

# **Squash Australia Ltd**

**ABN: 73 072 625 935**

**Consolidated Financial Statements**

**For the Year Ended 30 June 2020**

# Squash Australia Ltd

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For the Year Ended 30 June 2020

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# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report 30 June 2020

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2020.

### 1. General information

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

David Seymour Mandel

Qualifications

Graduate Australian Institute of Company Directors  
Associate of the Chartered Institute of Management Accountants  
(UK)

Experience

BSc Chemistry University of Sussex, UK  
25 years of senior management and leadership positions in multinational companies in the USA, UK and Australia. 10 years of Directorships of various public, private, Government and not-for-private organisation. 30 years of playing grade competitive squash in the UK, USA and Australia  
  
Chair – Audit Committee – WSF  
  
Director and Audit Chair – Commonwealth Games Australia  
  
President Squash Australia  
Chair Membership Working Group  
AFRC Committee Member  
Nominations Committee Member

Michael Alexander Jaroszewicz

Qualifications

BSc MICE, MIE (Aust), CP Eng NPER (Civil and Structural)

Experience

Registered Building Practitioner (Victoria)  
  
Reg Prof. Eng. Qld  
Structural/Civil Engineer with more than 40 years' experience in the building industry. Extensive experience as a Principal structural design engineer and project manager working on a wide range of medium rise building projects in Australia, the Middle East and the United Kingdom to a value of \$100M. Founder and co-Director of MAJCON, Consulting Structural, Civil Engineers and Project Managers. Company director in Australia since 1989. Director and past President of the Association of Consulting Structural Engineers, NSW. ASCE's representative on the judging panel for the NSW Awards for Excellence in Structural Engineering 2015.

# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report 30 June 2020

### 1. General information

#### Information on directors

Dale Robbins  
Qualifications

Bachelor of Business – Marketing – QUT

Diploma of Management – University of Victoria

Experience

Automotive Dealer Management Program – Melbourne University  
Currently Regional Manager of Nissan Australia Pty Ltd. This role is responsible for the management of 45 Nissan dealerships in Queensland and Northern NSW. The regional office has a staff of 22 and is responsible for an average of 1,400 new Nissan sales a month.

Areas of specialty:

Marketing, strategy, performance management, project management

Significant involvement in squash – Dale's parents leased a squash centre in Cairns for over 25 years. Strong supporter of Masters Squash.

Chair SQA Profile Working Group  
HR & Nominations Committee Member

Vice President – Oceania Squash Federation

Michelle Susan Martin  
Qualifications

Michelle Susan Martin Level 2 Accredited Squash Coach

NCAS Talent Development and Foundation Coach

Cert IV bookkeeper

Experience

Cert IV Project Management - Property Development

Has been playing squash for 44 years.

Professional squash player from 1987-1999, retiring at No 1 in the World. Winner of Commonwealth Games Gold Medals of Singles and Doubles, World Individual and Teams Events, British and Australian Open Championships amongst many other titles around the world. World No 1 throughout the 1990s.

Awards include: Sport Australia Hall of Fame, WSA Hall of Fame, Squash Australia Hall of Fame promoted to Legend Status, AUS Hall of Fame, Australian and NSW Sportswoman of the Years, Australian Women's Sports Team of the Year, Australian Women's Teach Coach at both Junior and Senior levels. Squash Australia Coach of the Year

Chair SQA High Performance Working Group

# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report 30 June 2020

### 1. General information

#### Information on directors

Joanne Brodie

Qualifications

Bachelor of Arts in Modern Languages, Business Administration  
Certified Practising Project Director  
Graduate of Australian Institute of Company Directors course  
Dive Master

Experience

Over 20 years management experience  
Director of The Community Transport Company  
Director of Local Land Services North Coast  
Member of Australian Institute of Project Management  
Category Chief Judge for the Australian Institute of Project Management  
Member of Institute of Community Directors  
Member of Women on Boards  
Landcare volunteer

Jo is an experienced Program Manager with expertise in strategic planning, governance, risk management, business transformation and safety.

