



Hockey SA

Abridged 2012 Annual Report

*For the Annual General Meeting
Sunday 7th April 2013*

2011-12

Hockey SA Chair's Report

2012 was a year of extreme challenges for HockeySA. Thank you to all to our members for their patience and support during this very trying year. As an Association we have emerged from this period with a strong commitment to good governance, a determination to ensure the strongest management processes possible and a firm understanding in the strength of adherence to good policy and process.

Every year, a great deal of focus and support is dedicated to our State teams. There are always significant challenges for a small State in competing against larger States and our thanks and appreciation must go to all coaches, assistant coaches and managers of these teams. There is a considerable commitment in preparing for a National Tournament for an athlete - training, recovering, managing time and other commitments and we appreciate the support of the wider Hockey community for the athletes. Congratulations to all the athletes, coaches, managers and umpires who represented the State in 2012. A list can be found in the full version of this report. While the 2012 Olympics came and went during this period without any athletes from South Australia, our import New Zealanders in the Suns team were an integral part of the New Zealand Women's Olympic Team. Tim Pullman was also given the honour of officiating at his first Olympics. Rosie Stern continues to quietly represent South Australia as an experience tournament official at the Olympics and at pre-Olympic events.

The calendar year for the Association began with the announcement of the resignation of CEO Peter Ali and the retirement of President, Garry O'Shea. From a strong field of applicants, Darryl Buchanan was identified and appointed as CEO commencing in May, 2012. My gratitude and thanks must go to Darryl for this past year. He has been relentless over this period in understanding our past and driving our future. His commitment to our Association and passion for every aspect of our sport has underpinned his attention to details. He has dealt with a period of immense change with almost the entire office staff of the Association changing over to date. This has provided the CEO with a unique opportunity to redefine job descriptions, recruit and ensure a more sustainable staff structure for the Association.

The Board has worked hard under often difficult circumstances. The current Board is a very professional team with a complementary skill set. The clear focus for 2012 has been Governance and the strategic direction of the Association. Board sub committees have been formed to maximise the key skills of the Directors. The subcommittees are Risk and Special Projects; HR and Governance; Finance and Audit; Nominations and Women's Masters. Andrew Ellis has been the driving force behind the committee structures and guiding the committees towards developing clear charters and terms of reference.

All HSA policies are under review and will be presented in the Governance and Policy Manual. The Manual will consolidate and clearly articulate processes within the Board and within the Association. The Board has also developed and adopted a risk assessment protocol and an Authority Matrix, essential tools that underpin our operations.

Achievements for the Board in 2012 include a complete review by Gerry Cawson of our Corporate Governance against the Australian Sports Commission (ASC) guidelines. Of the principles outlined, our compliance was rated "high" or "fairly high" for the majority of the principles. The Board has used this document to guide our improved practice with an aim to have complete compliance with the ACS guidelines.

Helen Stone

HSA Board Chair

2011-12

Chief Executive Officer's Report

This financial year of operation will be remembered in years to come for two major announcements made by the SA Minister for Recreation and Sport the Hon. Tom Kenyon MP.

In July 2012 Minister Kenyon announced that the Association had been successful in securing grant funding of \$2.5million to construct a much awaited second international standard pitch at the State Hockey Centre. Preceding this announcement was news that the state government would provide \$800,000 to upgrade the lighting system for the existing main pitch.

These two projects will provide us with the opportunity to again seek major international hockey events in South Australia while providing enhanced facilities for our local sporting community.

At the Annual General Meeting conducted in March 2012, Hockey SA Board Chair Gary O'Shea retired. We thank Gary for his service to the Board and leadership of our Association.

New Board Chair Helen Stone has commenced to lead a Board focussing heavily on contemporary governance principles espoused by the Australian Sports Commission. This direction will provide for an organisation driven by formal strategic development and focussed on the sustainability of the organisation.

In April 2012, the Association also bade farewell to CEO Peter Ali. Peter achieved a great deal in his short period with the Association including development of the initial funding applications for both of the major announcements mentioned above and the securing of major sponsor Just Hockey on a long term arrangement.

