

Queensland Volleyball Association Inc.

Financial Statements

For the Year Ended 31 December 2019

Queensland Volleyball Association Inc.

ABN45 476 392 018

For the Year Ended 31 December 2019

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Statement of Board of Management	12
Independent Audit Report	13

Queensland Volleyball Association Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	2	1,555,642	1,523,750
Government Grants		231,100	231,100
Tournament competition related costs		(670,262)	(740,810)
Employee benefits expense		(512,326)	(469,874)
Administrative expense		(485,318)	(269,296)
Depreciation and amortisation expense		(20,615)	(16,450)
Bad Debts		(604)	(929)
Merchandise		(2,215)	(7,519)
Sundry expense		(4,000)	(24,495)
Event labour costs		(71,172)	(84,281)
Competition fees		(75,009)	(102,505)
Profit/ (loss) for the year		(54,779)	38,691
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		(54,779)	38,691

The accompanying notes form part of these financial statements.

Queensland Volleyball Association Inc.

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	92,722	179,745
Trade and other receivables	4	49,288	48,959
Inventories		23,417	25,727
Other Assets	5	63,796	60,829
TOTAL CURRENT ASSETS		229,223	315,260
NON-CURRENT ASSETS			
Property, plant and equipment	6	65,771	79,434
TOTAL NON-CURRENT ASSETS		65,771	79,434
TOTAL ASSETS		294,994	394,694
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	152,274	197,194
TOTAL CURRENT LIABILITIES		152,274	197,194
TOTAL LIABILITIES		152,274	197,194
NET ASSETS		142,720	197,500
MEMBERS' FUNDS			
Retained profits		142,720	197,500
TOTAL MEMBERS' FUND		142,720	197,500

The accompanying notes form part of these financial statements.

Queensland Volleyball Association Inc.

Statement of Changes in Equity

For the Year Ended 31 December 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	197,499	197,499
Profit/ (loss) for the year	(54,779)	(54,779)
Balance at 31 December 2019	142,720	142,720

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2018	158,808	158,808
Profit/ (loss) for the year	38,692	38,692
Balance at 31 December 2018	197,500	197,500

The accompanying notes form part of these financial statements.

Queensland Volleyball Association Inc.

Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers / government grants	1,947,475	1,876,294
Payments to suppliers and employees	(2,027,544)	(1,909,129)
Interest received	-	1,698
Net cash provided by/(used in) operating activities	8 <u>(80,069)</u>	<u>(31,137)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	<u>(6,954)</u>	(5,365)
Net cash used by investing activities	<u>(6,954)</u>	<u>(5,365)</u>
Net increase/(decrease) in cash and cash equivalents held	(87,023)	(36,502)
Cash and cash equivalents at beginning of year	<u>179,745</u>	216,247
Cash and cash equivalents at end of financial year	3 <u><u>92,722</u></u>	<u><u>179,745</u></u>

The accompanying notes form part of these financial statements.

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial statements cover Queensland Volleyball Association Inc. as an individual entity. Queensland Volleyball Association Inc. is a not-for-profit Association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*) ('the Act').

1 Summary of Significant Accounting Policies

Basis of preparation of Financial Statements

The financial report is a special purpose financial statement prepared in order to satisfy the financial reporting requirements of the Association Incorporation Act 1981 of Queensland. The Board of Management has determined that the association is not a reporting entity.

The financial statement has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specially states, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report.

(a) Going concern

The Board of Management have prepared the report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding that subsequent to year end, the first quarter of the 2020 calendar year has seen significant business instability on a global level due to the Coronavirus pandemic.

This is based on the cashflow projections of the Board of Management on the assumption that the company will be able to trade in the future and is not subject to any significant regulatory or other conditions that could impact trading for any significant length of time.

These financial statements do not include adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessary should the company be affected by the above business instability as the Board are uncertain as to what the outcome of the situation might be at this point of time. The Board will continue to assess the situation as Government announcements are made.

(b) Change in accounting policy

Revenue from contracts with Customer - adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 have had a minimal impact on the financial statements.

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies

(b) Change in accounting policy

Leases - Adoption of AASB16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 16 has had a minimal impact on the financial statements.

(c) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Grant income

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. When there are conditions attached to grant revenue relating to the use of those grants for a specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Membership fees and Competition fees

Membership and Competition fees revenue is recognised when money is received.

All revenue is stated net of the amount of goods & service tax.

(d) Income Tax

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

(e) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Long service leave is recognised after 7 years of service.

(f) 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.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies

(g) Property, Plant and Equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance 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
Opening balance - Leased	30%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	15%
Office Equipment	7.5 - 37.5%
Computer Equipment	10%

(h) 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.

(i) Leases

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Economic Dependence and Continuing Operations

Queensland Volleyball Association Inc. is dependent upon the ongoing receipt of grant income from the Department of National Parks, Sport, Recreation and Racing.

