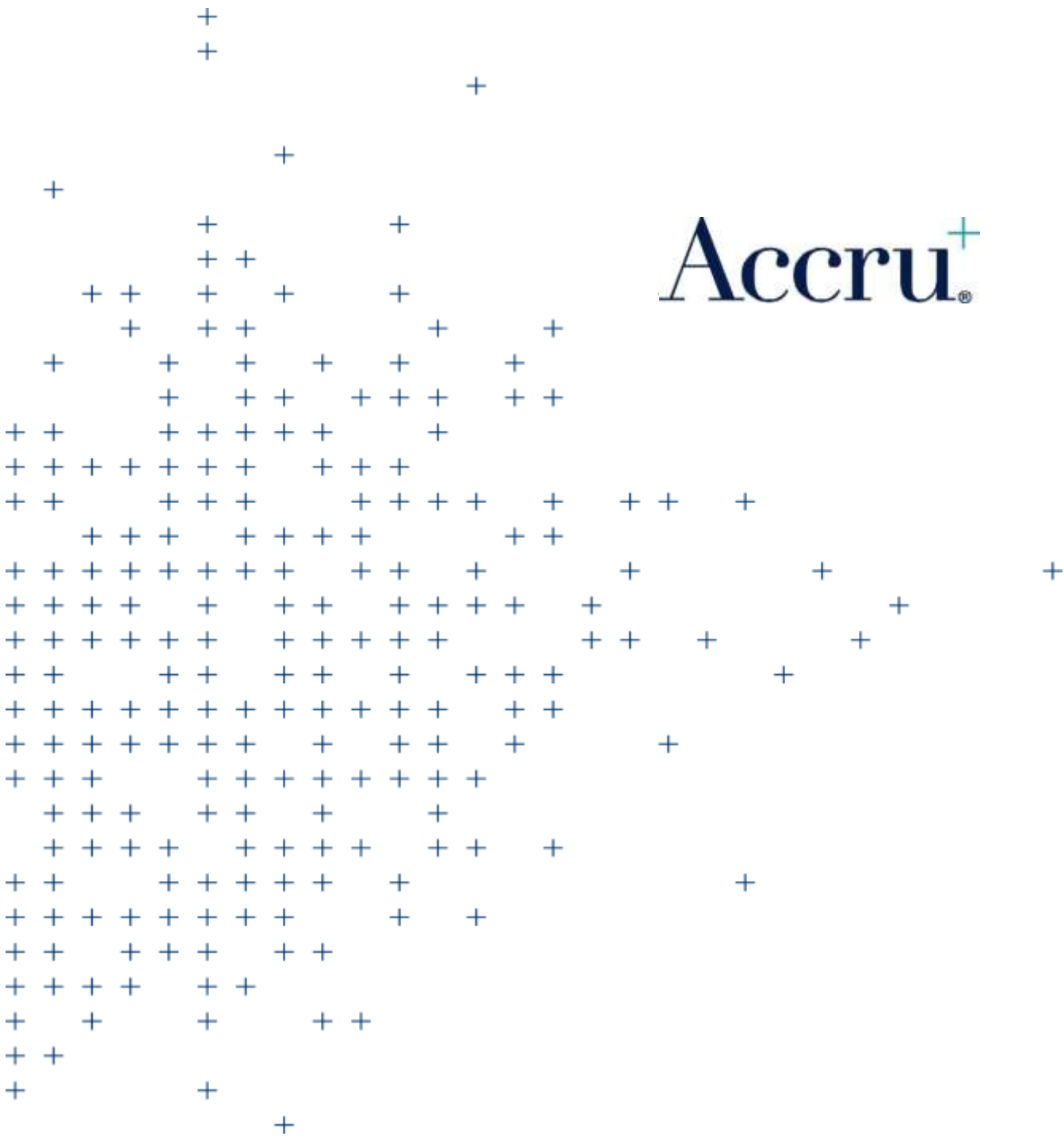


**SPORTS FEDERATION OF VICTORIA
INCORPORATED (VICSPORT)**

ABN 68 802 856 206

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**



Sports Federation of Victoria Incorporated (Vicsport)