Jo is passionate about sport, has played representative level hockey and netball, is a martial artist, and has participated in sailing, mixed indoor netball, mixed indoor cricket, scuba diving and squash. Has worked at two summer and two winter Olympics & the 2018 Commonwealth Games.

Chair Events Working Group

Christine Sinclair

Qualifications

Bachelor Arts (Psych)  
Master Arts (Hons)  
Master History (Hons)  
Currently working on PhD  
Librarian, Researcher, Historian, Archivist

Experience

Vice President NSW Squash  
World Squash Referee over 20 years  
Refereed World, Commonwealth Games finals  
Tournament Referee World, Commonwealth Games level.  
WSF Senior Assessor  
WSF Rules and Referees Committees  
Played pennant squash in 3 States  
Played second top-grade Sydney.  
Lecturer, Mentor and Presenter

Chair SQA Education Working Group

# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report 30 June 2020

### 1. General information

#### Information on directors

Nathan Turnbull

Qualifications

Bachelor Arts (Sports Studies and Psychology)  
Talent Development Coach

Experience

Playing squash for 23 years.  
President of Brisbane City Squash  
Director of Qsquash  
QLD Sharks junior team coach  
Brisbane City Squash (northside) volunteer competition coordinator  
WSF Referee  
Head Coach at Sandgate Squash

Matthew Schmidt

Qualifications

Bachelor of Applied Science, University of SA (Recreation, Planning & Management)

Experience

20 years experience as a successful results oriented leader with extensive experience in education, event delivery, sports management, business development, marketing and sponsorship. Considerable experience with strategic planning and in delivering effective governance leadership. Currently Executive Director of ACHPER SA-(The Australian Council for Health, Physical Education and Recreation).  
Areas of specialty: Governance, stakeholder management, Marketing, project management 10 years of Directorships of various public, private and not-for profit organisations including Squash South Australia, South Australian Cricket Association-Game Development, Uni SA Sport- Chair, Sport SA Awards Committee-Chair, Good Shepherd Lutheran School -Chair, Past President Concordia Old Collegians Cricket Club.

Squash Australia Profile Working Team Chair

Squash Australia Nominations Committee Member

Alexander William Dore

Qualifications

Juris Doctor - University of Sydney  
Bachelor of International and Global Studies - University of Sydney

Experience

Alex is a management consultant at PwC Australia with functional experience in strategy, process improvement, and project management. He has over a decade of successful governance experience in membership-based, not-for-profit organisations, and has led multiple organizational reviews.

AFRC Committee Member

Chair Participation Working Team

# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report 30 June 2020

### 1. General information

#### Information on directors

Adam Bret Carter

Qualifications

Bachelor of Commerce - University of South Africa  
Governance Institute - GIA Cert  
Member of Australian Institute of Company Directors - MAICD  
Member of Governance Institute of Australia – GIA Cert  
Member of Australian Institute of Managers and Leaders – AFIML

Experience

Chief Navigator - Carmalk Consulting mentors and provides business advisory services to clubs, not for profits and small to medium sized businesses to help you reach your goals.  
Adam is a business advisor who gets businesses on track. Adam is a multi-skilled leader, who provides operational and strategic support to businesses. Using a skill set acquired over 25 years in CEO, Executive and Senior Management positions with strong focuses in the areas of Finance, Auditing, Corporate Governance, Risk Management and Compliance. Adam is committed to enhancing internal business processes and systems to improve business performance – both internally and to their clients. His energy and naturally curious nature constantly challenges businesses to apply innovation and creativity to every task.  
Passionate sportsman, Squash, BMX, Mountain Biking, Horse Racing, Cricket, Soccer and Rugby Union  
Represented Zimbabwe in Squash and BMX  
Squash Player for over 25 years  
Chairman St Patricks College Shorncliffe, Brisbane  
St Patricks College Finance Committee  
Director – Carrara Squash Centre Ltd  
Squash Australia Finance Committee Member

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Company secretary

Richard Vaughan has been the company secretary during the year.