Should the financial support from the above mentioned party be withdrawn or significantly reduced, there would be uncertainty as to whether Queensland Volleyball Association Inc. would continue as a going concern and it might have to significantly restructure its overall financial and business activities. At the date of this report the directors have secured funding commencing from 1 January 2020 to 30 June 2021. This funding is based on performance measures of a quantitative and qualitative nature focusing on grassroots participation, club and association support and development and service delivery by the Association.

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

	2019	2018
	\$	\$
2 Revenue		
Participant contributions	1,142,979	1,141,474
Membership Fees	232,805	202,690
Reimbursements	49,420	21,226
Sale of merchandise	2,745	7,787
Sponsorships	34,993	44,235
Interest from banks	-	1,698
Other income	44,545	46,185
Course fees and accreditation	48,155	58,455
Total Revenue	1,555,642	1,523,750
3 Cash and cash equivalents		
Cash on hand	117	281
Cash at bank	92,605	179,464
	92,722	179,745
4 Trade and other receivables		
CURRENT		
Trade receivables	49,288	48,959
	49,288	48,959
5 Other assets		
CURRENT		
Prepayments	4,681	12,648
Other Assets	59,115	48,181
	63,796	60,829

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

	2019	2018
	\$	\$
6 Property, plant and equipment		
Office equipment		
At cost	19,369	12,416
Accumulated depreciation	<u>(11,129)</u>	<u>(9,062)</u>
Total office equipment	<u>8,240</u>	3,354
Motor vehicles		
At cost	39,012	39,012
Accumulated depreciation	<u>(33,167)</u>	<u>(32,135)</u>
Total motor vehicles	<u>5,845</u>	6,877
Competition equipment		
At cost	104,844	104,844
Accumulated depreciation	<u>(53,158)</u>	<u>(35,641)</u>
Total competition equipment	<u>51,686</u>	69,203
Total property, plant and equipment	<u><u>65,771</u></u>	<u><u>79,434</u></u>
7 Trade and other payables		
CURRENT		
Trade payables	10,496	10,191
Income in advance	62,949	83,605
Sundry creditors and accruals	<u>78,829</u>	<u>103,398</u>
	<u><u>152,274</u></u>	<u><u>197,194</u></u>

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2019
\$

2018
\$

8 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>92,722</u>	179,745
	<u>92,722</u>	<u>179,745</u>

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	(54,779)	38,692
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	20,615	16,450
- donation received of property, plant and equipment	-	(72,672)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(328)	(8,748)
- (increase)/decrease in prepayments and other assets	(2,966)	(40,918)
- (increase)/decrease in inventories	2,309	272
- increase/(decrease) in income in advance	(20,656)	36,015
- increase/(decrease) in trade and other payables	304	(39,163)
- increase/(decrease) other creditors and accruals	(731)	19,945
- increase/(decrease) in provisions	(23,837)	18,990
Cashflow from operations	<u>(80,069)</u>	<u>(31,137)</u>

9 Capital and Leasing Commitments

(a) Operating Leases

Payable - minimum lease payments
- not later than one year

16,888 16,139

Operating leases have been taken out for the rent on the office premises.

Queensland Volleyball Association Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2019

10 Events Occurring After the Reporting Date

On 11 March 2020, the World Health Organisation (“WHO”) declared a pandemic in respect of the increasing cases of Coronavirus being recorded on a global basis. Since the WHO declaration, The Australian Commonwealth and State governments have been implementing various policy measures to respond to the pandemic, including quarantine measures and economic stimulus packages. At this time, the entity is unable to determine the extent of the future impact of the pandemic.

The Queensland Volleyball Association Inc Board of Management has resolved to:

- Take the necessary steps during the COVID-19 virus pandemic to preserve staffing where possible using accumulated leave and JobKeeper government support;
- Eliminate unnecessary expenditure during the closure period;
- Ensure ongoing solvency; and
- Ensure the organisation is in a financial position at the end of the closure to return its operations to the customary calendar of events.

11 Association Details

The registered office and principal place of business of the association is:

Queensland Volleyball Association Inc.

Suite 2.12, Sports House

150 Caxton Street

Milton QLD 4064.

Queensland Volleyball Association Inc.

Independent Audit Report to the members of Queensland Volleyball Association Inc.

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Queensland Volleyball Association Inc., which comprises of the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows 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.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our audit report, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the *Association Incorporations Act (QLD) 1981*.

Basis for Qualified Opinion

Cash transactions

As is common for organisations of this type, it is not practicable for the Queensland Volleyball Association Inc. to maintain an effective system of internal control over income including sponsorships and informal fundraising activities until their initial entry into the accounting records.

Accordingly, our audit in relation to these activities was limited to the amounts recorded. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. The audit opinion expressed in this report has been formed on the above basis.

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 Queensland Volleyball Association Inc. 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 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 Queensland Volleyball Association Inc. to meet the requirements of 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.

Emphasis of Matter – Going concern & Events Occurring after the Reporting Date

We draw attention to Note 1 (Going Concern) and Note 10 (Events Occurring after the Reporting Date) to the financial report, which describes the uncertainty that exists regarding the current COVID-19 pandemic and the impact on the Company. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee and Those Charged with Governance 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 (QLD) 1981* 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.

