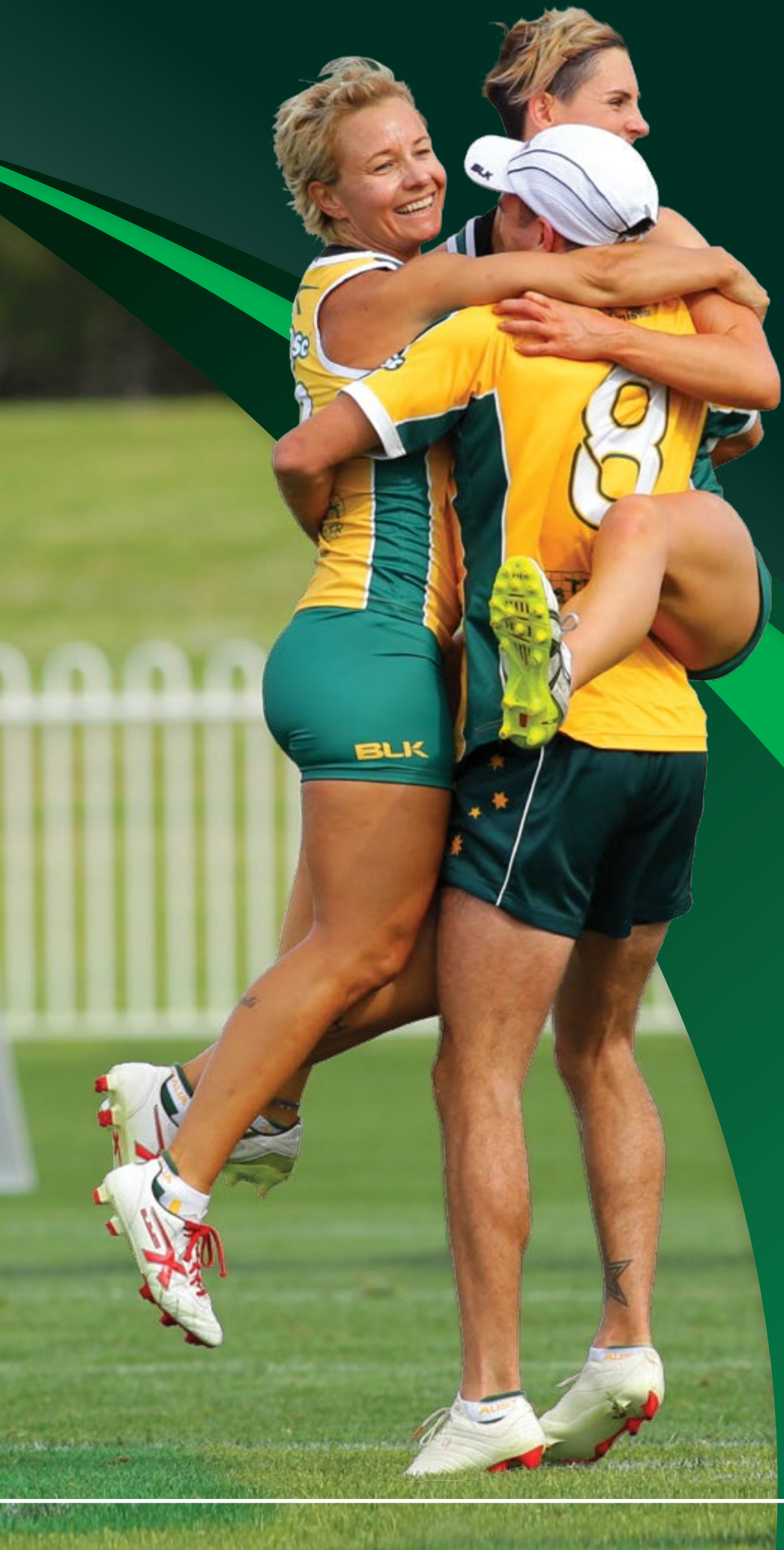

Touch Football AUSTRALIA

FINANCIAL REPORT 2013/14

Harvey Norman NRL TOUCH FOOTBALL

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ABN 55 090 088 207

Touch Football AUSTRALIA

FINANCIAL REPORT 2013/14

2014 Financial Year

Managing Touch Football Australia's Financial Resources

Operating result

Touch Football Australia (TFA) achieved an operating surplus of $93,691 for the financial year ended 30 June 2014. TFA reported a surplus in 2013 of $103,408. The operating result for 2014 reflects TFA's operations in the reporting year, which accounts for the delivery of strategic priorities and operational management within the unified management structure, including leadership in the sport as the national body for Touch Football in Australia. The Financial Statements for 2014 reports on the consolidated operations of all States (ACT, Victoria, Tasmania, South Australia, Northern Territory and West Australia) within the unified model, in addition to leadership and national operations.