ABN 68 802 856 206

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For the Year Ended 30 June 2018

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Statement of Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	2	1,004,527	1,106,223
Employee benefits expense		(722,775)	(651,101)
Depreciation and amortisation expense		(27,170)	(23,999)
Contractors		(40,054)	(78,596)
Consultancy expenses		(53,199)	(80,947)
Conference and meeting expenses		(101,731)	(90,131)
Office expenses		(39,451)	(42,225)
Printing and publications		(11,305)	(24,845)
Computer expenses		(14,278)	(16,024)
Travel expenses		(8,969)	(7,277)
Other expenses	3	(88,192)	(86,933)
(Deficit)/Surplus for the year		(102,597)	4,145
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(102,597)	4,145

Sports Federation of Victoria Incorporated (Vicsport)

ABN 68 802 856 206

Statement of Financial Position**As At 30 June 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	546,731	405,242
Trade and other receivables	5	17,057	38,470
Other assets		-	5,648
TOTAL CURRENT ASSETS		563,788	449,360
NON-CURRENT ASSETS			
Property, plant and equipment	6	24,302	51,472
TOTAL NON-CURRENT ASSETS		24,302	51,472
TOTAL ASSETS		588,090	500,832
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	90,311	63,170
Other liabilities	8	360,000	202,499
Employee benefits	9	41,251	37,734
TOTAL CURRENT LIABILITIES		491,562	303,403
NON-CURRENT LIABILITIES			
Employee benefits	9	2,102	406
TOTAL NON-CURRENT LIABILITIES		2,102	406
TOTAL LIABILITIES		493,664	303,809
NET ASSETS		94,426	197,023
EQUITY			
Retained surplus		94,426	197,023
TOTAL EQUITY		94,426	197,023

The accompanying notes form part of these financial statements.

Sports Federation of Victoria Incorporated (Vicsport)

ABN 68 802 856 206

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Surplus \$
Balance at 1 July 2017	197,023
Deficit for the year	(102,597)
Balance at 30 June 2018	94,426

2017

	Retained Surplus \$
Balance at 1 July 2016	192,878
Surplus for the year	4,145
Balance at 30 June 2017	197,023

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from operating grants		958,356	963,389
Receipts from members and sponsors		186,353	169,301
Other receipts		152,644	68,959
Payments to suppliers and employees		(1,158,433)	(1,310,198)
Interest received		2,569	5,293
Net cash provided by (used in) operating activities	10	141,489	(103,256)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		-	(35,293)
Net cash used by investing activities		-	(35,293)
Net increase/(decrease) in cash and cash equivalents held		141,489	(138,549)
Cash and cash equivalents at beginning of year		405,242	543,791
Cash and cash equivalents at end of financial year	4	546,731	405,242

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial statements cover Sports Federation of Victoria Incorporated (Vicsport) as an individual entity. Sports Federation of Victoria Incorporated (Vicsport) is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012 (Victoria)*.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Reform Act 2012 (Victoria)*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Interest revenue is recognised using the effective interest rate method.

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

(c) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) 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 statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	25%
Computer Equipment and Software	25 - 40%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(g) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. To 30 June 2018, no impairment losses have been recorded.

(h) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(j) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(k) Government grants in advance

Government grants in advance related to government grant income received for work to be performed in the future financial year. It is recognised as liability in the statement of financial position. When agreed project milestones are achieved, it is recognised as grant income in the statement of comprehensive income.

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical accounting estimates and judgments

The Board members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

(n) Economic dependence

Sports Federation of Victoria Incorporated (Vicsport) is dependent on the Victorian state government for the majority of its revenue used to operate the business. At the date of this report the Board members have no reason to believe the government will not continue to support Sports Federation of Victoria Incorporated (Vicsport).

