



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS FEDERATION
OF VICTORIA INC.
TRADING AS
VICSPORT
A.B.N 68 802 856 206**

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Sports Federation of Victoria Inc. Trading as Vicsport (the association) which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the statement by members of the Board.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2019 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

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 the 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 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 either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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.

SPORTS FEDERATION OF VICTORIA INC.
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BOARD REPORT

Your Board members submit the financial report of the Sports Federation of Victoria Inc. Trading as Vicsport for the financial year ended 30 June 2019.

Board Members

The name of each member of the Board during the year and if different, at the date of the report;

Ron Gauci
Andrew Walton
Richard Amon
Simon Brookhouse
Margot Foster AM
Tanya Gallina
Tim Large
Derek O'Leary
Susan Smith
Catherine Harding

Principal Activities

The principal activities of the Association during the financial year were:

Advocating for Victorian sport participation and the broad interest of the sport industry in Victoria

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit of the Association amounted to \$131,783.


Signed in accordance with a resolution of the Members of the Board.



Board Member:

Ron Gauci

Board Member:



Andrew Walton

Dated this 21st day of October 2019

**INDEPENDENT AUDITOR'S REPORT
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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.

We provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS FEDERATION OF VICTORIA INC.
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Name of Firm: MORTON WATSON & YOUNG AUDIT PTY LTD

Chartered Accountants

Name of Director:



Kerpal S Harnam - Registered Company Auditor

Address:

51 Robinson Street, Dandenong Vic 3175

Dated this day of

30th October 2019

SPORTS FEDERATION OF VICTORIA INC.
TRADING AS
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FOR THE YEAR ENDED
30 JUNE 2019

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SPORTS FEDERATION OF VICTORIA INC.
 TRADING AS
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2019

| | Note | 2019 \$ | 2018 \$ |
|---|------|----------------|------------------|
| Income | | | |
| Revenue | 3 | 1,124,113 | 1,004,527 |
| Expenditure | | | |
| Auditors' remuneration | 4 | (7,100) | (10,400) |
| Computer expenses | | (18,719) | (14,278) |
| Conference and meeting expenses | | (97,075) | (101,731) |
| Consultancy expenses | | (84,839) | (53,199) |
| Contractor expenses | | (29,360) | (40,054) |
| Depreciation and amortisation expenses | | (23,652) | (27,171) |
| Employee benefits expenses | | (596,213) | (722,773) |
| Finance costs | | (1,601) | (1,086) |
| Office expenses | | (38,087) | (39,451) |
| Printing and publications | | (4,570) | (11,305) |
| Travel expenses | | (3,509) | (8,969) |
| Other expenses | | (87,605) | (76,707) |
| | | <u>131,783</u> | <u>(102,597)</u> |
| Profit (Loss) for the year | | 131,783 | (102,597) |
| | | <u>131,783</u> | <u>(102,597)</u> |
| Total comprehensive income for the year | | <u>131,783</u> | <u>(102,597)</u> |

The accompanying notes form part of these financial statements.

SPORTS FEDERATION OF VICTORIA INC.
 TRADING AS
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STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2019

| | Note | 2019 \$ | 2018 \$ |
|--------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 712,968 | 546,731 |
| Trade and other receivables | 6 | <u>15,468</u> | <u>17,057</u> |
| TOTAL CURRENT ASSETS | | <u>728,436</u> | <u>563,788</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | <u>649</u> | <u>24,302</u> |
| TOTAL NON-CURRENT ASSETS | | <u>649</u> | <u>24,302</u> |
| TOTAL ASSETS | | <u>729,085</u> | <u>588,090</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 449,467 | 450,311 |
| Provisions | 9 | <u>50,953</u> | <u>41,251</u> |
| TOTAL CURRENT LIABILITIES | | <u>500,420</u> | <u>491,562</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 9 | <u>2,458</u> | <u>2,102</u> |
| TOTAL NON-CURRENT LIABILITIES | | <u>2,458</u> | <u>2,102</u> |
| TOTAL LIABILITIES | | <u>502,878</u> | <u>493,664</u> |
| NET ASSETS | | <u>226,207</u> | <u>94,426</u> |
| EQUITY | | | |
| Accumulated Surplus | 10 | <u>226,207</u> | <u>94,426</u> |
| TOTAL EQUITY | | <u>226,207</u> | <u>94,426</u> |

The accompanying notes form part of these financial statements.