#### Review of operations

The consolidated loss of the Group for the financial year after providing for income tax amounted to \$ (136,851) (2019: \$ 336,288).

#### Principal activities

The principal activities of the Group during the financial year were to manage and promote the sport of Squash in Australia.

# Squash Australia Ltd

ABN: 73 072 625 935

## Directors' Report

30 June 2020

### 1. General information

#### Principal activities

No significant change in the nature of these activities occurred during the year. Current activities are in line with the Memorandum and Articles of Association. Company policies have been maintained throughout the period and the operating results are set out in the accompanying Financial Statements. During the period the Company continued to manage the new Carrara Squash Centre which had benefited from equipment assets from the 2018 Gold Coast Commonwealth Games to the value of 1.1 million AUD. In the period there is a capital grant for Carrara Squash Centre for \$415,000 which has been expensed. In the period the company also managed Southport Squash Centre and more recently the new Carrara Squash Centre have been operated by Carrara Squash Centre Limited. Carrara Squash Centre Limited was formed as a wholly owned subsidiary of Squash Australia. These accounts represent consolidated accounts of Squash Australia Limited and its subsidiaries.

#### Members' guarantee

#### Payments and other benefits

No payments or benefits of a pecuniary value were received by any officers of the Company during the financial year.

### 2. Other items

#### Future developments and results

The 2020 financial year will see the company focus on delivering operations in line with its 2016-2022 Strategic Plan 'Squash in Australia'.

Squash Australia's Principal Partner is SportAUS which is a Federal Department. SportAUS has recently rebranded and is currently launching a new strategy which has increased the risk in funding decreases for Squash Australia. The SportAUS participation strategy focuses increasingly on physical literacy, activity and softer touch points with traditional sports.

#### Environmental issues

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

#### Benefits received directly or indirectly by officers

In line with the SportAUS Mandatory Governance Principles, the total Executive Management Team (Pay Grade 3 and 4) salaries was \$399,291.36. The Executive Management Team consisted of five employees in the roles of Chief Executive Officer and General Manager grade during the period. The pay grades are:

Grade 4 > \$100,000 – \$165,000

Grade 3 > \$80,000 – \$100,000.

#### Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.



**Squash Australia Ltd**

ABN: 73 072 625 935

**Directors' Report**

**30 June 2020**

**Meetings of directors**

During the financial year, [insert number] meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
David Seymour Mandel	2	2
Michael Alexander Jaroszewicz	8	8
Dale Robbins	2	2
Michelle Susan Martin	2	1
Joanne Brodie	11	11
Christine Sinclair	11	11
Nathan Turnbull	11	11
Matthew Schmidt	9	9
Alexander William Dore	3	3
Adam Bret Carter	9	9

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Squash Australia Ltd with the exception of the following matters:

The company has paid a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings and for the award of damages against officers and directors.


**Proceedings on behalf of company**

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  .....

Director:  .....

Dated this ..... 6th ..... day of ..... November ..... 2020

## **AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SQUASH AUSTRALIA LTD**

In accordance with the requirements of section 307C of the Corporations Act 2001, as auditor for the audit of Squash Australia Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contravention of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.



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Bevin Schafferius CA  
Integrated Audit Service Pty Ltd  
Registered Audit Company (No. 342 577)  
Registered Auditor (No. 479033)

Fortitude Valley, 6 November 2020

## Squash Australia Ltd

ABN: 73 072 625 935

### Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Finance income		3,038	8,568
Other income	5	1,925,350	2,673,807
Administrative expenses		(197,829)	(184,369)
AUS PSA tour		(117,794)	(35,785)
Depreciation		(221,623)	(168,573)
Employment expenses		(814,629)	(656,861)
Events Administration		(194,601)	(275,031)
Events related expenses		(94,304)	(276,490)
Finance expenses	6	(20,100)	(5,575)
Insurance		(126,759)	(129,138)
Marketing expenses		(20,911)	(54,280)
Other expenses		(207,483)	(238,539)
Rent		(7,541)	(108,446)
University project grant		(41,665)	(213,000)
<b>Profit before income tax</b>		<b>(136,851)</b>	<b>336,288</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>(136,851)</b>	<b>336,288</b>
<b>Profit for the year</b>		<b>(136,851)</b>	<b>336,288</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>			
<b>Total comprehensive income for the year</b>		<b>(136,851)</b>	<b>336,288</b>
Profit attributable to:			
Members of the parent entity		(136,851)	336,288
Total comprehensive income attributable to:			
Members of the parent entity		(136,851)	336,288
		<b>(136,851)</b>	<b>336,288</b>

