

Fencing Victoria Inc
Financial Statements
For the Year Ended 31 December 2019

Fencing Victoria Inc

Financial Statements For the Year ended 31 December 2019

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Fencing Victoria Inc
Balance Sheet
As at 31 December 2019

	<i>Note</i>	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	5	277,577	243,593
Trade and Other Receivables	6	22,826	10,046
Inventories	7	7,857	14,746
Total Current Assets		308,260	268,385
Non-Current Assets			
Property, Plant and Equipment	8	124,620	142,663
Total Assets		432,880	411,048
Current Liabilities			
Trade and Other Payables	9	4,223	8,498
Total Liabilities		4,223	8,498
Net Assets		428,657	402,550
Equity			
Retained Profits	10	428,657	402,550
Total Equity		428,657	402,550

Fencing Victoria Inc
Income Statement
For the Year ended 31 December 2019

	<i>Note</i>	2019 \$	2018 \$
Revenue		343,484	339,244
Expenses excluding Finance Costs		317,377	274,553
Profit Attributable to Members of the Association		26,107	64,691

Fencing Victoria Inc
Profit and Loss Statement
For the Year ended 31 December 2019

	<i>Note</i>	2019 \$	2018 \$
Income			
Affiliation Fees		53,534	52,359
AFF Competition Entry Sales		23,513	31,170
Coaching / Training		73,222	82,793
Entry Local / Other Competitions		66,399	67,395
Equipment and Venue Hire		37,770	24,936
Events / Fundraising / Clothing		12,493	4,109
Donations		-	483
Grants		37,935	40,750
Other Revenue		87	302
Squad Income		31,652	25,809
Team Management / Tour Levies		6,295	8,211
Interest Income		584	927
Total Income	2	343,484	339,244
Expenditure			
Affiliations		-	405
AFC Event Costs		10,572	7,545
Bank Charges		156	179
Coaching Squads		23,355	21,379
Coaching and Training		70,272	61,664
Capitations		11,682	14,318
Centre Management		10,695	11,212
Clothing/Fundraising		12,801	4,303
Depreciation		25,260	24,218
Donations		1,931	-
Electricity		9,530	9,712
Equipment Purchases		9,214	1,743
Grant Related Expenses		6,391	14,218
Insurance		11,553	9,247
Local Competition Management		39,354	33,529
Medals and Trophies		10,726	-
Membership Manager		10,793	5,250
Professional Fees		6,991	7,587
Promotions		4,003	9,430
Repairs & Maintenance		13,727	7,749
Sports Development Officer		13,570	13,944
Telephone		1,495	1,979
Tour Expenses / Team Management		5,687	9,250
Travelling Expenses		1,434	532
Web Processing Fees		6,185	5,160
Total Expenditure	3	317,377	274,553
Profit		26,107	64,691

Fencing Victoria Inc
Statement of Cash Flows
For the Year ended 31 December 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash receipts from operations		325,294	338,789
Payments to suppliers		(283,744)	(272,664)
Interest and borrowing costs paid		-	-
Net cash provided by (used in) operations	(b)	<u>41,550</u>	<u>66,125</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,566)	(38,876)
Proceeds from disposal of plant and equipment		-	-
Net cash provided by (used in) investing activities		<u>(7,566)</u>	<u>(38,876)</u>
Cash flows from financing activities			
Net Movement from Borrowings		-	-
Net cash provided by (used in) financing activities		-	-
Net increase (decrease) in cash held		33,984	37,276
Plus Cash held at the beginning of the year		243,593	206,317
Cash held at the end of the financial year	(a)	<u>277,577</u>	<u>243,593</u>
Notes to the Statement of Cash Flows			
(a) Cash is included in the following classifications in the Balance Sheet			
Cash at bank		<u>277,577</u>	<u>243,593</u>
		<u>277,577</u>	<u>243,593</u>
(b) Reconciliation of operating profit after tax and cash flows from operating activities			
Operating profit after tax		24,107	64,691
Non cash flows:			
Impairment loss		-	-
Depreciation		25,260	24,218
Increase in employee benefits provision		-	-
Reduction (increase) in inventories		6,889	(10,589)
Changes in other operating asset / liability balances		(18,380)	(15,021)
Increases (decrease) in tax balances		3,674	2,826
Cash flows provided by (used in) operating activities		<u>41,550</u>	<u>66,125</u>

Fencing Victoria Inc

Notes to the Financial Statements

For the Year ended 31 December 2019

1 Significant Accounting Policies

The Committee have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the Committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

Basis of Preparation

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

(a) **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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(b) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by Fencing Victoria Inc. Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

The carrying value of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Fencing Victoria Inc

Notes to the Financial Statements

For the Year ended 31 December 2019

(c) **Foreign Currency Transactions and Balances**

Functional and Presentation Currency

Both the functional and presentation currency for the Association is Australian dollars.

Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(d) **Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

(e) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the financial statements.

(f) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(g) **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 revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Fencing Victoria Inc
Notes to the Financial Statements
For the Year ended 31 December 2019

(h) **Trade and Other Payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. They are recognised at their transaction price.

(i) **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 Taxation Office (ATO). 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 balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

2	Revenue	2019	2018
		\$	\$
	Sales Revenue		
	Rendering of Services	266,931	262,762
	Other Income		
	Donations	-	483
	Grants	37,935	40,750
	Other Revenue	87	302
	Squad Income	31,652	25,809
	Team Management / Tour Levies	6,295	8,211
	Foreign Currency Exchange Gain	584	927
		<u>76,553</u>	<u>76,482</u>
		<u>343,484</u>	<u>339,244</u>
3	Expenses	2019	2018
		\$	\$
	Depreciation and Amortisation Expenses	25,260	24,218
	AFC Event Costs	10,572	7,545
	Bank Charges	156	179
	Insurance	11,553	9,247
	Repairs & Maintenance	13,727	7,749
	Telephone	1,495	1,979
	Other Expenses	254,614	223,636
		<u>317,377</u>	<u>274,553</u>

Fencing Victoria Inc
Notes to the Financial Statements
For the Year ended 31 December 2019

4	Profit For The Year	2019	2018
		\$	\$
	Profit before income tax expense from continuing operations includes the following specific expenses:		
	Charging as Expense :		
	Movements in Provisions :		
	<i>Depreciation :</i>		
	- Property, Plant & Equipment	25,260	24,218
	<i>Amortisation of Non-Current Assets</i>		
	- Goodwill	6,391	14,218
	Net Expenses Resulting from Movement in Provisions	31,651	38,436
5	Cash and Cash Equivalents	2019	2018
		\$	\$
	Cash and Cash Equivalents		
	NAB Cheque Account - 4447	61,017	17,227
	Paypal Account	451	5,813
	NAB Cash Maximiser - 3141	216,109	220,553
	Total Cash and Cash Equivalents	277,577	243,593
	Cash Reconciliation		
	Cash and Cash Equivalents	277,577	243,593
		277,577	243,593
6	Trade and Other Receivables	2019	2018
		\$	\$
	Current		
	Trade Debtors	22,826	10,046
		22,826	10,046
	Total Trade and Other Receivables	22,826	10,046
7	Inventories	2019	2018
		\$	\$
	Current		
	Stock on Hand	7,857	14,746
		7,857	14,746
	Total Inventories	7,857	14,746

Fencing Victoria Inc
Notes to the Financial Statements
For the Year ended 31 December 2019

8	Property, Plant and Equipment	2019 \$	2018 \$
	Land and Improvements	250,000	250,000
	Less Accumulated Depreciation	(166,339)	(149,664)
		<u>83,661</u>	<u>100,336</u>
	Total Land and Buildings	<u>83,661</u>	<u>100,336</u>
	Plant and Equipment	101,369	94,147
	Less: Accumulated Depreciation	(60,410)	(51,820)
		<u>40,959</u>	<u>42,327</u>
	Total Plant and Equipment	<u>40,959</u>	<u>42,327</u>
	Total Property, Plant and Equipment	<u>124,620</u>	<u>142,663</u>
9	Trade and Other Payables	2019 \$	2018 \$
	Current		
	Trade Creditors	(2,982)	4,967
	Provision for GST	7,205	3,531
		<u>4,223</u>	<u>8,498</u>
	Total Trade and Other Payables	<u>4,223</u>	<u>8,498</u>
10	Retained Profits / Accumulated Losses	2019 \$	2018 \$
	Retained Profits at Beginning of Financial Year	402,550	337,859
	Add		
	Net profit attributable to members	26,107	64,691
	Retained Profits at 31 December 2019	<u>428,657</u>	<u>402,550</u>
11	Association Details		
	The principal place of business is:		
	Fencing Victoria Inc		
	1st Floor 204 Arden Street		
	North Melbourne VIC 3051		
	The principal activities of the Association:		
	To facilitate the sport of fencing in Victoria and to act as the governing body in Victoria.		