In the following six months a review of our staffing structure and functions has commenced with changes to be implemented early in 2013.

Hockey SA continues to participate in a full national program encompassing national championships, representation in high performance squads and teams, game development programs and the general conduct of the game in Australia.

Through funding provided by Hockey Australia, Hockey SA has continued to be a host centre for the national development of goal keepers.

Hockey Australia and Hockey SA's local partnership with the Office for Recreation and Sport's SA Sports Institute (SASI) continues to provide development opportunities for SA based talented athletes. Our SASI program is recognised nationally and we thank the SASI staff and in particular Head Coach Craig Victory for their professionalism.

On the field of play, in 2012 the Association hosted a range of national championships – the under 21 women in July; national primary schools in August, national university games in September and the national under 15 boys in October. Of our many state teams and individual national selections, I acknowledge in particular our under 21 Women's State team who were runner-up in their event.

In August Tim Pullman represented SA as an umpire at the Olympic Games in London. Tim was our sole Olympic involvement although the state had come close to having Olympic playing selection in the women's team after Bianca Greenshields, Georgie Parker, Elise Stacy and Holly Evans all participated in lead up events and national squad participation.

Locally we again saw a successful Hockey Metro competition operated by the Hockey Metro Executive in conjunction with Hockey SA staff; and continued strong regional competitions in key centres around SA. Congratulations go to the Port Adelaide District Hockey Club for winning both the men's and women's Premier League competitions in 2012.

The game in SA is presented in a professional manner by our many metropolitan clubs and regional associations. I extend congratulations to the Adelaide University Hockey Club on the achievement of its centenary year and on the opening of the redeveloped West Beach Hockey Centre, renovated at a cost of more than \$1million.

Continued financial assistance from the SA Government through the Office for Recreation and Sport's StEP (now Sustainability) funding program is integral to the operation of the Association.

Additionally, ORS grant funding enabled us to complete the development of a Statewide Facility Strategy, an updated design and estimated costs for our second pitch and development of a design and documentation for the lighting upgrade on our main pitch.

I take this opportunity to thank the Honourable Tom Kenyon MP and The Office for Recreation and Sport for their continued support and vision in assisting hockey in South Australia.

I also thank our many sponsors who provide invaluable financial support to our playing community - Just Hockey, Amadio Wines, Kukri, Team Sports, Balfours, Paradise Motors, SA Temp Fencing, Tea Tree Gully Meats and Haigh's Chocolates. Thank you for your continued support of Hockey SA.

The Board of Hockey SA has again worked diligently this year addressing the strategic demands placed upon it to lead and manage our sport in South Australia. I thank all Board members and especially our Board Chair (s) who led the way with a strong commitment to make Hockey SA a success in the sporting community.

Thanks are extended to all members and volunteers in the Hockey SA community for their outstanding commitment once again. The Association exists to serve its members and I acknowledge the membership for their commitment at both Association and club/regional association/regional club levels.

To the staff of Hockey SA - including those who left the organisation this year - thank you for the support and commitment you have given the organisation and its members.

In moving forward, Hockey SA will be focusing on delivering a cost effective product with enhanced facilities, programs and service to its members in tight economic conditions. The renewal of our game development programs aimed at increasing participation numbers and a revamp of our athlete and coach development programs will continue in the next year.

I look forward to our members support as we continue the strategic development of our sport across South Australia.

Darryl Buchanan

Chief Executive Officer

South Australian Hockey Association Inc.

ABN 35 860 812 384

Annual Report - 31 October 2012

South Australian Hockey Association Inc.
Officers' report
31 October 2012

The officers present their report, together with the financial statements, on the incorporated association for the year ended 31 October 2012.

Officers

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Helen Stone
Gerry Cawson
Sarah McEachern
Jim Tolson
John Haynes (appointed 25 March 2012)
Andrew Ellis (appointed 12 April 2012)
Robert Foord (appointed 20 February 2013)
Terry Smith (appointed 25 March 2012 and retired 25 October 2012)
Brett Stokes (retired 25 October 2012)
Garry O'Shea (retired 25 March 2012)
Tim Collin (retired 25 March 2012)

Objectives

To encourage, promote, develop and administer hockey as a dynamic skillful and tactical team sport providing participation and enjoyment for all ages and abilities with a strong focus on family and community.