The Group has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Squash Australia Ltd

ABN: 73 072 625 935

### Consolidated Statement of Financial Position As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	747,350	75,049
Trade and other receivables	8	23,727	303,451
Inventories	9	159,586	201,982
Other assets	10	99,683	209,714
<b>TOTAL CURRENT ASSETS</b>		<b>1,030,346</b>	790,196
<b>NON-CURRENT ASSETS</b>			
Loans and advances	12	50,000	50,000
Property, plant and equipment	13	1,575,858	1,690,567
Intangible assets	14	11,553	14,065
Right-of-use assets	11	465,672	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,103,083</b>	1,754,632
<b>TOTAL ASSETS</b>		<b>3,133,429</b>	2,544,828
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	122,409	261,008
Borrowings	16	41,025	68,059
Lease liabilities	11	33,217	-
Employee benefits	17	55,760	62,873
Other financial liabilities	18	422,171	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>674,582</b>	391,940
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	442,810	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>442,810</b>	-
<b>TOTAL LIABILITIES</b>		<b>1,117,392</b>	391,940
<b>NET ASSETS</b>		<b>2,016,037</b>	2,152,888
<b>EQUITY</b>			
Retained earnings		2,016,037	2,152,888
<b>Total equity attributable to equity holders of the Company</b>		<b>2,016,037</b>	2,152,888
<b>TOTAL EQUITY</b>		<b>2,016,037</b>	2,152,888

The Group has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Squash Australia Ltd

ABN: 73 072 625 935

### Consolidated Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2019</b>	2,152,888	2,152,888
Profit attributable to members of the parent entity	(136,851)	(136,851)
<b>Transactions with owners in their capacity as owners</b>		
<b>Balance at 30 June 2020</b>	<u>2,016,037</u>	<u>2,016,037</u>

2019

	Retained Earnings	Total
Note	\$	\$
<b>Balance at 1 July 2018</b>	1,816,598	1,816,598
Profit attributable to members of the parent entity	336,290	336,290
<b>Transactions with owners in their capacity as owners</b>		
<b>Balance at 30 June 2019</b>	<u>2,152,888</u>	<u>2,152,888</u>

The accompanying notes form part of these financial statements.

## Squash Australia Ltd

ABN: 73 072 625 935

### Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,203,821	2,509,819
Payments to suppliers and employees	(1,782,006)	(2,438,399)
Interest received	3,038	8,568
Finance costs	(53,642)	-
Net cash provided by/(used in) operating activities	<u>371,211</u>	<u>79,988</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	24,265	-
Purchase of property, plant and equipment	(118,312)	(357,187)
Net cash provided by/(used in) investing activities	<u>(94,047)</u>	<u>(357,187)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	395,137	68,059
Net cash provided by/(used in) financing activities	<u>395,137</u>	<u>68,059</u>
Net increase/(decrease) in cash and cash equivalents held	672,301	(209,140)
Cash and cash equivalents at beginning of year	75,049	284,189
Cash and cash equivalents at end of financial year	7 <u>747,350</u>	<u>75,049</u>

The Group has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

# Squash Australia Ltd

ABN: 73 072 625 935

## Notes to the Financial Statements For the Year Ended 30 June 2020

The financial report covers Squash Australia Ltd and its controlled entities ('the Group'). Squash Australia Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

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 - Reduced Disclosure Requirements and the *Corporations Act 2001*.