(o) Adoption of new and revised accounting standards

During the current year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards had no significant impact on the recognition, measurement and disclosure of transactions.

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Board has decided against early adoption of these Standards, but does not expect the adoption of these standards to have any significant impact on the reported position or performance of the Association.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Revenue

	2018 \$	2017 \$
Revenue		
- interest revenue	2,569	5,293
- operating grants	728,050	873,536
- member subscriptions	104,141	155,704
- workshop fees	11,727	11,318
- sponsorship	31,000	9,000
- consultancy income	107,025	38,700
- other revenue	20,015	12,672
	<u>1,004,527</u>	<u>1,106,223</u>

3 Result for the Year

The result for the year includes the following specific expenses

Rental expense on operating leases:

- minimum lease payments	23,219	22,680
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Other expenses:

Bad and doubtful debts:

Remuneration of the auditor of the association for:

- auditing the financial report	9,900	9,500
- other services	500	500
	<u>10,400</u>	<u>10,000</u>

4 Cash and Cash Equivalents

Cash at bank	496,387	302,849
Bank deposits at call	50,344	102,393
	<u>546,731</u>	<u>405,242</u>

5 Trade and Other Receivables

CURRENT

Trade receivables	17,057	38,470
	<u>17,057</u>	<u>38,470</u>

At 30 June 2018 there are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Property, Plant and Equipment

	2018 \$	2017 \$
PLANT AND EQUIPMENT		
Office equipment		
At cost	12,939	12,939
Accumulated depreciation	(10,477)	(8,015)
Total plant and equipment	2,462	4,924
Computer equipment and Software		
At cost	93,954	93,954
Accumulated depreciation	(72,114)	(47,406)
Total computer equipment and software	21,840	46,548
Total property, plant and equipment	24,302	51,472

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment \$	Computer Equipment and Software \$	Total \$
Balance at 30 June 2018			
Balance at the beginning of year	4,924	46,548	51,472
Depreciation expense	(2,462)	(24,708)	(27,170)
Balance at 30 June 2018	2,462	21,840	24,302
Balance at 30 June 2017			
Balance at the beginning of year	246	45,781	46,027
Additions	7,051	28,242	35,293
Disposals - written down value	-	(5,849)	(5,849)
Depreciation expense	(2,373)	(21,626)	(23,999)
Balance at 30 June 2017	4,924	46,548	51,472

Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Trade and Other Payables

	2018 \$	2017 \$
CURRENT		
Unsecured liabilities		
Trade payables	9,128	20,558
Sundry payables and accrued expenses	81,183	42,612
	<u>90,311</u>	<u>63,170</u>

8 Other Liabilities

Government grants in advance	360,000	202,499
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9 Employee Benefits

CURRENT		
Long service leave	12,398	9,080
Annual leave	28,853	28,654
	<u>41,251</u>	<u>37,734</u>
NON-CURRENT		
Long service leave	2,102	406

10 Cash Flow Information

Reconciliation of net surplus/(deficit) to net cash provided by operating activities:		
Surplus/(Deficit) for the year	(102,597)	4,145
Non-cash flows in surplus/(deficit):		
- depreciation	27,170	23,999
- net loss on disposal of property, plant and equipment	-	5,849
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	21,413	(11,937)
- (increase)/decrease in prepayments	5,648	(1,695)
- increase/(decrease) in grants in advance	157,501	2,499
- increase/(decrease) in trade and other payables	27,141	(59,168)
- increase/(decrease) in provisions	5,213	(66,948)
Cashflow from operations	<u>141,489</u>	<u>(103,256)</u>

11 Key Management Personnel Compensation

Short-term employee benefits	329,739	323,204
Long-term benefits	30,372	26,820
Post-employment benefits	3,930	2,656
	<u>364,041</u>	<u>352,680</u>

Notes to the Financial Statements

For the Year Ended 30 June 2018

12 Capital and Leasing Commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2018	2017
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	22,372	18,644
	22,372	18,644

The office space lease commitments are non-cancellable operating leases since 27 April 2007 for an initial five year period with two further three year options. Lease payments are increased with annual CPI adjustments.