Fencing Victoria Inc

Committees' Report

For the Year ended 31 December 2019

Your Committee present their report on the Association for the Year ended 31 December 2019.

Committee

The names of the Committee in office at any time during or since the end of the reporting period are:

- Kayt Spano - President
- Norbert Riedl - Vice President
- Simon Hamm - Secretary (January to May 2019)
- Julie Burbidge - Secretary (from May 2019)
- Carol Bond - Treasurer
- Emily Marotta - Digital Communications
- Graeme Orrman - Club Liaison
- Kesara Gunaratne (May to September 2019)
- Deborah Gough (June to August 2019)

Committee have been in office since the start of the reporting period to the date of this report unless otherwise stated.

Review of Operations

The profit of the Association for the financial year after providing for income tax amounted to \$26,107.

A review of the Association operations during the financial year and the results of those operations are as follows:

- The Association's operations during the reporting period performed as expected in the opinion of the Committee.

Significant Changes in State of Affairs

No significant changes in the Association's state of affairs occurred during the reporting period.

Principal Activities

The principal activities of the Association during the reporting period were:

- To facilitate the sport of fencing in Victoria and to act as the governing body in Victoria.

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

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since reporting date 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 reporting periods, **except for the impact of the COVID-19 virus which has seen the cancellation of all fencing activities in Australia and around the world for the foreseeable future, and the financial impact of which cannot be estimated at this time.**

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Association and the expected results of those operations in future reporting periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Environmental Regulation

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Fencing Victoria Inc Committees' Report For the Year ended 31 December 2019

Options

No options over issued shares or interests in the Association were granted during or since the end of the reporting period and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the reporting period, for any person who is or has been an officer or auditor of the Association.

Proceedings on Behalf of the Association

No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings.

The Association was not a party to any such proceedings during the reporting period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included with the financial reports.

Signed in accordance with a resolution of the Committee:



Kayt Spano
President



Carol Bond
Treasurer

Dated this 8th day of April 2020

Fencing Victoria Inc Committees' Declaration For the Year ended 31 December 2019

The Committee have 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 the Notes to the Financial Statements.

The Committee of the Association declare that:

1. The financial statements and notes, as set out in the financial report present fairly the Association's financial position as at 31 December 2019 and its performance for the reporting period ended on that date in accordance with the accounting policies described in the Notes to the Financial Statements; and
2. In the Committee s' opinion there are reasonable grounds to believe that the Association will be Able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee.



Kayt Spano
President



Carol Bond
Treasurer

Dated this 8th day of April 2020

Fencing Victoria Inc

Independent Auditor's Report

to the Members of

Fencing Victoria Inc

We have reviewed the accompanying financial report, being a special purpose financial report, of Fencing Victoria Inc (the Association), which comprises the Balance Sheet as at 31 December 2019, and the Income Statement for the Year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committees' Declaration.

Committees' Responsibility for the Financial Report

The Committees of the Association are responsible for the preparation of the financial report, and have determined that the accounting policies described in the Notes to the Financial Statements are appropriate to meet the requirements of the Association's rules and the needs of the Members. The Committees' responsibility also includes such internal control as the Committee determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

A review involves performing procedures to obtain review evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

A review also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committees, as well as evaluating the overall presentation of the financial report.

We believe that the review evidence we have obtained is sufficient and appropriate to provide a basis for our review opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian Professional Ethical Pronouncements.

Opinion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the 31 December 2019 financial report of Fencing Victoria does not present fairly, in all material respects, the financial position of Fencing Victoria as at 31 December 2019, and of its financial performance and its cash flows for the period to 31 December 2018 ended on that date, in accordance with Accounting Standards and other mandatory professional reporting requirements.

Basis of Accounting

Without modifying our opinion, we draw attention to the Notes to the Financial Statements, which describe the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the Committees' financial reporting obligations under the association's constitution. As a result, the financial report may not be suitable for another purpose.

**Fencing Victoria Inc
Independent Auditor's Report
to the Members of
Fencing Victoria Inc**

William Alan Nutton
W.A. Nutton & Associates
Suite 1, 6-8 Gloucester Ave, Berwick VIC 3806

Dated this _____ day of _____ 2020

Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Committee of Fencing Victoria Inc

I declare that, to the best of my knowledge and belief, in relation to the review of Fencing Victoria Inc for the reporting period ended 31 December 2019 there have been:

- (a) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.

William Alan Nutton
W.A. Nutton & Associates
Suite 1, 6-8 Gloucester Ave, Berwick VIC 3806

Dated this _____ day of _____ 2020