At all times act on behalf of, and in the interest of, the Members and hockey in South Australia and strive for Government, commercial and public recognition of the association as the controlling body for hockey in South Australia.

Strategy for achieving the objectives

Governance

By showing leadership in the hockey community as a highly regarded and well managed sport with sound financial management systems and governed in accordance with the highest of standards.

Development

Support the growth and development of hockey in South Australia by promoting and building lasting relationships and involvement for players, clubs, administrators and officials at local state and national level.

Facilities

Develop and maintain quality playing and spectating facilities across the state and in turn secure government support and funding to expand the Pines Hockey Stadium facility to a multi-pitch international standard stadium.

Marketing and Communication

Develop and implement a marketing plan that ensures effective communication and promotion of hockey with all key internal and external stakeholders of the sport.

Competition

Increase, improve and maintain participation and patronage for people of all ages and abilities through a range of competitions across the state.

Principal activities

During the financial year the association continued to be the controlling body for hockey in South Australia.

South Australian Hockey Association Inc.
Officers' report
31 October 2012

On behalf of the officers

A handwritten signature in blue ink, appearing to read 'H Stone', is written over a horizontal line.

Helen Stone
Chairperson

5 April 2013
Adelaide, South Australia

South Australian Hockey Association Inc.
Financial report
For the year ended 31 October 2012

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General information

The financial report covers South Australian Hockey Association Inc. as an individual entity. The financial report is presented in Australian dollars, which is South Australian Hockey Association Inc.'s functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the officers' declaration.

The financial report was authorised for issue on 5 April 2013. The officers have the power to amend and reissue the financial report.

South Australian Hockey Association Inc.
Statement of comprehensive income
For the year ended 31 October 2012

	Note	31 October 2012 \$	31 October 2011 \$
Revenue	3	1,980,143	1,838,438
Expenses			
Association levies - Hockey Australia		(56,145)	(67,864)
Audit fees		(8,517)	(8,850)
Bank fees		(3,343)	(4,000)
Bad debts		(2,699)	(479)
Depreciation and amortisation expense		(28,094)	(27,691)
Executive board expenses		(2,830)	(4,681)
Grant project expenses		(102,590)	(2,470)
Legal fees		(15,804)	(13,375)
Merchandise		195	(2,385)
Office equipment maintenance		(5,287)	(4,861)
Office equipment rental		(8,317)	(8,895)
Personnel costs		(534,077)	(500,245)
Playing expenses		(945,021)	(957,575)
Postage		(2,615)	(3,174)
Printing & stationery		(8,002)	(7,352)
Professional fees		(13,238)	(11,746)
Promotions & marketing		(46,395)	(39,942)
Staff amenities		(747)	(1,551)
Subscriptions		(2,795)	(571)
Sundry expenses		(14,111)	(8,789)
Telecommunications		(18,076)	(16,402)
Training		(9,433)	(17,880)
Website expenses		(10,000)	(1,700)
Bar and catering operations		(131,039)	(101,714)
Stadium operations		(69,828)	(77,862)
Deficit before income tax expense		(58,665)	(53,616)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of South Australian Hockey Association Inc.	13	(58,665)	(53,616)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of South Australian Hockey Association Inc.		<u>(58,665)</u>	<u>(53,616)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

South Australian Hockey Association Inc.
Statement of financial position
As at 31 October 2012