13 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

Financial risk management policies

The Board has overall responsibility for the establishment of Sports Federation of Victoria Incorporated (Vicsport)'s financial risk management framework. The Board's overall risk management strategy seeks to ensure that the association meets its working capital needs, whilst minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management:

The main risks Sports Federation of Victoria Incorporated (Vicsport) is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Sports Federation of Victoria Incorporated (Vicsport) and arises principally from Sports Federation of Victoria Incorporated (Vicsport)'s receivables. At 30 June 2018 the Association does not believe it is exposed to any material credit risk.

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. At 30 June 2018 the Association does not believe it is exposed to any material interest rate risk.

Notes to the Financial Statements

For the Year Ended 30 June 2018

13 Financial Risk Management

(c) Liquidity risk

Liquidity risk arises from the possibility that Sports Federation of Victoria Incorporated (Vicsport) might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. At 30 June 2018 the Association does not believe it is exposed to any material liquidity risk.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Financial liability and financial asset maturity analysis

	Within 1 Year		Total	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding GST payable)	48,903	51,398	48,903	51,398
Total contractual outflows	48,903	51,398	48,903	51,398
Financial assets - cashflows realisable				
Cash and cash equivalents	546,731	405,242	546,731	405,242
Trade receivables (excluding provision for impairment)	17,057	38,470	17,057	38,470
Total anticipated inflows	563,788	443,712	563,788	443,712
Net inflows on financial instruments	514,885	392,314	514,885	392,314

Sensitivity analysis

The Association has performed a sensitivity analysis relating its exposure to interest rate risk at 30 June 2018. The effect on surplus/(deficit) and equity as a result of changes in the interest rate is not considered material.

Net Fair Values

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Association has assessed the fair value of asset and liabilities as at 30 June 2018 and believes there are no differences between the carrying values and fair values of those assets and liabilities.

14 Events after the end of 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.

15 Association Details

The registered office of the association is:
Sports Federation of Victoria Incorporated (Vicsport)
Level 3, 375 Albert Road
South Melbourne, VIC, 3205

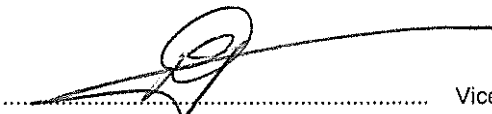
Statement by Members of the Board

In the opinion of the Board the financial report as set out on pages 1 to 12:

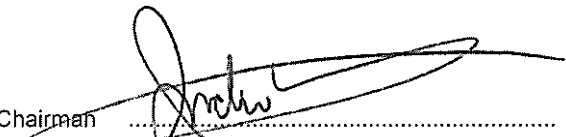
1. Presents a true and fair view of the financial position of Sports Federation of Victoria Incorporated (Vicsport) as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Sports Federation of Victoria Incorporated (Vicsport) will be able to pay its debts as and when they fall due.

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

Chairman


.....
Ron Gaugh

Vice Chairman


.....
Andrew Walton

Dated 22 October 2018

Independent Audit Report to the members of Sports Federation of Victoria Incorporated (Vicsport)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sports Federation of Victoria Incorporated (Vicsport) (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 Board.

In our opinion, the accompanying financial report of Sports Federation of Victoria (Vic) Inc is in accordance with the *Associations Incorporation Reform Act 2012 (Vic)*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance and its cash flows for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

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 auditor independence requirements of 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.

Responsibilities of Board

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the 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 Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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.

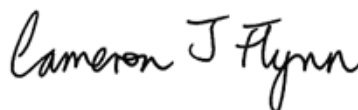
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Board 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



C J FLYNN
Director

22 October 2018