AUSTRALIAN FENCING FEDERATION


# ANNUAL REPORT 2018

# TABLE OF CONTENTS

# DIRECTORS' REPORT

The Directors of the Australian Fencing Federation Limited ACN 161 544 752 (the **Company**) present this report on the Company for the financial year ended 31 December 2018.

## Vision

To have fencing recognised as an exciting, accessible and challenging sport providing suitable opportunities for participation at all levels – recreational, competitive and elite.

## Governance Overview

The Company operates as a company limited by guarantee. This structure reflects the best practice recommendations for national sporting organisations (NSOs) contained in Sport Australia's Mandatory Sports Governance Principles.

As a company limited by guarantee, the Company is governed by the *Corporations Act 2001* (Cth) and is required to comply with all applicable legal and reporting obligations.

The Directors are conscious of the strict governance regime and reporting obligations to which the Company is subject. The Directors continues to review and enhance the Company's ability to comply with its governance obligations going forward.

## Directors

The directors of the Company during the year ended 31 December 2018 and up to the date of this report are listed below. Directors were in office for the entire period, except where otherwise stated.

Dr Frank Walsh

Mr Vincent Elias

Ms Angela Bensted

Mr Christopher Nonis

Mr Garry Webster

Ms Dianna Gu (appointed 22 May 2018)

Ms Evelyn Halls (retired 14 January 2019)

Mr Jeremy Shelley (retired 22 April 2018)

Details of each of the above directors' qualifications, special responsibilities and experience are set out in the Director and Company Secretary Information section of this annual report.

## Company Secretary

The Company Secretary is Mr Vincent Elias. Details of the Company Secretary's qualifications and experience is set out in the Director and Company Secretary Information section of this annual report.

## Members

The members of the Company for the period from 1 January 2018 to 31 December 2018 were:

- ACT Fencing Association Inc (Member State)
- Fencing South Australia Inc (Member State)
- Fencing Victoria Inc (Member State)
- New South Wales Fencing Association Inc (Member State)
- Queensland Fencing Association Inc (Member State)
- Western Australian Fencing Association Inc (Member State)
- William John Ronald (Life Member)
- Peter Osvath (Life Member)

The constitution of the Company states that, if the Company is wound up, each voting member is required to contribute a maximum of $1.00 towards meeting any outstanding obligations of the Company. As at 31 December 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is $6.00 (2017: $6.00).

## Board Composition

The Board is made up of seven directors, comprising five elected directors, one appointed director and the Athletes Director.

The appointed director is Dr Frank Walsh. The Athletes Director is Ms Dianna Gu.

Following the resignation of Mr Jeremy Shelley as Athletes Director in April 2018, Ms Dianna Gu was appointed Athletes Director as the member of the Athletes Commission who received the next highest number of votes during the last election for that commission held in December 2016.

As at 31 December 2018, the Board comprised 43% female directors, an increase from the position in 2017 (29%). The Board will continue to take into account the desirability of achieving greater diversity when evaluating future candidates.

## Director and Company Secretary Information

The details of each Director's qualifications, special responsibilities and experience as at 31 December 2018 are set out below. The Company Secretary's qualifications and experience are also set out below.

### Ms Evelyn Halls – President

**Elected:** 28 November 2015 (retired 14 January 2019)

**Appointed:** 12 August 2015 (AFF Ltd); 16 December 2014 (AFF Inc)

One of Australia's most successful fencers, Evelyn's career highlights include two Olympics, six Commonwealth Games gold medals, eleven Senior World Cup medals and extended periods ranked in the World Top 16.

Evelyn currently holds the position of Ombudsman (Decisions) at the Australian Financial Complaints Authority. Prior to her current role, Evelyn was a partner in the Corporate group at global law firm Herbert Smith Freehills.

Evelyn is a member of Executive of the Australian Olympic Committee and a director of AOF Limited. She was the Chef de Mission of the Australian team for the 2018 Youth Olympic Games and has been appointed Deputy Chef de Mission for the Tokyo 2020 Olympics. Evelyn is also a member of the FIE's Women in Fencing Council and an Integrity Commissioner for Cricket Victoria.

Evelyn holds Bachelor of Laws (Hons) and Bachelor of Arts degrees from the University of Melbourne. She is a graduate of the AICD Company Directors Course.

In addition to her role as President, Evelyn has primary responsibility for the Operations portfolio and acts as supporting director for the Communications and High Performance portfolios.

### Dr Frank Walsh – Vice President

**Appointed:** 20 May 2017

**Elected:** 12 August 2015 (AFF Ltd); 31 May 2009 (AFF Inc)

Frank is an experienced clinical psychologist who has worked in private practice since 1989, after previously being employed in the public sector.