	Note	31 October 2012 \$	31 October 2011 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,280,814	401,564
Trade and other receivables	5	74,362	116,775
Inventories	6	11,719	9,070
Other	7	21,164	1,250
Total current assets		<u>1,388,059</u>	<u>528,659</u>
Non-current assets			
Property, plant and equipment	8	<u>202,355</u>	<u>226,242</u>
Total non-current assets		<u>202,355</u>	<u>226,242</u>
Total assets		<u>1,590,414</u>	<u>754,901</u>
Liabilities			
Current liabilities			
Trade and other payables	9	122,335	82,983
Employee benefits	10	16,100	22,928
Other	11	<u>1,025,480</u>	<u>160,946</u>
Total current liabilities		<u>1,163,915</u>	<u>266,857</u>
Non-current liabilities			
Employee benefits	12	<u>4,924</u>	<u>7,804</u>
Total non-current liabilities		<u>4,924</u>	<u>7,804</u>
Total liabilities		<u>1,168,839</u>	<u>274,661</u>
Net assets		<u>421,575</u>	<u>480,240</u>
Equity			
Retained surpluses	13	<u>421,575</u>	<u>480,240</u>
Total equity		<u>421,575</u>	<u>480,240</u>

The above statement of financial position should be read in conjunction with the accompanying notes

South Australian Hockey Association Inc.
Statement of changes in equity
For the year ended 31 October 2012

	Retained profits \$	Total equity \$
Balance at 1 November 2010	532,118	532,118
Adjustment for reclassification	<u>1,738</u>	<u>1,738</u>
Balance at 1 November 2010 - restated	533,856	533,856
Other comprehensive income for the year, net of tax	-	-
Deficit after income tax expense for the year	<u>(53,616)</u>	<u>(53,616)</u>
Total comprehensive income for the year	<u>(53,616)</u>	<u>(53,616)</u>
Balance at 31 October 2011	<u>480,240</u>	<u>480,240</u>
	Retained profits \$	Total equity \$
Balance at 1 November 2011	480,240	480,240
Other comprehensive income for the year, net of tax	-	-
Deficit after income tax expense for the year	<u>(58,665)</u>	<u>(58,665)</u>
Total comprehensive income for the year	<u>(58,665)</u>	<u>(58,665)</u>
Balance at 31 October 2012	<u>421,575</u>	<u>421,575</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

South Australian Hockey Association Inc.
Statement of cash flows
For the year ended 31 October 2012

	Note	31 October 2012 \$	31 October 2011 \$
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		1,892,937	1,853,899
Government grants received (inclusive of GST)		1,151,024	190,300
Cash payments in the course of operations (inclusive of GST)		(2,173,218)	(2,059,047)
Interest received		12,714	6,778
Net cash from/(used in) operating activities		883,457	(8,070)
Cash flows from investing activities			
Payments for property, plant and equipment	8	(4,207)	(1,352)
Net cash used in investing activities		(4,207)	(1,352)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		879,250	(9,422)
Cash and cash equivalents at the beginning of the financial year		401,564	410,986
Cash and cash equivalents at the end of the financial year	4	1,280,814	401,564

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The incorporated association has early adopted AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the incorporated association from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 1053 Application of Tiers of Australian Accounting Standards

The incorporated association has early adopted AASB 1053 from 1 November 2011. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The incorporated association being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The association has early adopted AASB 2010-2 from 1 November 2011. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the incorporated association's disclosure requirements.

Financial dependency

The association continues to rely on grant funding from the Office for Recreation and Sport to assist with its core business activities. Should the association no longer be entitled to receive grant funding from the Office for Recreation and Sport, there will be uncertainty as to whether the association will be able to continue as a going concern. The financial statements must be read and understood in the context of this dependency.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), South Australian legislation the Associations Incorporation Act 1985 and associated regulations. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Note 1. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

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.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a not-for-profit organisation, it has been granted exemption from the Commissioner of Taxation for payment of income tax under section 23(g) of the Income Tax Assessment Act 1936 and 1997 as amended.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the incorporated association establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the incorporated association has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The incorporated association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Change in accounting policy - Pines Hockey Stadium Management Account

The association has incorporated the financial results of the Pines Stadium Management Account for the first time in 2012. The Pines Hockey Stadium Management Accounts includes the revenue and expenses relating to the operations of the Pines Hockey Stadium. This is different to previous years where the financial results of the Pines Stadium Management Account were accounted for and presented in separate financial statements. The Directors have determined that this change will result in more relevant information. Comparatives for 2011 have been restated.

