

OLD KNOX GRAMMARIANS' SPORTS ASSOCIATION INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2022
ABN 22 209 211 206**

Old Knox Grammarians' Sports Association Incorporated

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Old Knox Grammarians' Sports Association Incorporated

Committee's Report

Your committee members submit the financial report of the Old Knox Grammarians' Sports 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 activity of the association during the financial year was the promotion of sports.

Significant Changes

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

Operating Result

The deficit for the year amounted to \$45,245 (2021: surplus of \$126,407) which included \$28,125 in unrealised losses on investments (2021: unrealised gain \$122,393).

After Balance Date Events

Subsequent to year-end the association has transferred \$757,239 to Old Knox Grammarians' Association Incorporated as partial settlement of the loan payable.

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' Sports Association Incorporated

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

	Notes	2022 \$	2021 \$
INCOME			
Dividends and distributions		39,457	19,524
Interest		1,796	1,575
(Decrease) / increase in the market value of Investment		(28,125)	122,393
TOTAL INCOME	2	<u>13,128</u>	<u>143,492</u>
Less:			
EXPENSES			
OKGA club support		(52,901)	(36,459)
Administration expenses		(1,621)	(1,623)
Management fees		(3,851)	(3,688)
TOTAL EXPENSES		<u>(58,373)</u>	<u>(41,770)</u>
(Deficit) / surplus		(45,245)	101,722
Income tax – benefit/(expense)	3	-	24,685
(Deficit) / surplus for the year		<u>(45,245)</u>	<u>126,407</u>
Total comprehensive (deficit) / surplus for the year		<u>(45,245)</u>	<u>126,407</u>

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Sports Association Incorporated

Statement of Financial Position As at 31 October 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	14,047	28,680
Other current assets		859	43
TOTAL CURRENT ASSETS		<u>14,906</u>	<u>28,723</u>
NON-CURRENT ASSETS			
Security deposit - Rugby		2,000	2,000
Financial assets	5	960,309	991,737
TOTAL NON-CURRENT ASSETS		<u>962,309</u>	<u>993,737</u>
TOTAL ASSETS		<u>977,215</u>	<u>1,022,460</u>
NON-CURRENT LIABILITIES			
Other payables	6	851,091	851,091
TOTAL NON-CURRENT LIABILITIES		<u>851,091</u>	<u>851,091</u>
TOTAL LIABILITIES		<u>851,091</u>	<u>851,091</u>
NET ASSETS		<u>126,124</u>	<u>171,369</u>
FUNDS			
Accumulated funds	7	126,124	171,369
TOTAL FUNDS		<u>126,124</u>	<u>171,369</u>

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Sports Association Incorporated

Statement of Changes in Equity As at 31 October 2022

	Accumulated funds
Balance 31 October 2020	44,962
Surplus attributable to members	126,407
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Balance 31 October 2021	171,369
Deficit attributable to members	(45,245)
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Balance 31 October 2022	126,124
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The accompanying notes form part of these financial statements.

Old Knox Grammarians' Sports Association Incorporated

Statement of Cash Flows For the year ended 31 October 2022

	Notes	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(59,189)	(41,191)
Dividends and distributions received		39,457	19,524
Interest received		1,796	1,575
Net cash (used in) by operating activities	8 (b)	<u>(17,936)</u>	<u>(20,092)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net proceeds for investments		3,303	42,859
Net cash provided by investing activities		<u>3,303</u>	<u>42,859</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Net cash used in / (provided by) financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		(14,633)	22,767
Cash and cash equivalents at beginning of financial year		28,680	5,913
Cash and cash equivalents at end of financial year	8 (a)	<u>14,047</u>	<u>28,680</u>

The accompanying notes form part of these financial statements.

Old Knox Grammarians' Sports Association Incorporated

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

NOTE 1: STATEMENT 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 the *Associations Incorporations Act 2009*.

The financial report is for the entity Old Knox Grammarians' Sports Association Incorporated. Old Knox Grammarians' Sports Association Incorporated is an association incorporated in New South Wales under the *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 financial 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 Committee has considered requirements of the Australian Taxation Office for Sporting Clubs and has self assessed the association meets the requirements to be a tax exempt Sporting Club. Accordingly there is no provision for income tax expense or benefit in respect of the association's income for the year.

(b) 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.

(c) Investments

Non-current investments are measured on the market value basis. The carrying amount of investments is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for units in each of the respective managed funds.

(d) Cash

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

(e) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

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

Investment and 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).

(f) 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' Sports Association Incorporated

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (con't)

(g) Loan from Old Knox Grammarians' Association Incorporated (OKGA Inc)

Loans from OKGA 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.

