

Manly Warringah Football Referees Association Incorporated

Financial statements

For the year ended 30 September 2022

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Contents

For the year ended 30 September 2022

Committee's report	1
Auditor's independence declaration	2
Statement of profit or loss and other comprehensive income	3
Appropriation statement	4
Balance sheet	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the Financial Statements	8
Statement by members of committee	18
Independent audit report - SDS	19

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Committee's report **For the year ended 30 September 2022**

Your committee members submit the financial report of Manly Warringah Football Referees Association Incorporated for the financial year ended 30 September 2022.

Committee members

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

At this year's AGM, the committee board will read the minutes of the previous year AGM, will ask the members to approve and will conduct the annual election between the members to elect and form the new committee board positions.

Principal activities

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

Provide Refereeing Services for the local Football Community.

Significant changes

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

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$13,074.08.

Signed in accordance with a resolution of the members of the committee:

Committee Member

Committee Member

Dated

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Auditor's independence declaration under Section 307C of the Corporations Act 2001 to the directors of Manly Warringah Football Referees Association Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

E. Arapidis & Partners Chartered Accountants

Dated

Emanuel Arapidis M. COM - FCA

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Statement of profit or loss and other comprehensive income For the year ended 30 September 2022

	Note	2022 \$	2021 \$
Sales revenue	4	436,352.48	332,669.30
Gross profit (loss)		436,352.48	332,669.30
Other income	4	142,996.88	73,369.34
		579,349.36	406,038.64
Expenses			
Referee disbursements		494,136.11	335,309.52
Marketing expenses		2,175.73	5,473.95
Occupancy costs		4,014.27	3,352.48
Administrative expenses		3,298.21	3,269.86
Other referee costs		36,544.75	26,818.20
COGS		24,655.12	25,917.67
Leases		1,451.09	9,139.06
		566,275.28	409,280.74
Profit (loss) for the year		13,074.08	(3,242.10)

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Appropriation statement

For the year ended 30 September 2022

	2022	2021
	\$	\$
Net profit (loss)	13,074.08	(3,242.10)
Retained earnings at the beginning of the financial year	129,740.92	132,983.02
Retained earnings at the end of the financial year	<u>142,815.00</u>	<u>129,740.92</u>

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Balance sheet

For the year ended 30 September 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	6	184,880.99	127,891.23
Trade and other receivables	7	828.00	15,475.00
Inventories	8	11,637.70	5,994.50
Total current assets		197,346.69	149,360.73
Total assets		197,346.69	149,360.73
Current liabilities			
Trade and other payables	9	54,531.69	19,619.81
Total current liabilities		54,531.69	19,619.81
Total liabilities		54,531.69	19,619.81
Net assets		142,815.00	129,740.92
Members' funds			
Retained earnings		142,815.00	129,740.92
Total members' funds		142,815.00	129,740.92

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Statement of changes in equity For the year ended 30 September 2022

	2022 \$	2021 \$
Retained earnings		
Opening retained earnings	129,740.92	132,983.02
Net profit (loss)	13,074.08	(3,242.10)
	<u>142,815.00</u>	<u>129,740.92</u>
Total equity		
Balance as at 01 October 2021	129,740.92	132,983.02
Profit	13,074.08	(3,242.10)
	<u>142,815.00</u>	<u>129,740.92</u>

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Statement of cash flows

For the year ended 30 September 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Receipts from customers	667,325.38	446,985.04
Government stimulus & grants	14,178.64	12,300.00
Payments to suppliers and referees	(624,514.26)	(519,379.48)
Net cash provided by/(used in) operating activities	56,989.76	(60,094.44)
Net increase/(decrease) in cash and cash equivalents held	56,989.76	(60,094.44)
Cash and cash equivalents at beginning of year	127,891.23	187,985.67
Cash and cash equivalents at end of financial year	184,880.99	127,891.23

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

The financial statements cover Manly Warringah Football Referees Association Incorporated as an individual entity. Manly Warringah Football Referees Association Incorporated is a not-for-profit association incorporated in New South Wales under the Associations Incorporation Act 2009 ('the Act').

The principal activities of the association for the year ended 30 September 2022 were:

Provide Refereeing Services for the local Football Community.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

2 Summary of significant accounting policies

Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the association expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

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

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

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

Statement of financial position balances relating to revenue recognition

Contract cost assets

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a straight-line basis over the expected life of the contract.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the association that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

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 GST.

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

Income tax

The association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Impairment of non-financial assets

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

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

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

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

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

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

Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

Leases

At inception of a contract, the association assesses whether a lease exists.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial Instruments

Financial instruments are recognised initially on the date that the association becomes a party to the contractual provisions of the instrument.

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instruments (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the association changes its business model for managing financial assets.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

Amortised cost

The association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Credit losses are measured as the present value of the difference between the cash flows due to the association in accordance with the contract and the cash flows expected to be received. This is applied using a probability-weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost is determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the association comprise trade payables, bank and other loans and lease liabilities.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

3 Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Critical judgements and estimations applied in recognising retail revenue

The association's policy of providing a refund for change of mind reasons within 14 days of purchase constitutes variable consideration as at the time of purchase the association is making an uncertain number of sales. In assessing the value of this refund liability and right of return asset, the association uses its cumulative knowledge and historical experience when estimating the expected number of returns. This estimate is made on a portfolio basis using the expected value method. Revenue is only recognised where it is highly probable that a significant reversal of revenue will not occur.