Strategic intent

In the third year of TFA's four year strategic plan the strategic pillars and priorities of TFA (Corporate Leadership; Sport Management; Sport Development; and Operational Services) continued to provide the context within which TFA's operational focus is defined. These strategic priorities are reflected in organisation wide strategic resource allocations, as well as the operational plans for individual state offices.

As reported previously in recent financial years, TFA has implemented, and continues to review and renew, a number of strategies to ensure that the organisation remains in a position financially and resourcefully to respond quickly to external influences and economic pressures. Again it is able to be stated, with confidence, that the financial resilience of TFA continues to be evident. TFA has again been able to maintain and continue to progress the Mission, Vision, Values and Strategic Priorities as assured to members, with vigour.

It is the strategic intent of Executive Management to maintain leadership in all aspects of best practice financial management in order to respect and deliver TFA's Economic Mission: *To preserve the ongoing economic viability of the organisation while ensuring the financial accessibility of the sport of Touch Football remains"*.

The financial performance of TFA in the 2014 reporting year contributes to the outcomes in achieving this Mission. In relation to TFA's Primary Objectives the strategic financial objective *"Grow the resources"* provides for a measurement indicator and target of *"equity of $4 million"* by 2015. This milestone was achieved in November 2013. The reported equity of $3.975M at 30 June 2014 includes $2.237M retained earnings.

Budget stewardship

Budget strategies and operational initiatives work in parallel and are designed to:

- Continue to focus TFA's operational activities and resources profile (staff and financial) in areas of strength
- Improve the quality of activities, services and outcomes; and
- Ensure that TFA remains financially capable and viable by a combination of strategies and improved efficiencies.

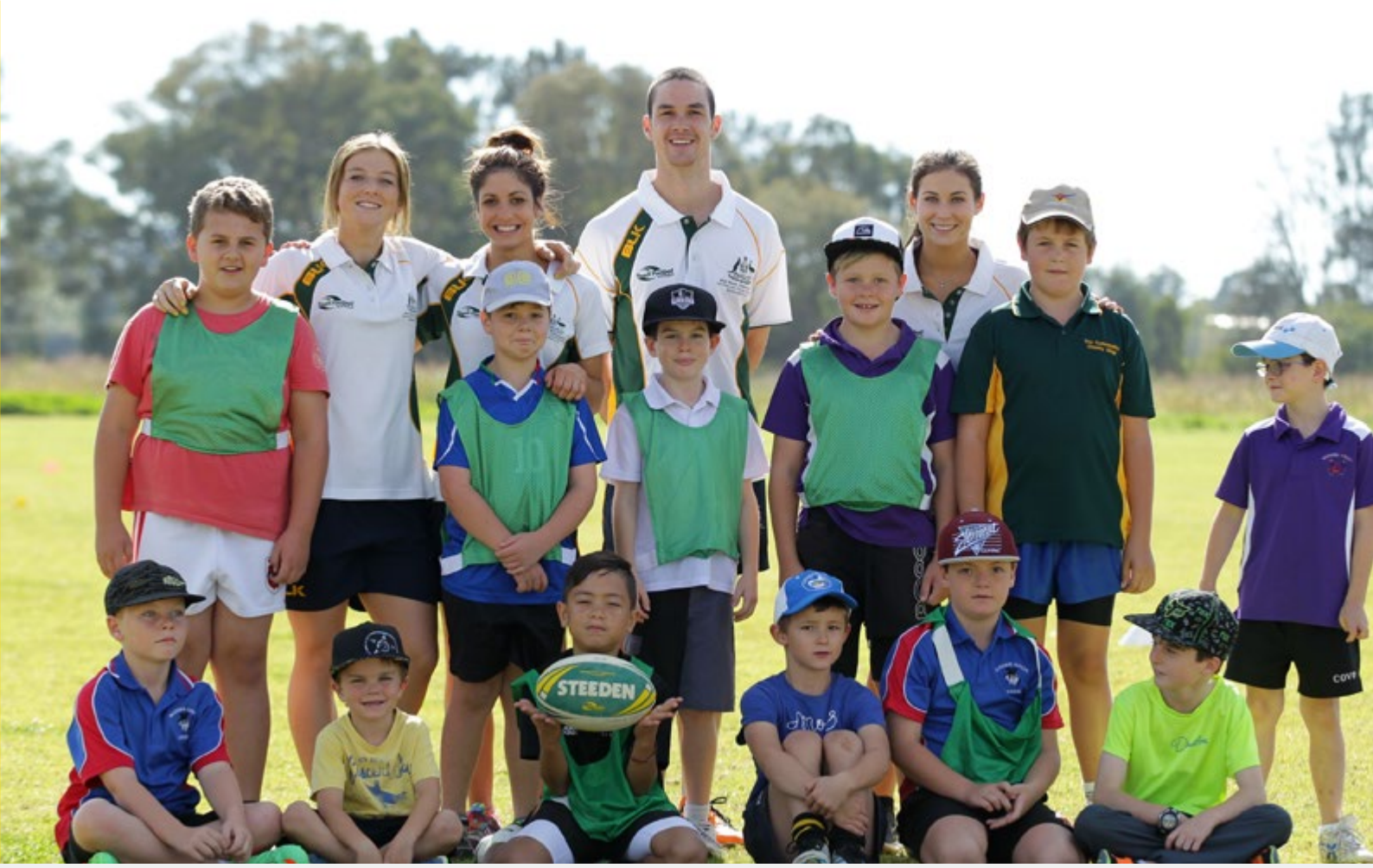
Throughout the 2014 financial year TFA operated within key budget guidelines and boundaries and revised parameters approved by the Board of Management. As advised to Members in previous years, the reporting environment, systems and structures are critical to maintaining financial and corporate management outcomes, with valuable oversight and guidance provided by the Board of Management. In addition, the ongoing system of review and budget performance monitoring has allowed for a number of planned initiatives and program expenditure scheduling to be brought forward into the 2014 financial year. It is to be noted that the reported operating surplus of $93,691, was achieved within the revised budget target surplus and reflects consultative determinations, which included various programs within the operational framework being brought forward.