Frank was the President of the Queensland Fencing Association (QFA) from 2003 to 2016 and acted as QFA's delegate to the AFF from 2007 to 2016. He became involved in fencing through his son James, a former member of the Australian men's sabre team.

Frank has primary responsibility for the High Performance portfolio.

### Mr Vincent Elias – Director and Company Secretary

**Elected:** 28 November 2015

Vince is an Associate Director (Corporate Strategy and Tax Governance) at Infinity Financial he is also a Director of Infinity Lending Pty Ltd. In his roles at Infinity Financial and Infinity Lending, Vince provides professional services on strategy, governance and structuring related matters.

Vince was previously a member of the Executive of the New South Wales Fencing Association.

Vince studied a Bachelor of Business before embarking on a Bachelor of Laws which he is still studying. Vince also holds a Diploma of Financial Services.

Vince is a Member of the Australian Institute of Company Directors.

Vince is the Company Secretary and has primary responsibility for the Finance portfolio and acts as supporting director for the Operations portfolio.

### Ms Angela Bensted

**Elected:** 20 May 2017

Angela is a writer with experience in print, digital and social media.

Prior to establishing a freelance writing practice, Angela held various communication roles in the public sector. Her formal qualifications include a Bachelor of Arts (History), Bachelor of Laws, Masters of Public Administration and Graduate Certificate of Journalism.

Angela was a member of the Queensland Fencing Association (QFA) Management Committee since 2013 and QFA Communications Manager since 2017. She retired from the QFA Management Committee in March 2018. Angela became involved in fencing through her daughter, Anne Devereaux, a current member of the Australian women's epee team.

Angela has primary responsibility for the Communications, Promotion and Marketing portfolio.

## Mr Christopher Nonis

**Elected:** 20 May 2017

Chris has over 25 years' experience in the telecommunications sector. He is a director of a number of technology companies including Avanser Pty Ltd, AtomTel Pty Ltd and Acoda Networks Sdn Bhd.

Chris holds a Master of Business Administration from the Australian Graduate School of Management, a Master of Science in Engineering from the University of Southern California and a Bachelor of Science in Engineering from the University of Southern California.

Chris is an active veteran fencer who competes at State and national level and his daughter (Karen) is a current member of the Australian junior women's epee squad. Chris has acted as an assistant team manager for Australian Cadet and Junior teams competing at international events.

Chris acts as supporting director for the Finance portfolio.

## Mr Garry Webster

**Elected:** 20 May 2017

Garry is a senior executive in the Australian Public Service, where he is responsible for the implementation of large scale information technology programs. Garry holds a Bachelor of Science.

Garry has been a member of the ACT Fencing Association Executive since 2010 and has held positions as President, Secretary and AFF State Delegate.

Garry holds a Level 0 coaching qualification and is actively involved at club level. He has acted as the Event Manager for the Australian National Fencing Championships from 2014 to 2016. Garry chaired the 2018 Commonwealth Senior and Veteran Fencing Championships Organising Committee.

Garry acts as supporting director for the Development portfolio.

### Ms Dianna Gu – Athletes Director

**Appointed:** 22 May 2018

Dianna is a Senior Legal Counsel at Healthscope, an ASX listed provider of private health care services within Australia and New Zealand. She has experience in a broad range of commercial and property law areas including corporate deals, supply agreements, licencing, construction and intellectual property law.

Dianna was previously President of the Melbourne University Fencing Club and was presented with a life membership in 2010.

Dianna holds a Bachelor of Laws from the University of Melbourne and a Master of Business Administration and Master of Marketing from Melbourne Business School.

Dianna is currently a member of the Australian women's epee team and actively competes at State, national and international level.

Dianna has been appointed as Athletes Director until the expiry of the term of the current Athletes Commission in December 2020.

## Previous Director

The following Director retired prior to 31 December 2018.

### Mr Jeremy Shelley

**Appointed:** 20 December 2016 (retired 22 April 2018)

Jeremy is a lawyer specialising in private international law and international commercial arbitration. He has experience in governance, administration and public policy and currently works as a Senior Legal Officer in the Commonwealth Attorney-General's department.

Jeremy holds Bachelor degrees in Arts and Laws (Hons) from Monash University.

As an athlete, Jeremy has been involved in fencing for over 15 years, competing at State and national level since 2005 and internationally since 2009.

Jeremy was appointed to the Board as the Athletes Director in 2016, after receiving the most votes during the election for the Athletes Commission held in December 2016.

