

# SYDNEY UNIVERSITY SPORT AND FITNESS LTD FINANCIAL REPORT 2019

# DIRECTORS' REPORT

Your directors present this report on the company for the financial period ended 31 December 2019.

# Directors

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

Rodney Tubbs, Chairman Warwick Lynch Joellen Riley

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

# **Principal Activities**

The principal activity of the company during the financial period was to promote the health and wellbeing of members of the Sydney University, members of Sydney University clubs and the wider community.

No significant changes in the nature of the company's activity occurred during the financial year.

# **Operating Results**

The company did not trade in the period.

# New Accounting Standards Implemented

The company has implemented three new Accounting Standards that are applicable for the current reporting period and have come into effect, which are included in the results. AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-for-Profit Entities and AASB 16: Leases have been applied using the cumulative effective method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue, AASB 117: Leases and AASB 1004: Contributions. Also to note in relation to AASB 16 is that the company applied the temporary relief for peppercorn leases under AASB 2018-8 to measure the right-of-use assets at cost on initial recognition. Further information is provided in Note 1.

# Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

The company did not trade during the period.

# Dividends Paid or Recommended

The company is limited by guarantee and is therefore precluded from distributing profits by way of dividends.

# After Balance Date Events

The COVID-19 pandemic announced in 2020 by the World Health Organisation is impacting the company. The timing and extent of the impact and recovery from COVID-19 is currently unknown.

Apart from the COVID-19 pandemic, the Directors are not aware of any other matters or circumstances not otherwise dealt with in the Directors' Report or Financial Statements for the six months ended 31 December 2019 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.

# **Meetings of Directors**

Directors' meetings were held on:

- 1 August 2019
- 24 September 2019
- 7 November 2019

# Members' Guarantee

The entity 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 member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. As at 31 December 2019 the total amount that members of the company are liable to contribute if the company is wound up is \$2 (2018: \$NIL).

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

Kooney Jaur

Rodney Tubbs Director

Hohm

Warwick Lynch Director

Dated this 4<sup>th</sup> day of May 2020

# DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Sydney University Sport & Fitness Limited, the directors of the company declare that, in the directors' opinion:

- 1. The financial statements and notes, as set out on pages 7 to 20 satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:
  - a. comply with Australian Accounting Standards Reduced Disclosure Requirements applicable to the company; and
  - b. give a true and fair view of the financial position of the company as at 31 December 2019 and of its financial performance for the six months ended on that date.
- 2. 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 signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Roomy Jau

Rodney Tubbs Director

Hohm

Warwick Lynch Director

Dated this 4<sup>th</sup> day of May 2020



# SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED ABN 45 634 542 644

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED

#### Opinion

We have audited the financial report of Sydney University Sport and Fitness Limited (the company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period 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 Sydney University Sport and Fitness Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its financial performance for the six-month period then ended; and
- b) complying with Australian Accounting Standards Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation* 2013.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the ACNC Act 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the six-month period ended 31 December 2019, 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.



# SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED ABN 45 634 542 644

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED

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

#### **Responsibilities 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 – Reduced Disclosure Requirements and the ACNC Act 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 Responsibilities for the Audit of the Financial Report

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

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.

MTJ Audit Pty Ltd ABN 79 612 252 310

Taxation & Business Advice • Self Managed Superannuation Audit & Assurance • Wealth Management



# SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED ABN 45 634 542 644

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYDNEY UNIVERSITY SPORT AND FITNESS LIMITED

- 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.
- 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.

Signed at Wahroonga this 4th day of May 2020.

