

OLD KNOX GRAMMARIANS' ASSOCIATION INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2022
ABN 25 205 872 188**

Old Knox Grammarians' Association Incorporated

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Old Knox Grammarians' Association Incorporated

Committee's Report

Your committee members submit the financial report of the Old Knox Grammarians' Association Incorporated for the financial year ended 31 October 2022.

Committee Members

The names of committee members throughout the financial year and at the date of this report are:

Robert Johnson – *President*
Bruce Craig – *Vice President*
Grahame Pratt – *Vice President*
Geoff Cramp – *Secretary*
David Sharp – *Treasurer*
Ed Colyer
Andrew Ericsson
Paul Gladigau
Tony Osman
Dino Raftopoulos
David Stenning
Jamie Thomson
Alex Shaw
Andrew Wines
Chris Wright

Principal Activities

The principal activities of the association during the financial year were to promote and foster the interests of Old Boy Members and to act as the trustee of OKGA Endowment Trust, OKGA Scholarship Trust and OKGA Benevolent Fund and support the Old Knox Grammarians Sports Association Incorporated and Knox Grammar School.

Significant Changes

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

Operating Result

The surplus for the year after providing for income tax amounted to \$100,981 (2021: \$86,991).

After Balance Date Events

Subsequent to year-end Old Knox Grammarians' Sports Association has transferred \$757,239 as partial settlement of the loan receivable. These funds have been invested.

No other 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.

Signed in accordance with a resolution of the Members of the Committee:



Robert Johnson
President



David Sharp
Treasurer

Dated this 21st day of February 2023

Old Knox Grammarians' Association Incorporated

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 October 2022

	Notes	2022 \$	2021 \$
Revenue	3	282,859	150,082
Functions expenses		(70,595)	(1,692)
Cost of sales		(11,200)	(5,864)
Administration expenses		(16,074)	(11,047)
General expenses		(21,697)	(7,605)
Donations		(50,000)	(19,958)
Gifts		(4,397)	(9,633)
Sponsorship		-	-
Other expenses		(7,915)	(7,292)
Surplus before income tax		100,981	86,991
Income tax expense		-	-
Surplus for the year		100,981	86,991
Other comprehensive income after tax		-	-
Total comprehensive income for the year		100,981	86,991

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Association Incorporated

Statement of Financial Position As at 31 October 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	469,796	368,687
Receivables	5	7,930	4,386
Inventories	6	27,569	13,604
TOTAL CURRENT ASSETS		<u>505,295</u>	<u>386,677</u>
NON-CURRENT ASSETS			
Receivables	5	849,441	849,441
TOTAL NON-CURRENT ASSETS		<u>849,441</u>	<u>849,441</u>
TOTAL ASSETS		<u>1,354,736</u>	<u>1,236,118</u>
CURRENT LIABILITIES			
Payables	7	45,707	28,070
TOTAL CURRENT LIABILITIES		<u>45,707</u>	<u>28,070</u>
TOTAL LIABILITIES		<u>45,707</u>	<u>28,070</u>
NET ASSETS		<u>1,309,029</u>	<u>1,208,048</u>
FUNDS			
Life Membership fund	8	2,532,118	2,370,059
Accumulated deficit	9	(1,223,089)	(1,162,011)
TOTAL FUNDS		<u>1,309,029</u>	<u>1,208,048</u>

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Association Incorporated

Statement of Changes in Funds As at 31 October 2022

	Note	Accumulated Deficit	Life Membership Fund	Total
Balance 31 October 2020		(1,101,070)	2,222,127	1,121,057
Surplus for the year		86,991	-	86,991
Transfer to membership fund	8 (a)	(147,932)	147,932	-
Transfer from membership fund	8 (b)	-	-	-
Balance 31 October 2021		(1,162,011)	2,370,059	1,208,048
Surplus for the year		100,981	-	100,981
Transfer to membership fund	8 (a)	(162,059)	162,059	-
Transfer from membership fund	8 (b)	-	-	-
Balance 31 October 2022		(1,223,089)	2,532,118	1,309,029