## Meetings of the Board of Directors

Ten board meetings were held during the period from 1 January 2018 to 31 December 2018. Attendance by each Board member during the year was as follows:

| Director | Meetings eligible to attend | Meetings attended |
|---|---|---|
| Ms Evelyn Halls | 10 | 10 |
| Dr Frank Walsh | 10 | 10 |
| Mr Vincent Elias | 10 | 10 |
| Ms Angela Bensted | 10 | 9 |
| Mr Christopher Nonis | 10 | 10 |
| Mr Garry Webster | 10 | 9 |
| Ms Dianna Gu | 6 | 6 |
| Mr Jeremy Shelley | 2 | 2 |

## Principal Activities

The principal activities of the Company during the 2018 financial year were to:

- promote and encourage participation in fencing activities
- provide support and leadership to its Member States in the promotion and development of the sport of fencing through national consistency and congruence in plans and programs
- develop and implement national programs focused on high performance, competitions, development, coaching and officiating
- ensure the sport is free from performance enhancing drugs
- act in all matters of an Australian nature regarding fencing, including representing the interests of the members and the sport to government and other national and international sporting organisations, including the Federation Internationale d'Escrime (FIE).

## Key Strategic Priorities

In accordance with its Strategic Plan, the Company's key strategic objectives in the governance area are to:

- achieve best practice corporate governance for an Australian National Sporting Organisation (NSO) of equivalent size and resources
- strengthen the skill sets, structures and support networks underling the operation of fencing in Australia, to maximise the use of limited resources.

***There are five guiding imperatives outlined in the 2017-2020 Strategic Plan: participation, elite performance, profile, professionalism and positivity.***

The key initiatives which the Company will implement to deliver its strategic objectives include:

- progressively adopting any additional aspects of the Sport Australia's Corporate Governance Principles to the extent appropriate having regard to the Company's size, structure and available resources
- identifying and recruiting appropriate candidates for appointed director positions and undertaking succession planning
- further refining the strategic financial planning and budgeting process to ensure available funds are appropriately invested in projects to develop future capabilities (particularly in the areas of coaching and participation)
- improving internal systems and enhancing infrastructure to maximise performance efficiencies (including by maximising the use of online platforms)
- ensuing the alignment of activities at State and national level, by enhancing coordination between the Company and State counterparts in each key area of operations
- ensuring appropriate policies and procedures are in place to address key integrity issues (including member protection, child safety and anti-doping)
- mobilising volunteer resources by identifying specific opportunities for members to contribute to the future development of Australian fencing.

The measures which the Company will use to assess its performance in the governance area include:

- full compliance with all applicable Corporations Act and stakeholder reporting requirements
- adoption of all relevant Sport Australia's Corporate Governance Principles (subject to size and resource constraints)
- ongoing financial stability including maintenance of a prudent level of financial reserves
- active engagement between the Company and member State counterparts in all key areas of operations producing practical outcomes
- a full suite of policies and procedures regularly reviewed and updated
- communications and information technology infrastructure operating effectively to support operational objectives.

## Significant Changes in the State of Affairs

There was no significant change in the nature of the Company during the 2018 financial year.

There have been no significant changes in the state of affairs of the Company during the 2018 financial year.

The Company expects to maintain the present status and level of operations and therefore there are no likely material changes in the Company's operations.

## Environmental Regulations

The Company is not affected by any significant environmental regulation in respect of its operations.

## Financial Management

The 2018 financial reports contained in this annual report reflect a profit of for the 2018 financial year of $15,287 (2017: $31,970) and net assets of $336,464 as at 31 December 2018 (31 December 2017: $321,177).

The financial statements are presented in Australian currency. The annual report and the financial statements were authorised for issue by the Directors on 1 May 2019. The Directors have the power to amend and reissue the annual report and the financial statements

The Directors are conscious of the need to maintain an appropriate level of reserves, having regard to the size and nature of the Company's operations (as reflected in total turnover for the 2018 financial year of $869,875).

## Matters Subsequent to the End of the Financial Year

There have not been any matters or circumstances occurring subsequent to the end of the financial year that has significantly, or may significantly, affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## Indemnification of Officers and Auditors

During the 2018 financial year, the Company paid a premium in respect of contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company against a liability incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* (Cth).

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such officer or auditor.

## Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Company.

No proceedings have been brought on behalf of the Company with leave of the Court under section 237 of *Corporations Act 2001* (Cth).

## Auditor's Independence Declaration

The auditor's independence declaration is included after this report.

## Auditor

KS Black and Co continues in office in accordance with section 327 of *Corporations Act 2001* (Cth).

This report is made in accordance with a resolution of the Directors.