(h) 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 non-financial assets

At each reporting date, the Association reviews the carrying values of its non-financial 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.

(i) Critical accounting estimates and judgments

The Association evaluates 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 entity.

Key estimates – Impairment

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

Old Knox Grammarians' Sports Association Incorporated

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

NOTE 2: REVENUE	Note	2022 \$	2021 \$
- net (loss)/gain in value of investments		(28,125)	122,393
- investment income	2(a)	39,457	19,524
- interest	2(b)	1,796	1,575
		<u>(13,128)</u>	<u>143,492</u>
(a) Income from:			
- dividends and distributions		39,457	19,524
(b) Interest from:			
- other parties		1,796	1,575
		<u>41,254</u>	<u>21,099</u>

NOTE 3: INCOME TAX EXPENSE

The Committee has considered requirements of the Australian Taxation Office for Sporting Clubs and has self assessed that the Association meets the requirements to be a tax exempt Sporting Club. Accordingly the Provision for Tax is no longer required and has been included in the Operating Surplus for the year.

Income tax expense

Current tax (benefit)/expense	-	(24,685)
	-	<u>(24,685)</u>
Surplus/(Deficit) before tax	-	-
Tax at 30% (2021: 30%)	-	-
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
(Non-assessable)/assessable investment movements	-	-
Over-provision in prior periods	-	(24,685)
	-	<u>(24,685)</u>

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	14,047	28,680
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NOTE 5: FINANCIAL ASSETS

NON-CURRENT

Listed investments – at fair value through profit or loss	960,309	991,737
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Old Knox Grammarians' Sports Association Incorporated

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

	2022	2021
	\$	\$
NOTE 6: Payables		
Unsecured liabilities		
Amounts payable to:		
- Old Knox Grammarians' Association Incorporated	849,441	849,441
- Other payables	1,650	1,650
	<u>851,091</u>	<u>851,091</u>

NOTE 7: ACCUMULATED FUNDS

Accumulated funds at the beginning of the financial year	171,369	44,962
Net surplus / (deficit) attributable to members of the entity	<u>(45,245)</u>	<u>126,407</u>
Accumulated funds at the end of the financial year	<u>126,124</u>	<u>171,369</u>

NOTE 8: CASH FLOW INFORMATION

(a) Reconciliation of cash

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>14,047</u>	<u>28,680</u>
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(b) Reconciliation of cash flows from operating activities with surplus for the year after income tax

(Deficit) / Surplus from ordinary activities after income tax	(45,245)	126,407
<i>Non-cash flows in surplus for the period</i>		
Unrealised loss/(gain) on investments	28,125	(122,393)
<i>Changes in assets and liabilities</i>		
Change in other assets	(816)	579
Increase/(decrease) in current tax liabilities	-	(24,685)
Cash flows from operations	<u>(17,936)</u>	<u>(20,092)</u>

NOTE 9: ASSOCIATION DETAILS

The principal place of business of the association is:

Old Knox Grammarians' Sports Association Incorporated
2 Borambil Street
Wahroonga NSW 2076

NOTE 10: EVENTS AFTER THE BALANCE DATE

Subsequent to year-end the association has transferred \$757,239 to Old Knox Grammarians' Association Incorporated as partial settlement of the loan payable.

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' Sports 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:

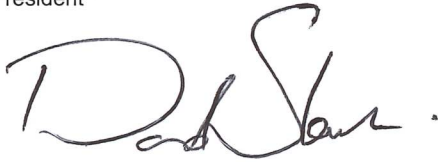
1. Presents a true and fair view of the financial position of Old Knox Grammarians' Sports Association Incorporated as at 31 October 2022 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards – Simplified Disclosures, the Associations Incorporations Act, 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' Sports Association Incorporated will be able to pay its debts as and when they fall due with the continuing support of creditors.

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 2nd day of February 2023

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Old Knox Grammarian's Sports 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 Grammarian's Sports 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' Sports Association Incorporated

Income and Expenditure Statement For the year ended 31 October 2022

	2022 \$	2021 \$
INCOME		
(Decrease) / increase in the market value of Investment	(28,125)	121,958
Dividends and distributions	39,457	19,959
Interest	1,796	1,575
TOTAL INCOME	<u>13,128</u>	<u>143,492</u>
LESS EXPENSES		
Administration expenses	(1,621)	(1,623)
OKGA club expenses	(52,901)	(36,459)
Management Fees	(3,851)	(3,688)
TOTAL EXPENSES	<u>(58,373)</u>	<u>(41,770)</u>
(Deficit) / surplus	(45,245)	101,722
Income tax – benefit/(expense)	0	24,685
(Deficit) / surplus for the year	<u>(45,245)</u>	<u>126,407</u>