Key judgments - provision for inventories

The inventory held is reviewed on a monthly basis to determine whether there is any old, damaged or obsolete stock or any other stock items which need to be written down to NRV based on the current economic conditions, sales histories and forecasts and market research performed by the association.

At the year-end management do not believe there is any need for an obsolescence provision for inventory.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

	2022 \$	2021 \$
4 Revenue and other income		
Revenue from contracts with customers		
MWFA running fees	360,605.45	263,418.00
Grant for Player Referee Fees	13,178.64	12,300.00
FNSW Rego FFA Fees	25,908.39	20,311.30
FNSW receipts	660.00	1,640.00
MWFA Grants Admin Officer	35,000.00	35,000.00
NSW Referees Grant	1,000.00	-
	436,352.48	332,669.30
Other income		
Gear sales	26,486.49	14,143.20
School Games	11,020.00	6,625.00
Wakehurst Small Sided Games	41,955.50	41,705.50
Forest Killarney Small Sided Games	45,413.41	-
Sydney International Cup	5,100.00	-
Pre Season Games	5,745.00	3,378.90
Branch Entry Course	2,740.00	2,940.00
Tournaments	-	975.00
Sundry Fees	4,536.48	3,101.74
Sponsorships & Donations	-	500.00
	142,996.88	73,369.34
	2022 \$	2021 \$
6 Cash and cash equivalents		
Main Account	184,766.53	126,975.77
Maximiser Account	114.46	114.46
Undeposited Funds	-	801.00
	184,880.99	127,891.23
	2022 \$	2021 \$
7 Trade and other receivables		
Current		
Trade Debtors	828.00	15,475.00
	828.00	15,475.00

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

	2022 \$	2021 \$
8 Inventories		
Current		
Uniform & LOTG books	11,637.70	5,994.50
	<u>11,637.70</u>	<u>5,994.50</u>

Write downs of inventories to net realisable value during the year were \$Nil (Last year: \$Nil).

	2022 \$	2021 \$
9 Trade and other payables		
Current		
Trade Creditors	38,594.48	26,406.96
Accruals	4,500.00	0.00
GST Collected	17,911.51	1,957.01
GST Paid	(6,474.30)	(8,744.16)
	<u>54,531.69</u>	<u>19,619.81</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

	2022 \$	2021 \$
10 Retained earnings		
Retained earnings at the beginning of the financial year	129,740.92	132,983.02
Net profit (loss)	13,074.08	(3,242.10)
	<u>142,815.00</u>	<u>129,740.92</u>

12 Contracted commitments

2022 \$Nil (2021 \$Nil).

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

13 Key management personnel remuneration

The remuneration paid to key management personnel of the association is 2022 \$Nil (2021 \$Nil).

14 Related parties

(a) The association's main related parties are as follows:

Key management personnel - (refer to the Key Management Personnel note).

Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transaction with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

15 Contingencies

In the opinion of the directors, the association did not have any contingencies at 30 September 2022 (30 September 2021: None).

16 Events occurring after the reporting date

Due to the impact of the COVID-19 Pandemic, the State Government imposed travel restrictions on the 26th June 2021 (stay at home orders for greater Sydney) and on the 14th August (stay at home orders for regional NSW). On the 4th July 2021 the Association's operations were restricted, however, staff continued to provide services under strict precautions. The restrictions ceased on the 14th October 2021 and regional travel allowed from 1st November. The Committee Members believe the Association is well placed to remain viable and solvent and continue as a going concern and have signed an unqualified committee members' declaration on that basis.

No matter 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.

	2022	2021
17 Auditor's remuneration	\$	\$
	<u>\$350</u>	<u>\$350</u>

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Notes to the financial statements

For the year ended 30 September 2022

18 Statutory information

The principal place of the business is:

PO Box 1091
Dee Why
NSW 2099

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Statement by members of committee

The committee declares that in its opinion:

1. The financial statements and notes for the year ended 30 September 2022, are in accordance with the Associations Incorporation Act 2009 and:
 - a) comply with Australian Accounting Standards - Simplified Disclosures; and
 - b) give a true and fair view of the financial position as at 30 September 2022 and of the performance for the year ended on that date of the association.
2. In the members' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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

.....

Committee Member

.....

Committee Member

Dated

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

Independent audit report to the members of Manly Warringah Football Referees Association Incorporated

Report on the audit of the financial report

Opinion

I have audited the financial report of Manly Warringah Football Referees Association Incorporated (the association), which comprises the statement of financial position as at 30 September 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 my opinion, the accompanying financial report of the association is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the association's financial position as at 30 September 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosure Standard and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the association, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial report

The directors 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 - Simplified Disclosure Standard and the Corporations Act 2001 and for such internal control as the directors 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 directors are responsible for assessing the directors 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 association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

Manly Warringah Football Referees Association Incorporated

ABN: 51 116 360 302

**Independent audit report to the members of Manly Warringah Football
Referees Association Incorporated**

E. Arapidis & Partners Chartered Accountants

Emanuel Arapidis M. COM - FCA

Dated