**Dr Frank Walsh**
**Chair**

# AUDITOR'S INDEPENDENCE DECLARATION

Level 1
251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN FENCING FEDERATION LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there has been:

a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner

Dated in Sydney on this 2nd day of May 2019



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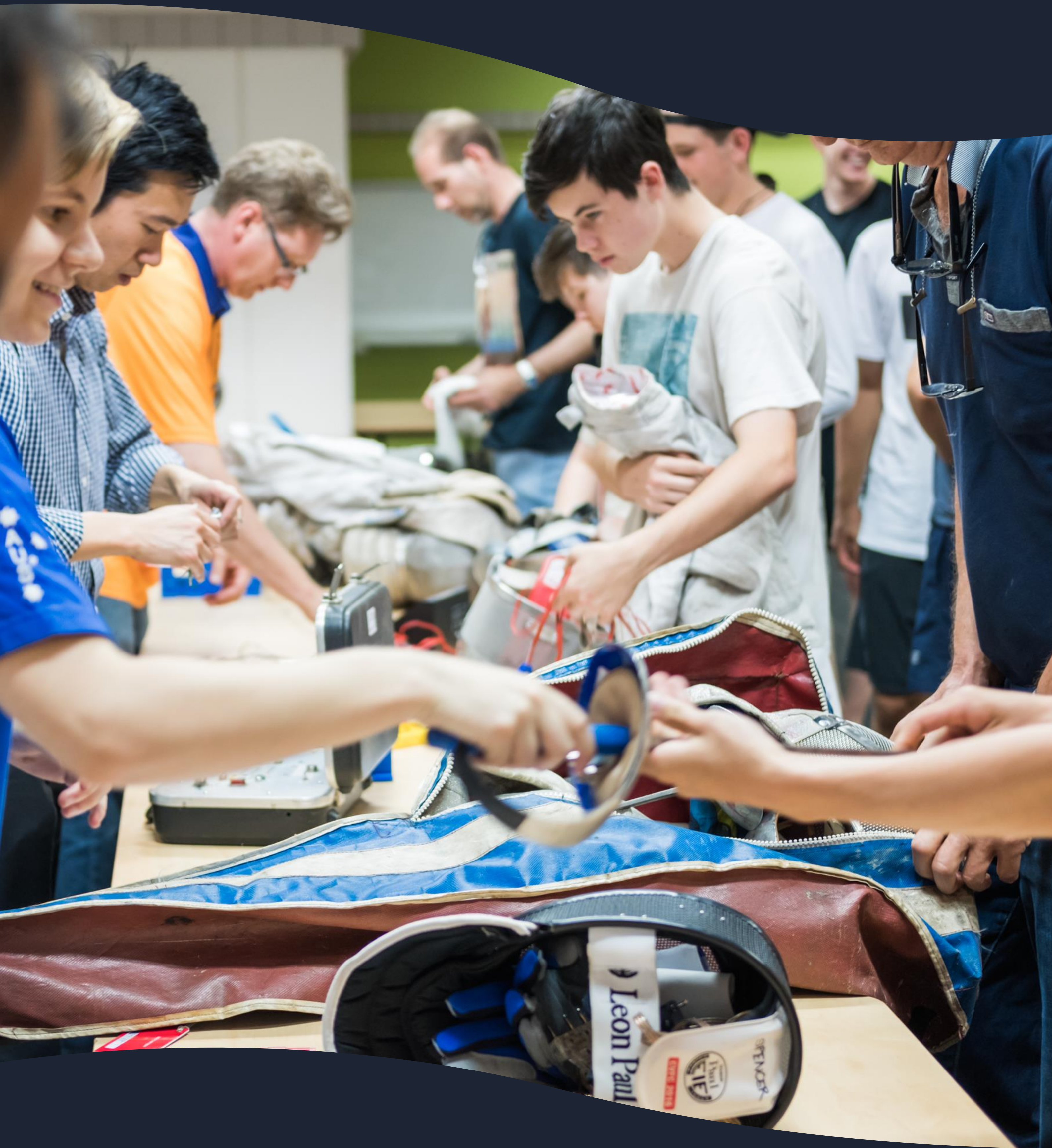
CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND




# FINANCIAL STATEMENTS

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

| | Note | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue | 2 | 837,236 | 790,282 |
| Other revenue | 2 | 32,639 | 36,718 |
| **Total Revenue** | | **869,875** | **827,000** |
| **EXPENSE** | | | |
| Employee provisions expense | | 0 | 0 |
| Depreciation and amortisation expense | | 9,837 | 7,982 |
| Interest expense | | 0 | 0 |
| Bad and doubtful debts expense | | 0 | 622 |
| Motor vehicle expenses | | 0 | 0 |
| Utilities expense | | 0 | 0 |
| Tracksuit/ Merchandise and Licences Expense | | 24,646 | 18,330 |
| Online Registration Expense | | 20,914 | 24,350 |
| Directors and Board Expense | | 17,152 | 16,594 |
| Audit and accounting expense | | 24,280 | 21,144 |
| Event and Competition Expense | | 115,029 | 121,756 |
| High Performance Program Expense | | 550,117 | 483,203 |
| National and State Management Expense | | 29,200 | 56,672 |
| Other expenses | | 63,413 | 44,377 |
| **Total Expense** | 3 | **854,588** | **795,030** |
| **Current year surplus before income tax** | | 15,287 | 31,970 |
| Tax expense | | 0 | 0 |
| **Net current year surplus** | | 15,287 | 31,970 |
| **Net current year surplus attributable to members of the entity** | | | |
| **Total comprehensive income attributable to members of the entity** | | **15,287** | **31,970** |