Efficiency principles

TFA's otherwise continued financial resilience has provided the organisation with the confidence to initiate activities in areas of participation which ensures the on-going relevance and sustainability of the organisation and the sport. TFA continues to deliver in best practice responsibilities for TFA employees, continuously strives to identify opportunities for staff and endeavours to secure the retention of suitable talent.

TFA are in the position to do this is because of the operational and financial efficiencies that have been delivered through business efficiency principles, augmented by the application of expenditure in line with the strategic priorities set out in the 2011 – 2015 Strategic Plan.

The total reported costs in relation to human resource expenditure for 2014 is $2,673,909 ($2,651,220 in 2013). This expenditure of 37% (36% 2013; 36% 2012), of all outgoings, remains appropriate for a national sporting body and well within performance targets.



During the year TFA continued activities in the area of planning and activation in relation to the National Rugby League (NRL) strategic alliance. The resource effort and subsequent project costs were managed as an initiative in responding to the objective of forming the strategic partnership with the NRL. TFA highly regards all partnership endeavours enjoyed with government agencies, sponsors and commercial providers.

TFA has committed undertakings with Federal and State government bodies in relation to specific government grants. Although these undertakings come with additional financial obligations, these opportunities provide TFA the scope to plan operations and prioritise expenditure to best serve the needs of specific target programs in addition to servicing the wider affiliate community.

TFA strives to maintain maximum efficiency in the utilisation of all resources (human, financial and physical), achieved through the opportunities afforded to the organisation as a result of the ongoing relationship these partnerships provide.

Analysis of revenue and cost drivers

TFA has been ongoing in maintaining and supporting a continuous improvement culture delivered through sound financial management practices and leadership. This can be evidenced by the measurement in the presented adjacent tables where cost relativities have been maintained for strategic objectives.

In terms of TFA's going concern attributes and continuing financial sustainability the ongoing financial stability of TFA is reported as confident and sound as at 30 June 2014.

Reported revenue activity as a contribution to total revenue:

Operating Revenue % of Total	2014	2013
HR/Corporate Development	0.00%	0.00%
Sport Management	52.33%	52.58%
Sport Development	20.54%	17.42%
Sport Operations	22.78%	21.41%
High Performance	2.75%	6.75%
Business Operations	0.68%	1.09%
Property and IT	0.92%	0.75%
Total	**100.00%**	**100.00%**

Reported expense activity as a contribution to total costs:

Operating Expenses % of Total	2014	2013
Human Resources	37.32%	35.59%
Corporate Development	1.51%	2.01%
Sport Management	15.62%	15.67%
Sport Development	16.77%	13.56%
Sport Operations	15.02%	14.41%
High Performance	2.22%	6.70%
Business Operations	6.43%	7.14%
Property and IT	5.11%	4.91%
Total	**100.00%**	**100.00%**

Key financial ratios

Utilising the reported information by applying relative analysis on both the financial performance and position, and considering other information, a reasonable indication can be gained as to the ability to sustain the strategic purpose of TFA's enterprise.