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Association Incorporated
Statement of Cash Flows
For the year ended 31 October 2022

	Notes	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and other income		279,315	145,864
Payments to suppliers and operating expenses		<u>(178,206)</u>	<u>(74,279)</u>
Net cash provided by operating activities	10 (b)	<u>101,109</u>	<u>71,585</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loans to Old Knox Grammarians Sports Association Inc		<u>-</u>	<u>-</u>
Net cash (used in) / provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		101,109	71,585
Cash and cash equivalents at beginning of financial year		<u>368,687</u>	<u>297,102</u>
Cash and cash equivalents at end of financial year	10 (a)	<u>469,796</u>	<u>368,687</u>

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Association Incorporated

Notes to the Financial Statements For the year ended 31 October 2022

NOTE 1: ENTITY INFORMATION

The financial statements of the not-for-profit Association, Old Knox Grammarians' Association Incorporated (the Association) for the year ended 31 October 2022 were authorised for issue in accordance with a resolution of the committee on the date specified in the Committee's Report.

Old Knox Grammarians' Association Incorporated is an association incorporated in New South Wales under the *Associations Incorporations Act 2009*. The nature of the operations and principal activities of the Association are described in the committee report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and *Associations Incorporations Act 2009*.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

Accounting policies

(a) Income tax

The association adopts the liability method of tax-effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the profit from ordinary activities before income tax adjusted for any permanent differences.

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

(b) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(c) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

(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 Taxation 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Old Knox Grammarians' Association Incorporated

Notes to the Financial Statements For the year ended 31 October 2022

(e) Loans to Old Knox Grammarians Sports Association Incorporated (OKG Sports Inc)

Loans to OKG Sports Inc are unsecured, interest free and repayable at call. The Old Knox Grammarians Association has provided a letter of support indicating it will not call the loan until Old Knox Grammarians' Sports Association Incorporated has sufficient funds/assets to repay the loan owing and the loan will not be called for at least twelve months from the date of the financial statements.

(f) Impairment

The association recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The measurement of the loss allowance depends upon the association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of assets

At each reporting date, 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 income statement.

(g) Critical accounting estimates and judgments

The committee members evaluate estimates and judgments incorporated into the financial report 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.

Key estimates – Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

	2022	2021
	\$	\$
NOTE 3: REVENUE		
- donations	10,182	-
- functions income	98,284	898
- life membership fees	162,059	147,932
- interest	-	882
- sale of merchandise	12,334	370
	<u>282,859</u>	<u>150,082</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	<u>469,796</u>	<u>368,687</u>
NOTE 5: RECEIVABLES		
CURRENT		
Other debtors & deposits	<u>7,930</u>	<u>4,386</u>
NON-CURRENT		
Amounts receivable from:		
- Old Knox Grammarians' Sports Association Incorporated	<u>849,441</u>	<u>849,441</u>
	<u>849,441</u>	<u>849,441</u>

Old Knox Grammarians' Association Incorporated

Notes to the Financial Statements For the year ended 31 October 2022

	2022	2021
	\$	\$
NOTE 6: INVENTORIES		
CURRENT		
Merchandise for sale – at estimated realisable value	27,569	13,604
	<u>27,569</u>	<u>13,604</u>
NOTE 7: PAYABLES		
Other creditors and accruals	45,707	28,070
	<u>45,707</u>	<u>28,070</u>
NOTE 8: LIFE MEMBERSHIP FUND		
Life membership fund	2,532,118	2,370,059
	<u>2,532,118</u>	<u>2,370,059</u>
(a) Life membership fund		
Movements during the financial year:		
Opening balance	2,370,059	2,222,127
Membership income during the year	162,059	147,932
	<u>2,532,118</u>	<u>2,370,059</u>
Transfer to accumulated surplus/loss	-	-
Closing balance	<u>2,532,118</u>	<u>2,370,059</u>
NOTE 9: ACCUMULATED DEFICIT		
Accumulated deficit at the beginning of the financial year	(1,162,011)	(1,101,070)
Surplus in the year	100,981	86,991
Transfer to life membership fund	(162,059)	(147,932)
Transfer from life membership fund	-	-
Accumulated deficit at the end of the financial year	<u>(1,223,089)</u>	<u>(1,162,011)</u>
NOTE 10: CASH FLOW INFORMATION		
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	4	<u>469,796</u>
		<u>368,687</u>
(b) Reconciliation of cash flows from operating activities with surplus for the year after income tax		
Surplus for the year after income tax	100,981	86,991
<i>Non-cash flows in surplus for the period</i>		
Provision for impairment	-	-
Donation to Sports Association	-	-
<i>Changes in assets and liabilities</i>		
Decrease in other receivables	(3,544)	(3,222)
Decrease in inventories	(13,965)	(996)
Increase/(decrease) in payables	17,637	(11,188)
Cash flows from operating activities	<u>101,109</u>	<u>71,585</u>