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

| | Note | 2018 $ | 2017 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | 4 | 321,914 | 256,212 |
| Accounts receivable and other debtors | 5 | 51,937 | 52,794 |
| Inventories on hand | 6 | 5,830 | 15,640 |
| Other current assets | 7 | 24,974 | 32,798 |
| **TOTAL CURRENT ASSETS** | | **404,655** | **357,444** |
| **NON-CURRENT ASSETS** | | | |
| Financial assets | | 0 | 0 |
| Property, plant and equipment | 8 | 48,640 | 48,570 |
| Intangible assets | | 0 | 0 |
| **TOTAL NON-CURRENT ASSETS** | | **48,640** | **48,570** |
| **TOTAL ASSETS** | | **453,295** | **406,014** |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Accounts payable and other payables | 9 | 92,116 | 84,837 |
| Unearnt Income | 9 | 24,715 | 0 |
| Other deposits held | | 0 | 0 |
| **TOTAL CURRENT LIABILITIES** | | **116,831** | **84,837** |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | 0 | 0 |
| Employee provisions | | 0 | 0 |
| **TOTAL NON-CURRENT LIABILITIES** | | **0** | **0** |
| **TOTAL LIABILITIES** | | **116,831** | **84,837** |
| **NET ASSETS** | | **336,464** | **321,177** |
| **EQUITY** | | | |
| Retained surplus | | 15,287 | 31,970 |
| Reserves | | 321,177 | 289,207 |
| **TOTAL EQUITY** | | **336,464** | **321,177** |

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

| | Retained Surplus |
|---|---|
| | **$** |
| **2015** | |
| **Balance at 1 January 2015** | **0** |
| **Transfer of Retained Surplus from the Australian Fencing Federation Inc on 12 August 2015** | 298,903 |
| **Comprehensive income** | (56,082) |
| Surplus for the year attributable to members of the entity | 0 |
| Other comprehensive income for the year | 0 |
| **Total comprehensive income attributable to members of the entity** | (56,082) |
| **Balance at 31 December 2015** | **242,821** |
| **2016** | |
| **Balance at 1 January 2016** | **242,821** |
| **Comprehensive income** | 46,386 |
| Surplus for the year attributable to members of the entity | 0 |
| Other comprehensive income for the year | 0 |
| **Total comprehensive income attributable to members of the entity** | 46,386 |
| **Balance at 31 December 2016** | **289,207** |
| **2017** | |
| **Balance at 1 January 2017** | **289,207** |
| **Comprehensive income** | 31,970 |
| Surplus for the year attributable to members of the entity | 0 |
| Other comprehensive income for the year | 0 |
| **Total comprehensive income attributable to members of the entity** | 31,970 |
| **Balance at 31 December 2017** | **321,177** |
| **2018** | |
| Balance at 1 January 2018 | **321,177** |
| **Comprehensive income** | 15,287 |
| Surplus for the year attributable to members of the entity | 0 |
| Other comprehensive income for the year | 0 |
| **Total comprehensive income attributable to members of the entity** | 15,287 |
| **Balance at 31 December 2018** | **336,464** |

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

| | Note | 2018 | 2017 |
|---|---|---|---|
| | | $ | $ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from Operations | | 886,039 | 874,297 |
| Payments to suppliers | | (814,638) | (893,888) |
| Interest received | 2 | 4,208 | 4,171 |
| Interest paid | | 0 | (36) |
| **Net cash provided by / (used in) operating activities** | 10 | **75,609** | **(15,456)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sale of property, plant and equipment | | 0 | 0 |
| Payment for property, plant and equipment | | (9,907) | 0 |
| Proceeds from sale of available-for-sale investments | | 0 | 0 |
| Payment for available-for-sale investments | | 0 | 0 |
| Payment for financial assets at fair value through profit or loss | | 0 | 0 |
| Payment for intangible assets | | 0 | 0 |
| Payment for held-to-maturity investments | | 0 | 0 |
| **Net cash used in investing activities** | | **(9,907)** | **0** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of finance lease liabilities | | 0 | 0 |
| Net cash used in financing activities | | 0 | 0 |
| Net increase in cash and cash equivalents held | | 65,702 | (15,456) |
| Cash at beginning of the financial year | | 256,212 | 271,668 |
| **Cash at end of the financial year** | 4 | **321,914** | **256,212** |

# NOTES TO FINANCIAL STATEMENTS

## Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### Basis of Preparation

These general purpose financial statements have been prepared in accordance with the applicable Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth).