In supporting the presented results and other indicators in terms of the organisations financial position and sustainability stated as confident and sound, some analysis of TFA's results can be examined as follows:

Measuring stability

Financial stability indicators can be obtained by examining reported financial statements using ratio analysis for the purposes of expressing the relationship and interpretation of reported information.

Liquidity	2014	2013
current assets / current liabilities	3.01 : 1	2.98 : 1
(Current Ratio)		

This indicator is the most common demonstration of an organisation's ability to settle short term debts. The above analysis demonstrates in 2014 TFA has $3.01 in current assets to meet every $1 in short term debt. This is an important representation of TFA's ongoing financial stability.

The 'liquidity conversion' aspect of TFA's net assets is sound, given the major element of the net assets being property, plant and equipment. Working capital management and the components of the working capital cycle (summer and winter seasons) are continually managed and monitored. This is clearly evidenced by financial management of costs and creditor payments cycle with recognition of an improved debtor payment culture.

Solvency	2014	2013
total assets / total liabilities	5.17 : 1	5.26 : 1
(Debt/Solvency Ratio)		

The above analysis demonstrates TFA's overall solvency and organisational robustness in that TFA has $5.17 in assets to meet every $1 in debt for 2014.

Stability	2014	2013
total liabilties / total equity	0.239 : 1	0.235 : 1
(Debt to Equity Ratio)		

The above analysis examines TFA's ability to withstand adverse conditions and meet overall long term obligations. TFA demonstrates that for every 23/24 cent debt there is $1 member's equity available. Effectively, this means that 77/76 cents per $1 equity would be returned to members if liquidated, as at 30 June 2014. TFA member's interests are being continually protected.

Measuring performance

The reported operating result for TFA obviously indicates a reasonably modest surplus for 2014. Analysis and revision continuously from mid-year allowed additional programs, future scheduled programs and support in areas that were risk managed to accommodate out-of-budget initiatives. It must be noted that an element of cost containment also occurred based on long term projections on key revenue items such as affiliation. Further, the 2014 national affiliation and insurance fees were contained to the same level as 2013, with regard that natural inflation and CPI adjustment would not be passed on to the membership as a fee increase. This decision has effectively reduced revenue in 2014, but is regarded as a strategic benefit to membership.

Operating Return	2014	2013
net profit / equity	2.5%	3.0%
(Return on Equity)		

Safety Margin	2014	2013
net income / total revenue	1.3%	1.4%

The safety margin indicator is an amount by percentage by which revenue is able to drop before TFA's breakeven is reached. On examination it is identified that the safety margin for TFA is reasonably low historically (as with a not-for-profit enterprise) and large movements in revenue may place operations at risk.

This would be particularly so if there was a major decrease in member affiliation.

Summary

Again, as in recent years, it has been the management of challenges, maintaining strategic priorities and TFA's preparations for the future, which has driven the result for the year. This also includes advancing programs and opportunities including the NRL strategic alliance. The modest surplus for the year of $93,691, or 1.3% of income, is appropriate as it reflects a broad matching of income and expenditure, whilst providing some headroom for unforeseen events or costs, future growth and capital reserves.

Garry Foran

Chief Commercial Officer

9 October 2014

Touch Football Australia Incorporated

ABN: 55 090 088 207

Financial Report
For The Year Ended
30 June 2014

Your Board members submit the financial report of the Touch Football Australia Incorporated (the Association).

BOARD MEMBERS

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

Michael Rush	Chairman	Continuing, Re-elected November 2013
Jane Russo	Director	Continuing, Re-elected November 2013
Jim Yeo	Director	Continuing
Barry McNamara	Director	Continuing, Re-elected November 2013
Anita Hagarty	Director	Continuing
David Smith	Director	Appointed February 2014
Todd Greenberg	Director	Appointed February 2014

Principal Activities

The principal activity of the Association during the financial year to 30 June 2014 was the administration of the sport of Touch Football.

Significant Changes

There were no significant changes in the state of affairs of the Association during the financial year.

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Operating Result

The operating surplus amounted to $93,691 (2013: $103,408 operating surplus). In reporting the operating result for 2014, the Members of the Board further report that Touch Football Australia provides the reported results for the controlled operations of the National Office and the States of South Australia, Western Australia, Northern Territory, Victoria, Tasmania and the Australian Capital Territory.