### 2 Change in Accounting Policy

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Group has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

#### Leases - Adoption of AASB 16

The Group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

#### Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

##### The Group as a lessee

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

##### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition, the Group has used the following expedients:

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **Leases - Adoption of AASB 16**

##### **Impact of adoption of AASB 16**

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Group's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

### **3 Summary of Significant Accounting Policies**

#### **(a) Income Tax**

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

#### **(b) Revenue and other income**

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(b) Revenue and other income**

###### **Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Group obtains control of the grant, 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.

When grant revenue is received whereby the Group 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.

###### **Revenue from contracts with customers**

For current year

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 Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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 Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

##### **(c) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**(e) Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Property, plant and equipment is depreciated on a straight-line or diminishing value basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	5-40%
Furniture, Fixtures and Fittings	5-40%
Office Equipment	5-40%
Squash Matrix Website	20-40%
GC Legacy Courts	10%

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

###### **Impairment of Financial Assets**

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

###### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

###### **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 Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

###### *Amortised cost*

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group'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.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group 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 Group 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 are 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 significant increase in credit risk then the lifetime losses are estimated and recognised.

##### **Financial liabilities**

The Group 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 Group comprise trade payables, bank and other loans and finance lease liabilities.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(g) Intangibles**

###### **Goodwill**

Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a -% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

###### **Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, 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.

##### **(h) 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.

##### **(i) Leases**

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(i) Leases**

For current year

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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 Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group 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 Group'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 Group'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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Summary of Significant Accounting Policies**

**(i) Leases**

The Group 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 Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

**(j) Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

**(k) Economic dependence**

Squash Australia Ltd is dependent on the funding provided by Squash Australia's principal partner SportAus, an agency of the Australian Government for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the funding provided by Squash Australia's principal partner SportAus, an agency of the Australian Government will not continue to support Squash Australia Ltd.

#### **4 Critical Accounting Estimates and Judgments**

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 - impairment of property, plant and equipment**

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key estimates - fair value of financial instruments**

The Group has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Squash Australia Ltd

ABN: 73 072 625 935

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 5 Revenue and Other Income

	2020	2019
	\$	\$
Other Income		
- coaches education	9,908	8,894
- fees	162,052	321,087
- grants	1,298,421	1,678,089
- Insurance recoveries from states	138,984	160,524
- other income	149,486	490,664
- jobkeeper and cash flow boost	(b) 166,500	-
- sponsorship	-	14,549
Total Revenue and Other Income	<u>1,925,351</u>	<u>2,673,807</u>

#### 6 Finance Income and Expenses

##### Finance expenses

	2020	2019
	\$	\$
Interest expense	20,100	2,695
Foreign currency loss	-	2,880
Total finance expenses	<u>20,100</u>	<u>5,575</u>

#### 7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	<u>747,350</u>	<u>75,048</u>
	<u>747,350</u>	<u>75,048</u>



## Squash Australia Ltd

ABN: 73 072 625 935

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	22,897	302,621
	<u>22,897</u>	<u>302,621</u>
Deposits	830	830
	<u>830</u>	<u>830</u>
<b>Total current trade and other receivables</b>	<b><u>23,727</u></b>	<b><u>303,451</u></b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 9 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Stock on hand	159,586	201,982
	<u>159,586</u>	<u>201,982</u>

#### 10 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	66,683	204,352
Accrued income	33,000	5,362
	<u>99,683</u>	<u>209,714</u>

# Squash Australia Ltd

ABN: 73 072 625 935

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 11 Leases

The Group has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

#### Right-of-use assets

	Buildings	Total
	\$	\$
<b>Year ended 30 June 2020</b>		
Balance at beginning of year	525,120	525,120
Depreciation charge	(59,448)	(59,448)
<b>Balance at end of year</b>	<b>465,672</b>	<b>465,672</b>

### 12 Loans and Advances

	2020	2019
	\$	\$
CURRENT		
	2020	2019
	\$	\$
NON-CURRENT		
Victorian Squash Federation Inc	50,000	50,000
	<b>50,000</b>	<b>50,000</b>