The Company is a not-for-profit entity for the purpose of preparing the financial statements.

### Compliance with the Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the Company comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (**AASB**).

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

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measure at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

### Accounting Policies

#### (a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity maintains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When the grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company received non-reciprocal contributions of assets from the Government and other parties for zero nominal value. The assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised on completion of the contracted milestone.

Member fees are received from members and are recognised on a cash basis. Similarly, amounts received for Capitated Individuals are recognised on a cash basis.

Competition and event revenue is recognised at the time the competition or event is held. Prepaid event or competition entry fees are recognised as income in advance until the event occurs.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Divided revenue is recognised when the right to receive a dividend has been received.

Other revenue is recognised when the right to receive the revenue occurs.

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

### (b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost at the date of acquisition.

### (c) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair Value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and wiling market participants at the measurement date.

As Fair Value is a market-based measure, the closest equivalent observable market pricing information is used to determine Fair Value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participants ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

### (d) Plant and Equipment

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

Plant and equipment is measured on cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount is written down immediately to the estimated recoverable amount impairment losses are recognised either in profit or loss or as a revaluation decrease if the impartment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal costs are recognised at the fair value of the asset at the date it is acquired.

*Depreciation*

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

The depreciation rates for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|---|---|
| Plant and Equipment | 5-33% |

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to the asset are transferred to retained surplus.

### (e) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as financial leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risk and the benefit remain with the lessor, are recognised as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (f) Financial Instruments

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument, for financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified “at fair value though profit or loss”, in which case transaction costs are recognised as expenses in profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivable does not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

*Classification and subsequent measurement*

i. Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern if short-term profit taking; or
- a derivative financial instrument (except a derivative that is in a financial guarantee contract or a derivative that is an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the insurer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

ii. Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

On the basis of the two primary criteria, being;

- The contractual cash flow characteristics of the financial asset; and
- The business model for managing the financial asset.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value though other comprehensive income when it meets the following conditions:

- the financial asset is managed to solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to the cash flows that are solely payments of principal and interest on the principal amount outstanding on the specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Held to maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

v. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale assets are classified as current assets.

### (g) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying amount. For non-cash generating specialised assets measured using the cost basis, the recoverable amount is determined using current replacement cost in AASB 13 Fair Value Measurement. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

### (h) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### (i) 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 short-term borrowings in current liabilities on the statement of financial position.

### (j) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment

### (k) 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).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

### (l) Income Tax

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

### (m) Foreign currency transactions and balances

Foreign currency transactions during the year are converted to Australian currency at the time of exchange and are based on the actual exchange rate plus any fees for that exchange, offered by the company's bank at the time of exchange.

There are no assets or liabilities held in a foreign currency.

### (n) Going Concern Basis

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### (o) Comparative Figures

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

### (p) Provisions

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (q) Contingencies

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value.

### (r) Accounts payable and Other Payables

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

### (s) Critical Accounting Estimates and Judgements

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

### (t) Economic Dependence

The entity is dependent on Sport Australia (formerly the Australian Sports Commission). At the date of this report, the Directors have no reason to believe Sport Australia will not continue to support the entity.

### (u) New and Amended Accounting Policies Adopted by the Entity

The entity has adopted AASB 9: Financial Instruments with a date of initial application of 1 January 2018. As a result, the entity has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

Considering the initial application of AASB 9 during the financial period, financial statement line items have not been affected by this policy.

### (v) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

i. AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors do not anticipate that the adoption of AASB 16 will impact the financial statements.

ii. AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance

with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

iii. AASB 2016-7: Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

This Standard amends the mandatory effective date (application date) of AASB 15: Revenue from Contracts with Customers for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either:

- restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or
- recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

There are also enhanced disclosure requirements regarding revenue.

