

SKI RACING AUSTRALIA INC.
(ABN: 30 830 516 013)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014**

SKI RACING AUSTRALIA INC.
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SKI RACING AUSTRALIA INC.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue	2	1,717,154	1,354,148
Interest Income		12,045	18,910
Other Income		20,997	1,818
		1,750,196	1,374,876
Insurance Expenses		974,472	837,221
Employee Benefits Expenses		186,592	194,652
Event Expenses		256,387	796,275
Occupancy Expenses		28,651	27,780
Administration Expenses		141,057	115,234
Professional Expenses		106,970	53,443
Interest Expense		26,449	22,191
Other Expenses		19,287	18,720
		1,739,865	2,065,516
Surplus/(Deficit) before income tax		10,331	(690,640)
Income tax expense	3	-	-
Net surplus/(deficit) from operations		10,331	(690,640)
Other comprehensive income after tax		-	-
Other comprehensive for the net of tax		-	-
Total comprehensive income for the year		10,331	(690,640)
Total comprehensive income attributable to members		10,331	(690,640)

The accompanying notes form part of these financial statements.

SKI RACING AUSTRALIA INC.

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash Assets	4	189,185	245,370
Prepaid Insurance		717,652	804,841
Trade Receivables		119,287	63,075
Other Assets	5	<u>77,754</u>	<u>79,968</u>
TOTAL CURRENT ASSETS		<u>1,103,165</u>	<u>1,193,254</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	<u>11,741</u>	<u>14,614</u>
TOTAL NON-CURRENT ASSETS		<u>11,741</u>	<u>14,614</u>
TOTAL ASSETS		<u>1,115,619</u>	<u>1,207,868</u>
LIABILITES			
CURRENT LIABILITIES			
Trade & Other payables	7	75,604	84,075
Insurance Funding		783,668	880,822
Employee Provisions		<u>13,359</u>	<u>10,314</u>
TOTAL CURRENT LIABILITIES		<u>872,631</u>	<u>975,211</u>
TOTAL LIABILITIES		<u>872,631</u>	<u>975,211</u>
NET ASSETS		<u>242,988</u>	<u>232,657</u>
EQUITY			
Retained Surplus	8	232,657	923,297
Current Year Surplus/(Deficit)	8	<u>10,331</u>	<u>(690,640)</u>
TOTAL EQUITY		<u>242,988</u>	<u>232,657</u>

The accompanying notes form part of these financial statements.

SKI RACING AUSTRALIA INC.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Total equity at the beginning of the year	<u>232,657</u>	<u>923,297</u>
Surplus/(Deficit) attributable to members	10,331	(690,640)
Total other comprehensive income for the year	<u>-</u>	<u>-</u>
Total equity at end of the year	<u>242,988</u>	<u>232,657</u>

SKI RACING AUSTRALIA INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	1,683,045	1,333,308
Interest Received	12,044	18,910
Cash payments to suppliers and employees	(1,748,244)	(1,986,352)
	<hr/>	<hr/>
Net Cash Provided By/(Used in) Operating Activities	(53,155)	(634,134)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment purchased	(3,030)	-
	<hr/>	<hr/>
Net Cash Provided By/(Used In) Investing Activities	(3,030)	-
	<hr/>	<hr/>
Net Increase/(Decrease) in Cash Held	(56,185)	(634,134)
Cash at the Beginning of the Financial Year	245,370	879,504
	<hr/>	<hr/>
Cash at the end of the Financial Year	189,185	245,370
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SKI RACING AUSTRALIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a special purpose financial prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1991 of the ACT. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing in money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

(a) Income Tax

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

(b) Property, Plant and Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation. The depreciation amount of all property, plant and equipment is depreciated over the useful lives of the assets commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment. The depreciation rates used for each class of depreciable assets:

Class of fixed asset	Depreciation rates
Plant & Equipment	25 – 50%

(c) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SKI RACING AUSTRALIA INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

(e) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. 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.