MTJ AUDIT PTY LTD

PETER VILIMAA Partner

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Ν	lote	2019
Revenue	2	-
Other income	2	
Advertising and marketing		-
Advertising and marketing		-
Borrowing costs		-
Computer and IT costs		-
Consultancy fees		-
Depreciation and amortisation expense	3	-
Electricity		-
Employee related costs		-
Insurance		-
Internet costs		-
Printing, postage and stationery		-
Rates		-
Repairs, maintenance and replacements		-
Other expenses		
Current year surplus before income tax		
Tax expense	1g	
Net current year surplus		
Other comprehensive income:		
Items that will be reclassified subsquently to profit or loss		
Net change in fair value available for sale of financial assets		
Total other comprehensive income for the year		
Total comprehensive income for the year		<u>\$</u> -

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019
CURRENT ASSETS		
Cash and cash equivalents	4	-
Accounts receivable and other receivables	5	-
Other current assets	6	
TOTAL CURRENT ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7	
TOTAL NON-CURRENT ASSETS		
TOTAL ASSETS		
CURRENT LIABILITIES		
Accounts payable and other payables	8	-
Borrowings	9	-
Provisions	10	
TOTAL CURRENT LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	9	
TOTAL NON-CURRENT LIABILITIES		
TOTAL LIABILITIES		
NET ASSETS		<b>\$</b> -
EQUITY		
Retained surplus	11	-
Reserves	12	-
TOTAL EQUITY	12	<u>s</u> -
		Ψ -

# STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

2019 EQUITY **Retained Surplus** Balance 1 July Add: Surplus for the Year Add: Transfers (to) / from reserves Balance 31 December Reserves Balance 1 July -Add: Movements during the year Add: Transfers (to) / from reserves Balance 31 December TOTAL EQUITY \$ -

# STATEMENT OF CASH FLOWS FOX THE SIX MONTHS ENDED 31 DECEMBER 2019

	Note	2019
Cash Flow from Operating Activities		
Receipts from members Payments to suppliers and employees Interest and distributions received Interest paid		
Net cash provided by operating activities	17b	
Cash Flows from Investing Activities		
Proceeds from sale of available-for-sale investments Payments for property, plant and equipment		-
Net cash used in investing activities		
Cash Flows from Financing Activities		
Proceeds from borrowing Repayment of borrowings		
Net cash used in financing activities		
Net Increase/(decrease) in Cash Held	14	-
Cash on hand at the beginning of the financial year	1d	
Cash on hand at the end of the financial year	17a	<u>\$</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

# Note 1 – Summary of Significant Accounting Policies

#### **Basis of Preparation**

Sydney University Sport and Fitness Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements have been prepared in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 4th May 2020 by the directors of the company.

# **Accounting Policies**

#### a) Revenue

#### **Revenue recognition**

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

#### In the current year

#### Contributed assets

The company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised

in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

#### In the comparative period

The company was incorporated on 1 July 2019 and did not trade during the six months ended 31 December 2019.

#### b) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5 – 15%
Leased motor vehicles	10%

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. These 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 that asset are transferred to retained surplus.

# c) Employee Benefits

There were no employees during the six months ending 31 December 2019.

# d) 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.

#### e) 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 and services provided 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.

# f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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.

# g) Income Tax

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

# h) Comparative Figures

The company was incorporated on 1 July 2019 and there are no comparative figures.

# i) Accounts Payable and Other Payables

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

# j) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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.

	2019
Note 2 - Revenue and Other Income	
Revenue	
Membership	
Total Revenue	
<b>Other Income</b> Interest and distribution income Donations, scholarships and other funding Other revenue	
Total Other Income	
Total Revenue and Other Income	\$
Note 3 - Surplus for the Year	
Surplus from ordinary activities has been determined after:	
a) Expenses	
Depreciation of non-current assets Buildings Leasehold Improvements Plant and Equipment Total depreciation	\$
Bad and Doubtful Debts	s s
Rental expense on operating leases	<u>*</u>
Minimum lease payments	\$
Audit fees Audit services Other services	
	\$
Note 4 - Cash and Cash Equivalents	
Cash on hand	
Cash at bank	\$

	2019
Note 5 - Accounts Receivable and Other Receivables	
Accounts Receivable Less: Provision for Doubtful Debts	-
Other receivables	-
	\$-
Note 6 - Other Current Assets	
Prepayments	\$ -
Note 7 - Property, Plant and Equipment	
Land and Buildings	
Land and Buildings - at cost	-
Less: Accumulated Depreciation	
Leasehold improvements - at cost	-
Less: Accumulated Depreciation	-
Total land and buildings	
Total land and buildings	
Plant and equipment	
Plant and equipment	-
Less: Accumulated Depreciation	
Total - Property, Plant and Equipment	<b>\$</b> -

