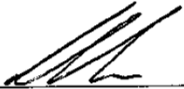
### Statement by Members of the Committee

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 1 to the financial statements.

In the opinion of the Committee as set out in the accompanying financial report:

- 1 Presents a true and fair view of the financial position of Gosford District Tennis Association Incorporated as at 30 June 2019 and its performance for the year then ended.
- 2 At the date of this statement, there are reasonable grounds to believe that Gosford District Tennis Association Incorporated 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: 27 September 2019

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GOSFORD DISTRICT TENNIS ASSOCIATION

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the financial report of Gosford District Tennis Association (the association), which comprises the balance sheet as at 30 June 2019, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the association is in accordance with the *Associations Incorporation Act 2009 (NSW)*, including:

- a) giving a true and fair view of the association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with accounting policies to the extent described in note 1.

#### Basis for Qualified Opinion

##### *Completeness of income*

The Association collects a large proportion of revenue through cash sales. The Club has determined that it is impracticable to establish control over the collection of cash relating to these collections prior to its entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to this had to be restricted to amounts recorded in the financial records. We therefore are unable to express an opinion whether revenues recorded within the income statement are complete.

##### *Occurrence and Accuracy of salaries and superannuation*

The Association has engaged employees on a casual and part-time basis. During our audit testing we were unable to obtain sufficient appropriate audit evidence in relation to salary and superannuation expenditure reported in the income statement for the year ended 30 June 2019 of \$98,660. Accordingly, as the evidence available to us regarding payroll expenditure was limited, our audit procedures with respect to this had to be restricted to amounts recorded in the financial records. We therefore are unable to express an opinion whether payroll expenditure recorded within the income statement has occurred and has been accurately calculated.

##### *Existence of inventory*

We did not observe the counting of physical inventories at the beginning and end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2019 and 2018, which are stated in the statement of financial position at \$6,868 and \$7,472, respectively. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the related elements in the income statement.



## **Basis for Qualified Opinion (cont'd)**

### *Existence of inventory (cont'd)*

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 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 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 to assist Gosford District Tennis Association to meet the requirements of the *Association Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose.

### **Other Matter**

The financial report of the Association for the year ended 30 June 2018 was audited by another auditor who expressed a qualified opinion on that financial report on 24 September 2018.

### **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 *Associations Incorporation Act 2009 (NSW)* 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 related 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 have no realistic alternative but to do so.

The committee is responsible for overseeing the association's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

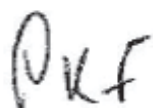
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

### **Auditor's Responsibilities for the Audit of the Financial Report (cont'd)**

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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee'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 association'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 our auditor's report. However, future events or conditions may cause the association 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 the committee 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 our audit.



**PKF**  
Chartered Accountants

Newcastle West, NSW

Dated: 30 September 2019



**CLAYTON HICKEY**  
Partner