The Board commends to members, stakeholders and interested parties the reported operating result and the supporting Financial report for the financial year ended 30 June 2014.

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

Chairman

Chief Executive Officer

Dated this 6th day of September 2014

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCH FOOTBALL AUSTRALIA INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of Touch Football Australia Incorporated (the association), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Board of Management on the annual statements giving a true and fair view of the financial position of the association.

Board of Management's Responsibility for the Financial Report

The members of the Board of Management 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 – Reduced Disclosure Requirements and the *Associations Incorporation Act 1991 (ACT)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Liability limited by a scheme approved under Professional Standards Legislation

bellchambers barrett

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOUCH FOOTBALL AUSTRALIA INCORPORATED

Opinion

In our opinion, the financial report of Touch Football Australia Incorporated is in accordance with the *Associations Incorporation Act 1991 (ACT)*, including:

(i) giving a true and fair view of the association's financial position as 30 June 2014 and of its performance for the year ended on that date and the other matters required by Section 72 (2) of the *Associations Incorporation Act 1991 (ACT)*;

(ii) we have obtained all the information and explanations required;

(iii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 1991 (ACT)*; and

(iv) proper accounting records and other records have been kept by Touch Football Australia Incorporated as required by the *Associations Incorporations Act 1991 (ACT)*.

James Barrett
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 10th day of September 2014

In accordance with a resolution of the Board of Touch Football Australia Incorporated, the members of the committee declare that the financial statements as set out on pages 6 to 26:

- present a true and fair view of the financial position of Touch Football Australia Incorporated as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Act 1991 (ACT)*; and
- at the date of this statement, there are reasonable grounds to believe that Touch Football Australian Incorporated will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the Board by:

Chairman

Chief Executive Officer

Dated this 6th day of September 2014

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
Revenue	2	7,257,925	7,552,353
Less expenditure			
Human Resources		(2,673,909)	(2,651,220)
Corporate Development		(107,951)	(149,449)
Sport Management		(1,118,751)	(1,166,956)
Sport Development		(1,201,305)	(1,010,200)
Sport Operations		(1,076,351)	(1,073,602)
High Performance		(158,813)	(499,358)
Business Operations		(460,503)	(532,057)
Property and Information Technology		(366,651)	(366,103)
Surplus from Operations		**93,691**	**103,408**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
State equity movements		-	200,000
Total other comprehensive income		**-**	**200,000**
Total comprehensive income attributable to the members of the Association		**93,691**	**303,408**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	**5**	1,853,699	1,602,611
Trade and Other Receivables	**6**	667,067	683,533
Inventories	**7**	260,611	276,771
TOTAL CURRENT ASSETS		2,781,377	2,562,915
NON-CURRENT ASSETS			
Property, Plant and Equipment	**8**	2,112,810	2,196,750
Goodwill and Other Intangibles	**9**	33,000	33,000
TOTAL NON-CURRENT ASSETS		2,145,810	2,229,750
TOTAL ASSETS		4,927,187	4,792,664
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	**10**	570,071	577,689
Employee Benefits	**11**	352,344	280,615
TOTAL CURRENT LIABILITIES		922,415	858,304
NON-CURRENT LIABILITIES			
Employee Benefits	**11**	29,285	52,564
TOTAL NON-CURRENT LIABILITIES		29,285	52,564
TOTAL LIABILITIES		951,700	910,868
NET ASSETS		3,975,487	3,881,796
EQUITY			
Reserves		1,365,962	1,365,962
Net State Equity		372,112	372,112
Retained Earnings		2,237,413	2,143,722
TOTAL EQUITY		3,975,487	3,881,796

The accompanying notes form part of these financial statements.

TOUCH FOOTBALL AUSTRALIA INCORPORATED

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2014

	Retained Earnings $	Asset Revaluation Reserve $	State Equity Movements $	Total $
Balance at 1 July 2012	2,040,314	1,365,962	172,112	3,578,388
State Equity Movements	-	-	200,000	200,000
Surplus Attributable to the Members	103,408	-	-	103,408
Balance at 30 June 2013	2,143,722	1,365,962	372,112	3,881,796
State Equity Movements	-	-	-	-
Surplus Attributable to the Members	93,691	-	-	93,691
Balance at 30 June 2014	**2,237,413**	**1,365,962**	**372,112**	**3,975,487**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		7,975,614	7,825,099
Interest Received		38,382	42,437
Payments to Suppliers and Employees		(7,317,662)	(7,327,504)
Net GST Remitted		(365,245)	(290,530)
Net Cash provided by Operating Activities		331,089	249,502
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from the sale of Plant & Equipment		1,407	-
Purchase of Plant & Equipment		(73,524)	(149,627)
Interest Paid		(7,884)	-
Net Cash (used in) Investing Activities		(80,001)	(149,627)
Net Increase in Cash Held		251,088	99,875
Cash at Beginning of Financial Year		1,602,611	1,502,736
Cash at End of the Financial Year	**5**	**1,853,699**	**1,602,611**

The accompanying notes form part of these financial statements.