	31/10/12 (adjusted) \$	31/10/12 (previous) \$
Revenue	1,980,144	1,754,730
Total comprehensive income for the year	(58,664)	(21,435)
Total equity	421,576	520,183
	31/10/11 (adjusted) \$	31/10/11 (previous) \$
Revenue	1,838,438	1,673,495
Total comprehensive income for the year	(53,616)	9,500
Total equity	480,240	541,618

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	31 October 2012 \$	31 October 2011 \$
<i>Sales revenue</i>		
Development	9,624	24,138
Insurance recoveries	23,400	20,682
Functions	5,345	5,200
Match income	104,874	74,597
Miscellaneous income	31,277	29,028
Sponsorship	71,252	109,525
Stadium fees	18,000	15,000
State team levies	544,849	522,491
Team fees	601,353	647,082
	<u>1,409,974</u>	<u>1,447,743</u>
<i>Other revenue</i>		
Grant income	206,756	106,101
Bar and catering operations	139,919	110,657
Stadium operations	210,781	167,160
Interest	12,713	6,777
	<u>570,169</u>	<u>390,695</u>
Revenue	<u>1,980,143</u>	<u>1,838,438</u>

South Australian Hockey Association Inc.
Notes to the financial statements
31 October 2012

Note 4. Current assets - cash and cash equivalents

	31 October 2012 \$	31 October 2011 \$
Cash on hand	198	200
Cash at bank	<u>1,280,616</u>	<u>401,364</u>
	<u><u>1,280,814</u></u>	<u><u>401,564</u></u>

Cash with restricted use

Cash proceeds received in respect of various grants can only be spent in accordance with the grant agreements and therefore not available to the association for general use purposes. Restricted use cash as at 31 October 2012 is \$971,148 (2011: \$123,000).

Note 5. Current assets - trade and other receivables

	31 October 2012 \$	31 October 2011 \$
Trade receivables	73,217	116,775
Other receivables	<u>1,145</u>	<u>-</u>
	<u><u>74,362</u></u>	<u><u>116,775</u></u>

Note 6. Current assets - inventories

	31 October 2012 \$	31 October 2011 \$
Stock on hand - uniforms and canteen stock	<u>11,719</u>	<u>9,070</u>

Note 7. Current assets - other

	31 October 2012 \$	31 October 2011 \$
Prepayments	<u>21,164</u>	<u>1,250</u>

South Australian Hockey Association Inc.
Notes to the financial statements
31 October 2012

Note 8. Non-current assets - property, plant and equipment

	31 October 2012	31 October 2011
	\$	\$
Plant and equipment - at cost	464,795	460,588
Less: Accumulated depreciation	<u>(262,440)</u>	<u>(234,346)</u>
	<u>202,355</u>	<u>226,242</u>
	<u>202,355</u>	<u>226,242</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment	Total
	\$	\$
Balance at 1 November 2011	226,242	226,242
Additions	4,207	4,207
Depreciation expense	<u>(28,094)</u>	<u>(28,094)</u>
Balance at 31 October 2012	<u>202,355</u>	<u>202,355</u>

Note 9. Current liabilities - trade and other payables

	31 October 2012	31 October 2011
	\$	\$
Trade payables	82,346	64,865
BAS payable	2,181	7,182
Other payables	<u>37,808</u>	<u>10,936</u>
	<u>122,335</u>	<u>82,983</u>

Note 10. Current liabilities - employee benefits

	31 October 2012	31 October 2011
	\$	\$
Annual leave	<u>16,100</u>	<u>22,928</u>

South Australian Hockey Association Inc.
Notes to the financial statements
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Note 11. Current liabilities - other

	31 October 2012	31 October 2011
	\$	\$
Accrued expenses	45,613	20,298
Deferred revenue	977,380	140,005
Other current liabilities	2,487	643
	<u>1,025,480</u>	<u>160,946</u>

Included in deferred revenue is grant proceeds of \$809,000 received during the year from the Office for Recreation and Sport to fund new lights at the Pines Hockey Stadium.