SPORTS FEDERATION OF VICTORIA INC.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

| | Accumulated Surplus \$ | Total \$ |
|-------------------------|------------------------------|-------------|
| Balance at 1 July 2017 | 197,023 | 197,023 |
| Surplus / (Deficit) | (102,597) | (102,597) |
| Balance at 30 June 2018 | 94,424 | 94,424 |
| Surplus / (Deficit) | 131,783 | 131,783 |
| Balance at 30 June 2019 | 226,207 | 226,207 |

The accompanying notes form part of these financial statements.

SPORTS FEDERATION OF VICTORIA INC.
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STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|-------------------------|-----------------------|
| | \$ | \$ |
| <hr/> | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from operating grants | 660,000 | 958,356 |
| Payments to suppliers and employees | (976,461) | (1,158,433) |
| Interest received | 3,552 | 2,569 |
| Receipts from members and sponsors | 166,612 | 186,353 |
| Other Receipts | 312,534 | 152,644 |
| Net cash provided by operating activities | 13 <u>166,237</u> | <u>141,489</u> |
| Net increase in cash held | 166,237 | 141,489 |
| Cash at beginning of financial year | 546,731 | 405,242 |
| Cash at end of financial year | 5 <u><u>712,968</u></u> | <u><u>546,731</u></u> |

The accompanying notes form part of these financial statements.

SPORTS FEDERATION OF VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

The financial statements cover Sports Federation of Victoria Inc. Trading as Vicsport as an individual entity. Sports Federation of Victoria Inc. Trading as Vicsport is a not for profit Association incorporated in VIC under the Associations Incorporation Reform Act 2012 ('the Act').

The principal activities of the Association for the year ended 30 June 2019 was advocating for Victorian sport participation and the broad interest of the sport industry in Victoria.

The functional and presentation currency of Sports Federation of Victoria Inc. Trading as Vicsport is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements (adopting reduced disclosure requirements where applicable) that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Reform Act 2012 (Victoria).

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Depreciation

Plant and equipment is depreciated on a straight line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

| Fixed Asset Class | Depreciation Rate |
|---------------------------------|-------------------|
| Office Equipment | 25% |
| Computer Equipment and Software | 25% -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.

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is any objective evidence that a financial asset has been impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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Impairment of Non-Financial Assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees at 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.

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

Revenue and Other Income

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.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Subscriptions

Revenue from the provision of subscriptions is recognised when service is provided as outlined by AASB 15 and AASB 1058. As a result of this adoption, revenue recognition for subscriptions is spread throughout the year. The modified retrospective transition approach has been used and thus the comparatives have not been restated.

Other income

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

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Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

First Time Adoption of Standards

The Association has adopted the following standards for the first time for the 2019 year end:

1. AASB 15 Revenue recognition

This has had an impact on the revenue taken up for the year.

Subscription income is now recognised only when the service is being provided.

2. AASB 9 - Financial Instruments

There has been no impact on the accounts by this standard for 2019

Accounting standards not early adopted

The Association has decided not to early adopt the following standard in 2019 but to adopt this standards for the 2020 financial year.

AASB 16 - Leases

SPORTS FEDERATION OF VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|------------------|------------------|
| | \$ | \$ |
| 3 Revenue and Other Income | | |
| Revenue | | |
| Sales Revenue | | |
| Consultancy | 228,184 | 107,025 |
| Sponsorship | 97,455 | 31,000 |
| Ticket Sales | 37,746 | 19,744 |
| Workshop / Course Fees | 25,695 | 11,727 |
| Grants | 650,000 | 728,050 |
| Contributions | 81,246 | 104,141 |
| | <u>1,120,326</u> | <u>1,001,687</u> |
| Other revenue: | | |
| Interest received | 3,552 | 2,569 |
| Other revenue | 235 | 271 |
| | <u>3,787</u> | <u>2,840</u> |
| Total revenue | <u>1,124,113</u> | <u>1,004,527</u> |
| 4 Auditor's Remuneration | | |
| Auditor's Remuneration | <u>7,100</u> | <u>10,400</u> |
| 5 Cash and Cash Equivalents | | |
| Reconciliation of cash | | |
| Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows: | | |
| Cash and cash equivalents | 560,041 | 496,387 |
| Bank Deposits at Call | 152,927 | 50,344 |
| | <u>712,968</u> | <u>546,731</u> |
| 6 Trade and Other Receivables | | |
| Current | | |
| Trade Debtors | <u>15,468</u> | <u>17,057</u> |