Old Knox Grammarians' Association Incorporated

Notes to the Financial Statements For the year ended 31 October 2022

NOTE 11: ASSOCIATION DETAILS

The principal place of business of the association is:
Old Knox Grammarians' Association Incorporated
2 Borambil Street
Wahroonga NSW 2076

NOTE 12: EVENTS AFTER THE BALANCE DATE

Subsequent to year-end Old Knox Grammarians' Sports Association has transferred \$757,239 as partial settlement of the loan receivable. These funds have been invested.

No other 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.

Old Knox Grammarians' Association Incorporated

Statement by members of the Committee

In the opinion of the committee the financial report as set out on pages 4 to 11:

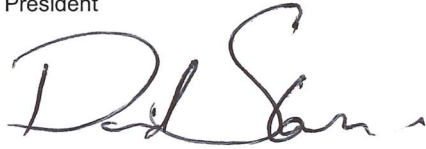
1. Presents a true and fair view of the financial position of Old Knox Grammarians' Association Incorporated as at 31 October 2022 and its performance and cash flows for the financial year ended on that date in accordance with the Australian Accounting Standards – Simplified Disclosures, the Incorporated Associations Act and Regulations, and other mandatory professional reporting requirements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Old Knox Grammarians' Association Incorporated will be able to pay its debts as and when they fall due.

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



Robert Johnson

President



David Sharp

Treasurer

Dated this 21st day of February 2023

Independent Auditor's Report to the Members of Old Knox Grammarians' Association Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Old Knox Grammarians' Association Incorporated (the Association), which comprises the statement of financial position as at 31 October 2022, the statement of profit or loss and other 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 the Committee Members' statement.

In our opinion, the accompanying financial report of the Association is in accordance with the Associations Incorporation Act 2009, including:

- i) giving a true and fair view of the Association's financial position as at 31 October 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures and the Associations Incorporation Regulation 2016.

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 ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other information

The Committee Members are responsible for the other information. The other information comprises the information in Old Knox Grammarians' Association Incorporated's annual report for the year ended 31 October 2022, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Committee Members' responsibility for the financial report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act 2009 and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee Members either intend to liquidate the Association or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Nexia Sydney Audit Pty Limited



Lester Wills

Director

Dated: 21 February 2023

Old Knox Grammarians' Association Incorporated

Income and Expenditure Statement For the year ended 31 October 2022

	2022 \$	2021 \$
INCOME		
Functions revenue	98,284	898
Life membership fees	162,059	147,932
Sales merchandise	2,334	370
Donations	10,182	-
Interest	-	882
History book sales	10,000	-
TOTAL INCOME	<u>282,859</u>	<u>150,082</u>
LESS EXPENSES		
Functions and activities	70,595	1,692
Bookkeeping fees	11,427	8,192
Legal Fees	4,211	2,132
Scholarships & Bursaries	-	-
Bank charges	2,284	1,309
Donations	50,000	19,958
Gifts	4,397	9,633
General expenses	22,134	8,328
Internet hosting	5,630	5,983
Sponsorship	-	-
Cost of goods sold	11,200	5,177
Adjustment to value of inventory	-	687
TOTAL EXPENSES	<u>181,878</u>	<u>63,091</u>
SURPLUS	<u>100,981</u>	<u>86,991</u>