Note 1 – Summary of Significant Accounting Policies
The financial statements were authorised for issue on the 6th September 2014 by the Board.

Basis of Preparation

The Financial Report covers Touch Football Australia Incorporated (the Association) as an individual entity. The Association is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991 (ACT)*.

Touch Football Australian Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Australian Accounting Standards* and *AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* and other applicable Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and *the Associations Incorporation Act 1991 (ACT)*. The Association 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 the 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 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a) Income Tax

The Association is exempt from income tax under the provisions of Section 50-5 of *the Income Tax Assessment Act 1997*.

b) Inventories

Inventories consist of clothing, publications and videos and are measured at the lower of cost and net realisable value.

Note 1 – Statement of Significant Accounting Policies (Continued)

c) 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 losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

The carrying amount of plant and equipment is reviewed annually by the Association to determine whether there is an indication of impairment. If any such indication exists, the assets recoverable amount is estimated. The recoverable amount is the greater of fair value less costs to sell and value in use. Value in use means the 'depreciated replacement cost' of an asset when the future economic benefits of the asset are not primarily dependant on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost of which the gross future economic benefits of that asset could currently be obtained in normal course of business.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets of assets, including buildings and capitalised lease assets, are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready 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 and amortisation rates used for each class of depreciable assets are:

Class of Asset	*Depreciation Rate*
Leasehold Buildings	2.5%
Fixtures and Fittings	10% - 20%
Plant and Equipment	10% – 33.33%
Computers and Software	20% – 33.33%
Motor Vehicles	20%
Competition Infrastructure	10%

Note 1 – Statement of Significant Accounting Policies (Continued)

c) Property, Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d) Leases

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

Finance leases are capitalised by recording an asset and a liability equal to 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.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Note 1 – Statement of Significant Accounting Policies (Continued)

e) Financial Instruments (continued)

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

(iv) *Available-for-sale financial assets*

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

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

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

(v) *Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Note 1 – Statement of Significant Accounting Policies (Continued)

f) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

g) Employee Benefits

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Association classifies employees' long service leave and may classify annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred

Note 1 – Statement of Significant Accounting Policies (Continued)

g) Employee Benefits (continued)

Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date, including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating monetary and non-monetary benefits, such as medical care, sick leave, housing, cars and free or subsidised goods and services, are expensed based on net marginal cost to the Association as the benefits are taken by the employees.

h) 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.

i) Goodwill

Goodwill is initially measured at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when the Board consider that there is objective evidence the business has been impaired. Impairment losses are calculated based on the Board's assessment of the business's recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amount.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold

j) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold or 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.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

Note 1 – Statement of Significant Accounting Policies (Continued)

k) Revenue

Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Non-reciprocal grant revenue is recognised in the Statement of Comprehensive Income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the Association 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.

l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

m) 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.

n) Income in Advance and Prepaid Expenditure

Affiliation revenue is recognised based on competition commencement dates. Where a competition commences in 'Season 1', which runs from 1 January to 30 June or where a competition commences in 'Season 2', which runs 1 July to 31 December, affiliation revenue is invoiced and recognised in the relevant financial year. This policy has been conservatively applied for a number of years. In the reporting year a more consistent treatment has been applied. Grants received from government relating to calendar years are apportioned evenly over the financial year to which they relate.

Note 1 – Statement of Significant Accounting Policies (Continued)

o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Any rounding is in whole dollar presentation.

p) Accounts Payable and Other Payables

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

q) Key Estimates

Impairment

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

r) Key Judgements

(i) *Provision for impairment of receivables*

Included in trade receivables and other receivables at the end of the reporting period are amounts receivable from members in relation to unpaid revenue from goods or services provided outstanding for greater than 18 months amounting to $54,454. A provision for doubtful debts has been raised for these receivables as at 30 June 2014.