SPORTS FEDERATION OF VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|-------------------|----------------------|
| | \$ | \$ |
| <hr/> | | |
| <p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.</p> | | |
| 7 Property, Plant and Equipment | | |
| Office Furniture & Equipment at Cost | 12,939 | 12,939 |
| Less: Accumulated Depreciation | <u>(12,849)</u> | <u>(10,477)</u> |
| | 90 | 2,462 |
| Computer Equipment at Cost | 93,954 | 93,954 |
| Less: Accumulated Depreciation | <u>(93,395)</u> | <u>(72,114)</u> |
| | 559 | 21,840 |
| Total Plant and Equipment | <u>649</u> | <u>24,302</u> |
| Total Property, Plant and Equipment | <u><u>649</u></u> | <u><u>24,302</u></u> |

Movements in Carrying Amounts of Property, Plant and Equipment

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 1 July 2017 | 4,924 | 46,548 | 51,472 |
| Depreciation expense | <u>(2,462)</u> | <u>(24,708)</u> | <u>(27,170)</u> |
| Balance at 30 June 2018 | 2,462 | 21,840 | 24,302 |
| Depreciation expense | <u>(2,372)</u> | <u>(21,281)</u> | <u>(23,653)</u> |
| Carrying amount at 30 June 2019 | <u><u>90</u></u> | <u><u>559</u></u> | <u><u>649</u></u> |

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|----------------|----------------|
| | \$ | \$ |
| 8 | | |
| Accounts Payable and Other Payables | | |
| Current | | |
| Grants Received in Advance | 10,000 | - |
| Prepaid Income | 366,996 | 360,000 |
| Sundry Creditors | 6,093 | 12,251 |
| Trade Creditors | 4,988 | 9,130 |
| Superannuation Payable | 12,623 | 16,477 |
| PAYG Withholding Payable | 7,895 | 11,048 |
| GST Payable | 40,872 | 41,405 |
| | <u>449,467</u> | <u>450,311</u> |
| | <u>449,467</u> | <u>450,311</u> |
| Trade and other payables are unsecured, non interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short term nature of the balances. | | |
| 9 | | |
| Provisions | | |
| Employee Provisions | | |
| Provision for Holiday Pay | 36,897 | 28,853 |
| Provision for Long Service Leave - Current | 14,056 | 12,398 |
| Provision for Long Service Leave - Non-Current | 2,458 | 2,102 |
| | <u>53,411</u> | <u>43,353</u> |
| Total provisions | <u>53,411</u> | <u>43,353</u> |
| | <u>53,411</u> | <u>43,353</u> |
| Analysis of Total Provisions | | |
| Current | 50,953 | 41,251 |
| Non-current | 2,458 | 2,102 |
| | <u>53,411</u> | <u>43,353</u> |
| | <u>53,411</u> | <u>43,353</u> |

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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|----------------|---------------|
| | \$ | \$ |
| <hr/> | | |
| Employee Provisions | | |
| The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, Sports Federation of Victoria Inc. does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the Sports Federation of Victoria Inc. does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement. | | |
| The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. | | |
| | | |
| 10 Accumulated Surplus | | |
| Accumulated Surplus at the beginning of the financial year | 94,424 | 197,023 |
| Net profit (Net loss) attributable to the Association | 131,783 | (102,597) |
| Accumulated Surplus at the end of the financial year | <u>226,207</u> | <u>94,426</u> |

SPORTS FEDERATION OF VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--|---------------|---------------|
| | \$ | \$ |
| <hr/> | | |
| 11 Capital and Leasing Commitments | | |
| Operating Lease Commitments | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements: | | |
| Payable - minimum lease payments | | |
| Not later than 12 months | <u>23,069</u> | <u>22,372</u> |
| | <u>23,069</u> | <u>22,372</u> |

Currently the lease is out contract and lease payments are made on a month by month basis. AASB 16 - Leases has not been early adopted for the 2019 financial year.

12 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).