## Note 2: Revenue

| | 2018 | 2017 |
|---|---:|---:|
| | $ | $ |
| **Revenue** | | |
| Tournament and Competition Income | 108,692 | 94,885 |
| Affiliation and Capitation Income | 52,907 | 50,682 |
| Coaching Program Income | 6,884 | 5,797 |
| Grant Income | 104,175 | 162,767 |
| High Performance Program Income | 477,586 | 390,140 |
| Merchandise Income | 28,539 | 20,859 |
| Officiating Program Income | 55,953 | 51,720 |
| Development and Marketing Income | 2,500 | 13,432 |
| **Total Revenue** | 837,236 | 790,282 |
| **Other Revenue** | | |
| Interest Income | 4,208 | 4,171 |
| Recoveries | 10,656 | 19,615 |
| Travel Insurance Levies Recovered | 17,775 | 12,932 |
| Total other revenue | 32,639 | 36,718 |
| **Total Revenue** | **869,875** | **827,000** |

## Note 3: Expenses

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Expenses** | | |
| Tournament and Competition Expenses | 45,512 | 64,981 |
| Coaching Program Expenses | 17,132 | 20,528 |
| High Performance Program Expenses | 550,117 | 504,116 |
| Merchandise Expenses | 24,646 | 18,636 |
| Officiating Program Expenses | 87,406 | 77,974 |
| Development and Marketing Expenses | 7,407 | 24,176 |
| Administration and IT Expenses | 87,700 | 35,916 |
| Board and Commission Expenses | 17,152 | 21,986 |
| Other Expenses | 17,516 | 26,717 |
| **Total Expenses** | **854,588** | **795,030** |

## Note 4: Cash and Cash Equivalents

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Cash at Bank | 131,914 | 66,212 |
| Term Deposits | 190,000 | 190,000 |
| **Total Cash and Cash Equivalents** | **321,914** | **256,212** |

## Note 5: Accounts Receivable and Other Debtors

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Accounts receivable - Trading | 51,937 | 52,794 |
| **Total Accounts Receivable and other debtors** | **51,937** | **52,794** |

### Credit Risk

The entity applies the simplified approach to providing for expected credit losses prescribed by AASB 9.

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned. The main source of credit risk to the company is considered to relate to the class of assets described as “accounts receivable and other debtors”.

The following table details the company’s accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as “past due” when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

| | Gross Amount | Past Due and Impaired | Past Due but Not Impaired (Days Overdue) | | | | Within Initial Trade Terms |
|---|---|---|---|---|---|---|---|
| | | | < 30 | 31–60 | 61–90 | > 90 | |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| **2018** | | | | | | | |
| Accounts receivable | 51,937 | - | 18,682 | 12,669 | 12,327 | 5,711 | 2,548 |
| **Total** | **51,937** | **-** | **18,682** | **12,669** | **12,327** | **5,711** | **2,548** |
| **2017** | | | | | | | |
| Accounts receivable | 52,794 | - | (13,588) | 21,691 | 1,728 | 3,095 | 39,868 |
| **Total** | **52,794** | **-** | **(13,588)** | **21,691** | **1,728** | **3,095** | **39,868** |

## Note 6: Inventories on Hand

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Goods held for resale | 5,830 | 15,640 |
| **Total Inventories** | **5,830** | **15,640** |

## Note 7: Other Current Assets

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Prepayments | 20,954 | 32,798 |
| Equipment under grant | 4,020 | 0 |
| **Total Other Current Assets** | **24,974** | **32,798** |

## Note 8: Plant and Equipment

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Plant and Equipment: | | |
| At cost | 67,210 | 57,303 |
| Accumulated depreciation | (18,570) | (8,733) |
| Total Plant and Equipment | 48,640 | 48,570 |
| **Total Plant and Equipment** | **48,640** | **48,570** |

| | Plant and Equipment |
|---|---|
| | $ |
| **2017** | |
| Balance at the beginning of the year | 55,036 |
| Additions at cost | 1,516 |
| Additions at fair value | - |
| Disposals | - |
| Revaluations | - |
| Depreciation expense | (7,982) |
| **Carrying amount at the end of the year** | **48,570** |
| **2018** | |
| Balance at the beginning of the year | 48,570 |
| Additions at cost | 9,907 |
| Additions at fair value | - |
| Disposals | - |
| Revaluations | - |
| Depreciation expense | (9,837) |
| **Carrying amount at the end of the year** | **48,640** |

## Note 9: Accounts Payables and Other Payables

| Accounts Payables and Other Payables | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Accounts payable | 94,088 | 68,466 |
| Deposits Held (Competitions and Tours) | (9,312) | 17,353 |
| GST Payable | 7,340 | (982) |
| **Total Accounts and Other Payables** | **92,116** | **84,837** |

| Unearnt Income | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Grant monies subject to terms | 20,695 | 0 |
| Equipment held subject to terms | 4,020 | 0 |
| **Total Unlearnt Income** | **24,715** | **0** |

## Note 10: Cash Flow Information

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus** | | |
| Net current year surplus | 15,287 | 31,970 |
| Non-cash items included in profit: | | |
| Depreciation | 9,837 | 7,982 |
| (increase)/ decrease in trade receivables | 856 | 51,468 |
| (Increase)/ decrease in other assets | 7,824 | 25,545 |
| (Increase)/ decrease in inventories | 9,810 | 7,693 |
| Increase / (decrease) in liabilities - current | 31,995 | (140,114) |
| **Cash flow provided by/ (used in) operations** | **75,609** | **(15,456)** |

# Note 11: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables.

### Financial Risk Management Policies

The Directors are responsible for monitoring and managing the company's compliance with its risk management strategy. The Directors' overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed on a regular basis. These include credit risk policies and future cash flow requirements.