(ii) *Loans and receivables*

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

s) Treatment of Equity

Prior to 1 July 2008 incurred amounts for the operations of the states of Victoria, West Australia, Tasmania and Northern Territory had been accumulated against state entities within the ledger structures of the national office (South Australia was reported as national operations prior to 2008). This has been treated as equity rather than an asset or liability of the national office. Upon entering the model the accumulated funds of each state have been offset against any net costs paid by Touch Football Australia Incorporated, or added to any net contributions made to Touch Football Australia Incorporated, as disclosed above.

Note 1 – Statement of Significant Accounting Policies (Continued)

New and Amended Accounting Policies Adopted by the Association

Employee Benefits

During the year, the Association adopted AASB 119: Employee Benefits (September 2011) and the relevant consequential amendments arising from the related Amending Standards. As a result, the Association early adopted AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements because the Association's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The Association has applied AASB 119 (September 2011) and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees. Previously, the Association had separated provisions for benefits with similar characteristics, such as annual leave and sick leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions.

As the Association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the Association's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the Association's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the Association did not have any of these types of obligations in the current or previous reporting period, these changes did not impact the Association's financial statements.

Fair value measurement

During the year, the Association adopted AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards. As a result, the Association early adopted AASB 2012-1: Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements because the Association's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements. The Association has applied AASB 13 and the relevant consequential amendments arising from the related Amending Standards from 1 January 2013.

No material adjustments to the carrying amounts of any of the Association's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the Association's financial statements.

The disclosure requirements in AASB 13 need not be applied by the Association in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the Association has provided this previously provided information as comparatives in the current reporting period.

Note 2 - Revenue	2014 $	2013 $
Operating activities		
Sport Management	3,798,392	3,970,693
Sport Development	1,490,514	1,315,549
Sport Operations	1,653,327	1,617,281
High Performance	199,372	509,938
Business Operations	49,357	82,073
Property and Information Technology	66,963	56,819
Total Revenue	7,257,925	7,552,353

Note 3 – Surplus for the year

The surplus has been determined after:

a. Expenses

Rental expenses on operating lease:		
- minimum lease costs	42,470	62,285
Finance costs	7,884	-
Depreciation	136,340	114,405
Employee Benefits	2,462,646	2,410,531
Cost of Sales	141,317	213,375

Note 4 – Auditor's Remuneration

Remuneration of the auditor of the Association for:		
- Auditing or reviewing the financial statements	28,850	28,850

Note 5 – Cash and Cash Equivalents

Cash on hand	2,550	9,740
Cash at bank	1,851,149	1,592,871
	1,853,699	1,602,611
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 and cash equivalents	1,853,699	1,602,611
	1,853,699	1,602,611

Note 6 – Trade and Other Receivables	**2014** **$**	**2013** **$**
CURRENT		
Trade receivables	520,468	453,055
Provision for doubtful debts	(54,454)	(52,147)
Security deposits	1,717	1,040
Prepayments	79,839	47,796
Accrued revenue	100,209	214,501
Other receivables	19,288	19,288
Total Trade and other receivables	667,067	683,533
Financial assets classified as loans and receivables		
Accounts receivable and other debtors:		
- total current	547,570	449,744

Note 7 – Inventories

CURRENT		
Merchandising Stock, at cost	260,611	276,771

Note 8 – Property, Plant and Equipment	2014 $	2013 $
Leasehold buildings – at fair value	1,880,000	1,880,000
Accumulated Depreciation	(175,917)	(128,917)
	1,704,083	1,751,083
Fixtures and fittings – at cost	192,527	161,797
Accumulated Depreciation	(101,170)	(93,151)
	91,357	68,646
Plant and office equipment – at cost	445,059	476,675
Accumulated Depreciation	(222,821)	(203,055)
	222,238	273,620
Motor Vehicles – at cost	9,586	5,234
Accumulated Depreciation	(160)	(2,781)
	9,426	2,453
Computers and Software – at cost	160,109	155,962
Accumulated Depreciation	(74,403)	(55,014)
	85,706	100,948
Total Property, Plant and Equipment	2,112,810	2,196,750

Movements in carrying amounts

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

	Land & Buildings $	Fixtures & Fittings $	Plant & Equipment $	Computers & Software $	Vehicles $	TOTAL $
Balance at 1 July 2013	1,751,083	68,646	273,620	100,948	2,453	2,196,750
Additions	-	30,730	3,174	30,034	9,586	73,524
Disposals	-	-	(34,790)	(25,887)	(5,235)	(65,912)
Disposals (write back)	-	-	27,464	13,981	3,344	44,789
Depreciation Expense	(47,000)	(8,019)	(47,230)	(33,370)	(722)	(136,341)
Balance at 30 June 2014	**1,704,083**	**91,357**	**222,238**	**85,706**	**9,426**	**2,112,810**