SPORTS FEDERATION OF VICTORIA INC.
 TRADING AS
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 A.B.N 68 802 856 206

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|---|----------------|----------------|
| | \$ | \$ |
| 13 Cash Flow Information | | |
| Reconciliation of result for the year to cashflows from operating activities. | | |
| Profit (Loss) after income tax | 131,783 | (102,597) |
| Cash flows excluded from profit (loss) attributable to operating activities | | |
| Non-cash flows in profit | | |
| Depreciation | 23,652 | 27,170 |
| Changes in assets and liabilities | | |
| (Increase) Decrease in current inventories | 1,589 | - |
| (Increase) Decrease in trade and other receivables | - | 21,413 |
| (Increase) Decrease in prepayments | - | 5,648 |
| Increase (Decrease) in trade and other payables | (10,844) | 27,141 |
| Increase (Decrease) in current provisions | 10,057 | 5,213 |
| Increase (Decrease) in grants in advance | 10,000 | 157,501 |
| | <u>166,237</u> | <u>141,489</u> |

14 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Association does not have any derivative instruments at 30 June 2019.

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 2019 the Association does not believe it is exposed to any material interest rate risk

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 | 2018 |
|--|------------------------------|--------------|
| | \$ | \$ |
| <hr/> | | |
| Liquidity Risk | | |
| <p>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.</p> <p>At 30 June 2019 the Association does not believe it is exposed to any material liquidity risk.</p> <p>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 amount 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.</p> | | |
| 2019 | Fixed Interest Rate Maturing | |
| | Within 1 Year | 1 to 5 Years |
| | Over 5 Years | Total |
| | \$ | \$ |
| Financial assets - cash flows realisable | | |
| Cash and cash equivalents | 712,968 | - |
| Loans and receivables | 15,468 | - |
| Total anticipated inflows | 728,436 | - |
| Financial liabilities due for payment | | |
| Trade and other payables | (31,599) | - |
| Total expected outflows | (31,599) | - |
| Net (outflow)/inflow on financial instruments | 696,837 | - |

SPORTS FEDERATION OF VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 \$ | 2018 \$ |
|---|------------------------------|--------------|
| 2018 | | |
| | Fixed Interest Rate Maturing | Total |
| | Within 1 Year | 1 to 5 Years |
| | Over 5 Years | Total |
| | \$ | \$ |
| Financial assets - cash flows realisable | | |
| Cash and cash equivalents | 546,731 | 546,731 |
| Loans and receivables | 17,057 | 17,057 |
| Total anticipated inflows | 563,788 | 563,788 |
| Financial liabilities due for payment | | |
| Trade and other payables | (48,903) | (48,903) |
| Total expected outflows | (48,903) | (48,903) |
| Net (outflow)/inflow on financial instruments | 514,885 | 514,885 |

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to Sports Federation of Victoria Incorporated (Vicsport) and arises principally from Sports Federation of Victoria Incorporated (Vicsport) receivables. At 30 June 2019 the Association does not believe it is exposed to any material credit risk.

The Association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

15 Statutory Information

The registered office of the Association is:

Sports Federation of Victoria Incorporated (Vicsport)
Level 3, Albert Road
South Melbourne, VIC, 3205

**SPORTS FEDERATION OF VICTORIA INC.
TRADING AS
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STATEMENT BY MEMBERS OF THE BOARD

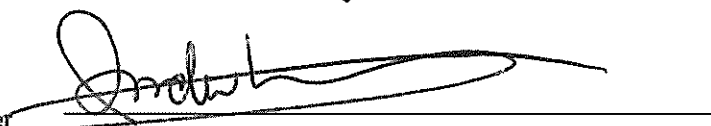
The Board has determined that the Association is a reporting entity and that this general purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the members of the Board the financial statements as set out on pages 1 to 19:

1. Present fairly the financial position of Sports Federation of Victoria Inc. Trading as Vicsport as at 30 June 2019 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 Inc. Trading as 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 Gauci

Board Member 
Andrew Walton

Dated this 21st day of October 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS FEDERATION OF VICTORIA INC.
TRADING AS
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A.B.N 68 802 856 206

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Sports Federation of Victoria Inc. Trading as Vicsport (the association) which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and the statement by members of the Board.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2019 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

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 the 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 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 either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPORTS FEDERATION OF VICTORIA INC.
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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.

We provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.