## Squash Australia Ltd

ABN: 73 072 625 935

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 13 Property, plant and equipment

##### PLANT AND EQUIPMENT

##### Capital works in progress

At cost

**355,319** 317,923

Accumulated depreciation

**(25,938)** -

Total capital works in progress

**329,381** 317,923

##### Computer equipment

At cost

**9,170** 9,170

Accumulated depreciation

**(4,237)** (2,515)

**4,933** 6,655

##### Office equipment

At cost

**79,081** 108,493

Accumulated depreciation

**(46,006)** (46,277)

**33,075** 62,216

##### GC Legacy courts

At cost

**1,175,142** 1,164,034

Accumulated depreciation

**(203,569)** (118,595)

**971,573** 1,045,439

##### Squash courts

At cost

**286,925** 286,925

Accumulated depreciation

**(50,029)** (28,590)

**236,896** 258,335

Total plant and equipment

**1,575,858** 1,690,568

**Total property, plant and equipment**

**1,575,858** 1,690,568

## Squash Australia Ltd

ABN: 73 072 625 935

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 14 Intangible Assets

	2020	2019
	\$	\$
Goodwill		
Cost	9,000	9,000
Accumulated impairment losses	(2,000)	(1,000)
<b>Net carrying value</b>	<b>7,000</b>	<b>8,000</b>
Formation costs		
Cost	8,233	8,233
Accumulated amortisation and impairment	(3,680)	(2,168)
<b>Net carrying value</b>	<b>4,553</b>	<b>6,065</b>
<b>Total Intangibles</b>	<b>11,553</b>	<b>14,065</b>

#### 15 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	121,590	256,357
GST payable	819	4,650
	<b>122,409</b>	<b>261,007</b>

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.

#### 16 Borrowings

	2020	2019
	\$	\$
CURRENT		
Unsecured liabilities:		
Insurance premium funding	41,025	68,059
	<b>41,025</b>	<b>68,059</b>
<b>Total current borrowings</b>	<b>41,025</b>	<b>68,059</b>
	2020	2019
	\$	\$
NON-CURRENT		
Unsecured liabilities:		

## Squash Australia Ltd

ABN: 73 072 625 935

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 17 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for employee benefits	55,760	62,873
	<u>55,760</u>	<u>62,873</u>

#### 18 Other Financial Liabilities

	2020	2019
	\$	\$
CURRENT		
Income received in advance	422,171	-
<b>Total</b>	<u>422,171</u>	<u>-</u>

#### 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

#### 20 Events after the end of the Reporting Period

During March 2020, the COVID-19 virus was declared a global pandemic. In Australia, the preventative actions taken by the government and the private sector resulted in immediate decline in economic activities, temporary closure of certain non-essential businesses and a decline in the financial market. At the time of this report, the financial impact of the virus on the Group could not be determined with certainty.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### 21 Statutory Information

The registered office and principal place of business of the company is:

Squash Australia Ltd  
Sports House Office  
9, Cnr Castlemaine & Caxton Streets  
Milton, Qld, 4064

# Squash Australia Ltd

ABN: 73 072 625 935


## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 27, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company and consolidated group.
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 Board of Directors.

Director ..... 

Director ..... 

Dated 6 November 2020

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQUASH AUSTRALIA LTD

### *Report on the Audit of the Financial Report*

#### *Opinion*

We have audited the accompanying consolidated financial report of Squash Australia Ltd which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the financial report of Squash Australia Ltd ("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 30 June 2020 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting – Reduced Disclosure Requirements (RDR) 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's 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 terms 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 included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information; we are required to report that fact. We have nothing to report in this regard.

### *Responsibility of the Directors for the Financial Report*

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - RDR 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 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*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.





Integrated AUDIT Service

*Success through people, knowledge and understanding*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink, appearing to read 'Bevin Schafferius', is written over a horizontal line.

Bevin Schafferius CA  
Integrated Audit Service Pty Ltd  
Registered Audit Company (No. 342 577)  
Registered Auditor (No. 479033)

Fortitude Valley, 6 November 2020