Note 12. Non-current liabilities - employee benefits

	31 October 2012	31 October 2011
	\$	\$
Long service leave	<u>4,924</u>	<u>7,804</u>

Note 13. Equity - retained surpluses

	31 October 2012	31 October 2011
	\$	\$
Retained surpluses at the beginning of the financial year	480,240	533,856
Deficit after income tax expense for the year	<u>(58,665)</u>	<u>(53,616)</u>
Retained surpluses at the end of the financial year	<u>421,575</u>	<u>480,240</u>

Note 14. Key management personnel disclosures

Compensation

The aggregate compensation made to officers and other members of key management personnel of the incorporated association is set out below:

	31 October 2012	31 October 2011
	\$	\$
Aggregate compensation	<u>106,925</u>	<u>99,397</u>

Note 15. Contingent liabilities

Pines Hockey Stadium - management deed

The association has a management deed with the State Government for the management of the Pines Hockey Stadium and a deed of charge in respect of monies held in certain bank and other accounts relating to the management of the Pines Hockey Stadium. The association has undertaken to provide sufficient financial assistance, as and when needed, to enable the continued operations of the Pines Hockey Stadium.

Pines Hockey Stadium - replacement of playing surface

During 2010, the synthetic playing surface at the Pines Hockey Stadium was replaced using funds granted by the State Government. At the time of this replacement, the association gave an undertaking to the State Government to contribute to any future replacement of the synthetic playing surface at the Pines Hockey Stadium. It is anticipated that the amount and timing of any contribution would be determined by negotiation with the State Government at the time of letting of contracts for the replacement of the playing surface. The useful life of the current playing surface as at the date of this report is estimated to be between 5 to 8 years.

Note 16. Events after the reporting period

The association has been granted \$2.5 million (exclusive of GST) by the Minister for Recreation and Sport to develop land at the Pines Hockey Stadium, State Sports Park, Gepps Cross for the purpose of installing:

- a second floodlit synthetic hockey pitch,
- technical bench and dugouts; and
- pitch fencing and viewing areas.

No other matter or circumstance has arisen since 31 October 2012 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 17. Related party transactions

(a) Board

The names of each person holding the position of Director of the association as at the date of this report are as follows:

Helen Stone - Chairperson
Gerry Cawson - Deputy chairperson
Sarah McEachern - Finance committee chairperson
Andrew Ellis
John Haynes
Jim Tolson
Robert Foord

(b) Benefits

During the financial year:

(i) No Director of the association, or a firm of which the Director is a member or body corporate in which the Director has a substantial financial interest, has received, or became entitled to receive, a benefit as a result of a contract between the Director, firm or body corporate and the association; and

(ii) Other than remuneration received in the capacity of employee of the association, no Director of the association has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

South Australian Hockey Association Inc.
Officers' declaration

In the officers' opinion:

- the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements;
- the attached financial statements and notes thereto give a true and fair view of the incorporated association's financial position as at 31 October 2012 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



Helen Stone
Chairperson

5 April 2013
Adelaide, South Australia

Independent auditor's report

To the members of the South Australian Hockey Association Inc. (ABN 35 860 812 384).

We have audited the accompanying financial report of the South Australian Hockey Association Inc., which comprises the statement of financial position as at 31 October 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the officers' declaration.

The responsibility of the Board for the financial report

The Board of the entity is responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporations Act 1985* and for such internal control as the Board determine is necessary to enable the preparation and fair presentation 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 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 and fair presentation of the financial report 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 Board, 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.

Emphasis for matter

We draw attention to Note 1 *Change in accounting policy – Pines Hockey Stadium Management Account* to the financial statements which describes a change in accounting policy and the impact of this change on the financial statements.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the South Australian Hockey Association Inc. as at 31 October 2012 and its financial performance for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporations Act 1985*.

Manos Partners



Con Manos
Director

5 April 2013

Liability limited by a scheme approved under Professional Standards Legislation



Chartered Accountants



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