Note 9 - Goodwill and Other Intangibles	2014 $	2013 $
Goodwill	160,838	160,838
Accumulated amortisation	(130,838)	(130,838)
	30,000	30,000
Intellectual Property	3,000	3,000
Accumulated amortisation	-	-
	3,000	3,000
Total Goodwill and Other Intangibles	33,000	33,000

Movements in carrying amounts

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

	Goodwill	Intellectual Property	TOTAL
	$	$	$
Balance at 1 July 2013	30,000	3,000	33,000
Additions	-	-	-
Disposals	-	-	-
Disposals (Acc. Amort.)	-	-	-
Amortisation Expense	-	-	-
Balance at 30 June 2014	30,000	3,000	33,000

Note 10 – Accounts Payable and Other Payables	2014 $	2013 $
CURRENT		
Trade creditors	321,977	372,688
National squad bonds	33,200	7,680
Permit holder bonds	20,000	20,000
Sundry creditors	51,587	57,953
Revenue in advance	143,307	119,368
Total Current	570,071	577,689
a. Financial liabilities at amortised cost classified as accounts payable and other payables		
Less GST payable to ATO	(41,422)	(55,027)
Less accrued expenses	(35,194)	(45,444)
Less revenue in advance	(143,307)	(119,368)
Financial liabilities as accounts payable and other payables	350,148	357,850

Note 11 – Employee Benefits

Current		
Analysis of Employee Benefits		
Current annual leave	241,430	225,031
Current long service leave	110,914	55,584
	352,344	280,615
Non-Current		
Long service leave	29,285	52,564
	381,629	333,179

Analysis of Employee Provisions – Annual Leave Entitlements		
Opening balance at 1 July 2013	225,031	206,612
Additional provisions	144,886	69,718
Amounts used	(128,487)	(51,299)
Balance at 30 June 2014	241,430	225,031

Employee Provisions – Annual Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave.
Based on past experience, the Association expects the fill amount of annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the Association does not have an unconditional right to defer the settlement of these amounts in the event employees with to use their leave entitlements.

Employee Provisions – Long Service Leave Entitlements		
Opening balance at 1 July 2013	108,148	87,001
Additional provisions	32,050	21,147
Amounts used	-	-
Balance at 30 June 2014	140,198	108,148

Note 12 – Leasing Commitments

a. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
- Future Lease Payments (Yr 1)	11,475	42,955
- Future Lease Payments (Yrs 2-5)	15,001	35,357
- Future Lease Payments (Yrs 5+)	-	-
Total	26,476	78,312

These commitments represent rent payable monthly in advance with respect of four non-cancellable property leases.

- Victoria Sports House in Melbourne, has executed two of its three year lease extension options in 2011 with the option of three further years for determination by April 2015.
- State Association House in Adelaide, commenced a one year agreement expiring in June 2015.
- Sports Lotteries House in Perth, lease commenced a two year agreement expiring in June 2016.
- 46 George St in Launceston, two year option was executed on the lease expiring in July 2015.

Note 13 – Reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluations of non-current assets.

State Equity Movements

The State Equity movements reserve consists of funds allocated from the state bodies on amalgamation into the Association.

Note 14 – Contingent Liabilities and Contingent Assets

As at balance date the Association has no contingency that will or may affect the reported assets and liabilities of the Association.

Note 15 – Events after the Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs in subsequent financial years.

Note 16 – Related Party Transactions

No Members of the Board of Touch Football Australia received either directly or indirectly any fees, salaries or bonuses. However, the following honorariums were paid during the financial year.

Michael Rush	Chairman	$6,018
Jane Russo	Director	$4,012
Jim Yeo	Director	$4,012
Barry McNamara	Director	$4,012
Anita Hagarty	Director	$4,012

Note 17 – Segment Reporting

The Association operates solely in the sports administration industry and its revenue is predominantly derived from operations associated with that source. The Association operates in Australia and is therefore one geographical area for reporting purposes.

Note 18 – Financial Risk Management

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

The totals 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:

		2014 $	2013 $
Financial assets			
Cash and cash equivalents	**5**	1,853,699	1,602,611
Loans and receivables - current	**6**	547,570	449,744
		2,401,269	2,052,355
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	**10a**	350,148	358,121
		350,148	358,121

Note 19 – Key Management Personnel

	2014 $	2013 $
Key management personnel compensation	394,010	368,745

Note 20 – Association Details

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

Touch Football Australia Incorporated
18 Napier Close
DEAKIN ACT 2600


BROTHERHOOD

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