2019

#### Note 7 - Property, Plant and Equipment (cont'd)

#### **Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

Note

	Land and Buildings	Leasehold Improvements	Plant and Equipment	Total
Balance at 1 July 2019	-	-	-	-
Additions at cost	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	-	-	-
Revaluation				
Balance at 31 December 2019	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

#### Note 8 - Accounts Payable and Other Payables

#### Current

Accounts payable Fees received in advance		-
Insurance finance liability Accrued expenses		
	8a	\$ -

#### a) Financial liabilities at amortised cost classified as accounts payable and other payable

Accounts payable and other payables: - total current	-
Less: income in advance	
Financial liabilities as accounts payable and other payable 18	<u>\$</u> -
Note 9 - Borrowings	
Current Bank overdraft	
	<u>\$</u> -
Non-Current	
Bank bills	<u>\$</u> -
a) Total secured current and non-current borrowings	
Bank loans	-
Bank bills	
	<u>\$</u> -

	2019
Note 10 - Provisions	
Current Employee benefits	
IT Equipment Replacement	
	<u>\$</u> -
Note 11 - Retained Surplus	
Balance 1 July	-
Add: Surplus for the Year	
Add: Transfers (to) / from reserves	-
Balance 31 December	s -
	-
Note 12 - Reserves	
Capital profits reserve	
Balance 1 July <u>Add</u> : Movement during the year	-
Balance 31 December	<u>\$</u>
Note 13 - Capital and Leasing Commitments	
a) Operating Lease Commitments	
Non-cancellable operating leases contracted for but not	
recognised in the financial statements	
Payable - minimum lease payments	
- not later than 12 months	-
- between 12 months and 5 years - later than 5 years	-
	\$-

#### 2019

# Note 14 - Contingent Liabilities and Contingent Assets

The Directors are not aware of any other contingent liabilities or contingent assets as at 31 December 2019.

# Note 15 - Events After the Reporting Period

The COVID-19 pandemic announced in 2020 by the World Health Organisation is impacting the company. The timing and extent of the impact and recovery from COVID-19 is currently unknown.

Apart from the COVID-19 pandemic, the Directors are not aware of any other matters or circumstances not otherwise dealt with in the Directors' Report or Financial Statements for the year ended 31 December 2019 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 subsequent financial years.

# Note 16 - Related Party Transactions

# a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company is considered key management personnel. The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Key management personnel compensation

<del>\$</del>-

# c) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

No other related party transactions were entered into during the financial year.

2019

(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash on hand Cash at bank Bank overdraft	<u></u>	-
(b) Reconciliation of cash flow from operations with profit from ordinary activities	<u> </u>	
Surplus/(Deficit) from ordinary activities Non-cash flows in profit from ordinary activities		-
<ul> <li>Depreciation and amortisation</li> <li>Net (profit)/loss on disposal of property, plant &amp; equipment</li> </ul>		-
Changes in assets and liabilities - (Increase)/decrease in receivables		-
- (Increase)/decrease in prepayments		-
- Increase/(decrease) in payables		-
- Increase/(decrease) in provisions		_
Net cash provided by operating activities	\$	_

Note 17 - Cash Flow Information

# Note 18 - Financial Risk Management

The company's financial instruments consist mainly of deposits with banks and short-term term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019
Financial Assets		
Cash on hand	4	-
Accounts receivable and other receivables	5	
Total Financial Assets		
Financial Liabilities		
Accounts payable and other payables	8	-
Borrowings	9	
Total Financial Liabilities		

# Note 19 - Entity Details

The registered office of the company is:

Sydney University Sport and Aquatic Centre Building G09 Sydney University Darlington Road Sydney NSW 2006

The principal place of business is:

Sydney University Sport and Aquatic Centre Building G09 Sydney University Darlington Road Sydney NSW 2006

# Note 20 - Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

At 31 December 2019 the number of members was 1. (30 June 2019: Nil)



# SydUniSport



0

SydUniSportFit