### Special Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

#### (a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposures. Credit risk is further mitigated as over the diversification of revenue sources.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Directors. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–.

### (b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash flow with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

### (c) Market risk

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.

The financial instruments that expose the company to interest rate risk are fixed interest securities, and cash on hand.

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

## Note 12: Fair Value

### (a) Fair Value Estimation

There are no differences between the fair value of financial assets and financial liabilities and their carrying amounts as presented in the statement of financial position. This is because the Company holds cash on hand, accounts receivable and other debtors, and accounts payable and other payables which are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside of the scope of AASB139.

### (b) Fair Value Measurements

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets.

## Note 13: Capital and Investment Commitments

As at 31 December 2018, the Company resolved to commit $13,000 to the creation of a new online coach education platform. No milestones have yet been met and no engagement has been entered that would warrant the need for the company to recognise the liability in its accounts.

## Note 14: Subsequent Events

There have been no significant events to the balance date.

## Note 15: Contingent Liabilities

During the period to 31 December 2018, the Oceania Fencing Confederation Limited changed organisational form, pursuant to a resolution of the members in a general meeting from that of an Association Incorporated in the state of Victoria, to a Public Company limited by member guarantee. The constitution of the Oceania Fencing Confederation Limited provides that the Company may be requested to contribute to the winding up of the Oceania Fencing Confederation Limited to an amount of, but not exceeding $10.

## Note 16: Entity Details

The registered office of the entity is:

Suite 2, Level 3
71 Longueville Road
LANE COVE NSW 2066

The principal place of business is:

Suite 2, Level 3
71 Longueville Road
LANE COVE NSW 2066

## Note 17: Remuneration of Auditors

| | 2018 | 2017 |
|---|---|---|
| | **$** | **$** |
| Total remuneration received or receivable by the Auditors in connection with auditing the accounts | 10,990 | 7,035 |

## Note 18: Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each voting member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. As at 31 December 2018, the number of voting members was 6.

## Note 19: Directors of the Company

The following persons were directors of the Company during the financial year and up to the date of this report, unless specifically noted otherwise:

Dr Frank Walsh
Mr Vincent Elias
Ms Angela Bensted
Mr Christopher Nonis
Mr Garry Webster
Ms Dianna Gu (appointed 22 May 2018)
Ms Evelyn Halls (retired 14 January 2019)
Mr Jeremy Shelley (retired 22 April 2018)

**End of Financial Report**

# DIRECTORS' DECLARATION

In accordance with the resolution of the Directors of 1 May 2019, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 13 to 36, are in accordance with the *Corporations Act 2001*, including:

   a. complying with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   b. Give a true and fair view of the financial position of the Company as at 31 December 2018 and of its performance for the year ended that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the Company 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 Directors.

Dr Frank Walsh
Chair

Brisbane, Australia
1 May 2019

# INDEPENDENT AUDITOR'S REPORT


Level 1
251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN [illegible]

20 Grose Street
NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750


**INDEPENDENT AUDITOR'S REPORT**

To the Members of Australian Fencing Federation Limited

**Opinion**

We have audited the financial report of Australian Fencing Federation Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit and 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 directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
ii) complying with Australian Accounting Standards and *the Corporations Regulations 2001*.

**Basis of 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terns if given to the directors as at the time of this auditor's report.

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2018, but does not include the financial report and the auditor's report thereon.

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251 Elizabeth Street
SYDNEY NSW 2000

75 Lyons Road
DRUMMOYNE NSW 2047

K.S. Black & Co.

ABN 48 117 620 556

20 Grose Street
NORTH PARRAMATTA NSW 2151

PO Box 2210
NORTH PARRAMATTA NSW 1750

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.

**Directors' responsibility for the financial report**
The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the presentation 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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 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 representation of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

KS Black & Co
Chartered Accountants

Scott Bennison
Partner
Dated: 2nd of May 2019
Sydney



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CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

**The Australian Fencing Federation thanks the following for their support during 2018**

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**www.ausfencing.org.au**

The financial statements are presented in Australian currency.

A description of the nature of the Company's operations and principal activities is included in this report being the Annual Report of the Company.

This report including the financial statements were authorised for issue by the Directors on 1 May 2019. The Directors have the power to amend and reissue this report and the financial statements.