(f) Revenue

Interest

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Member's fees

Membership fees are recognised as revenue when received.

(g) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

(h) Insurance Coverage

The Association's insurance policies are for a period of 12 months commencing on 31 May each year and include coverage for personal and public risk. The insurance premiums are funded through an insurance loan facility, the interest charges of which are reflected as an expense in the accounts. The insurance policies include an aggregate deductible component capped at \$175,000 per annum which the Association has elected to pay in order to reduce the annual insurance premiums. The excess payments during the year are reflected in the accounts as an expense on a cash basis.

(i) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the 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.

SKI RACING AUSTRALIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
2 OPERATING REVENUE		
Member Fees	1,499,334	1,144,890
Race Day Levies	96,904	41,568
Race Day Events	-	18,791
Rally Safe revenue	54,327	-
Sponsorships	3,273	84,375
Sanctioning Fees	57,309	64,524
Rental Sublet	6,007	-
Total Revenue	<u>1,717,154</u>	<u>1,354,148</u>
3 INCOME TAX EXPENSE		
The association is exempt from income tax under Division 50 of the income tax assessment act 1997 On the grounds that it is a not-for-profit association.		
4 CASH		
Cash on Hand	580	580
Cash at Bank	188,605	244,790
	<u>189,185</u>	<u>245,370</u>
5 OTHER ASSETS		
GST Control Account	69,207	71,485
Bond Deposit	8,482	8,483
Other	65	-
	<u>77,754</u>	<u>79,968</u>

SKI RACING AUSTRALIA INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
6 PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment – at cost	180,835	177,806
Less: Accumulated Depreciation	(169,094)	(163,192)
Total property, plant & equipment	<u>11,741</u>	<u>14,614</u>
7 TRADE AND OTHER PAYABLES		
Trade Creditors	18,569	67,278
Accrued Outstanding Claim	35,000	-
Superannuation Payable	2,974	5,076
PAYG Withholding Payable	8,725	7,439
Other Payables	10,336	4,282
	<u>75,604</u>	<u>84,075</u>
8 RETAINED SURPLUS		
Retained surplus at the beginning of the financial year	232,657	923,297
Net surplus/ (deficit) for the year	10,331	(690,640)
Retained surplus at the end of the financial year	<u>242,988</u>	<u>232,657</u>
9 CONTINGENT LIABILITIES		
As the peak body of Water Ski Racing in Australia the association receives legal claims for personal and public injury or loss. Ski Racing Australia Inc. has insurance coverage with a aggregate deductible of \$175,000 per annum. At 30 th June 2014 there is an outstanding claim of \$35,000 which is shown as a current liability in the financial statements.		
Estimation of the potential financial effect of contingent liabilities that may become payable:		
- Pending insurance claim from 2013 financial year	25,000	25,000
10 ASSOCIATION DETAILS		
The registered office and principal place of business is:		
Ski Racing Australia Inc. Pier 35 Marina, Lorimer Street Port Melbourne VIC 3207		

SKI RACING AUSTRALIA INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with accounting policies outlined in note 1 to the financial statements.

In the opinion of the committee the financial report

1. Presents a true and fair view of the financial position of Ski Racing Australia Inc. as at 30 June 2014 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Ski Racing Australia Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

DATED THIS

DAY OF

2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKI RACING AUSTRALIA INC

We have audited the accompanying financial report, being a special purpose financial report of Ski Racing Australia Inc, which comprises the statement of financial position as at 30 June 2014, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee Responsibility for the Financial Report

The committee of Ski Racing Australia Inc is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporations Act 1991 of the ACT and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a 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 have 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 judgement, 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 entity'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.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Ski Racing Australia Inc as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements Associations Incorporations Act 1991 of the ACT.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee's financial reporting responsibilities of the Associations Incorporations Act 1991 of the ACT. As a result, the financial report may not be suitable for another purpose.

JTP Assurance
Chartered Accountants**SAM CLARINGBOLD**
Partner

Signed at Melbourne this day of 2014