

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Financial Statements

For the Year Ended 31 December 2019

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Contents

For the Year Ended 31 December 2019

	Page
Financial Statements	
Committee's Report	1
Income and Expenditure Statement	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Statement by Members of the Committee	24
Independent Audit Report	25

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Committee's Report For the Year Ended 31 December 2019

The committee members submit the financial report of the Association for the financial year ended 31 December 2019.

1. General information

Committee members

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

Anthony Hill	President
Richard Hocking	Operation Manager, Telemark Director and Public Officer
Deborah Meehan	Treasurer
Richard Jameson	Alpine Director
Kylie Dwyer	Snowboard Director
Zac Zaharias	Nordic Technical Director
Tom Hodges	Adaptive Technical Director
Adam Hosie	Snowsport School Representative
David Burton	Resorts Representative

Principal activities

The principal activities of the Association during the financial year were:

- to promote, develop, co-ordinate and conduct education, training, accreditation and other programs and projects related to snow sport instructions and APSI activities
- to ensure the protection of the separate and collective interests of all members and affiliated bodies
- to implement policies in relation to the conduct, administration, promotion and regulation of snowsport instructor training and accreditation
- to raise the levels and standards of instruction in snow sports
- to provide opportunities for all members to maximise their individual potential by fully developing their skills
- to co-operate with and assist any organisation having objects and purposes similar to those of the APSI in any manner which may further the interest of snow sport instruction or the APSI generally, including liaison, support and collaboration with the ISIA, Interski, IVSS and ASAA and other snow sport organisations
- to disseminate information to all members
- to maintain relevant records of APSI activities
- to promote greater awareness of the APSI throughout the community, government, media and corporate sector
- to select and appoint members to represent the APSI in international snow sport instruction events and related activities.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

**Committee's Report
For the Year Ended 31 December 2019**

1. General information

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The (deficit) of the Association for the financial year after providing for income tax amounted to \$ (90,558) (2018: surplus \$ 77,461).

Signed in accordance with a resolution of the Members of the Committee:

Committee member:
Anthony Hill

Committee member:
Deborah Meehan

Dated

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Income and Expenditure Statement For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue	5	836,889	808,704
Accommodations		(52,959)	(30,073)
Advertising and promotion		(6,501)	(1,641)
Audit and accounting fees		(12,099)	(3,950)
Bank charges		(12,445)	(11,754)
Board costs		(8,686)	(2,658)
Computer expenses		(7,039)	(3,087)
Course and exam expenses		(10,593)	(8,144)
Depreciation and amortisation expense	11(a)	(3,488)	(2,336)
Electricity and gas		(2,351)	(1,927)
Employee costs		(473,324)	(400,837)
Insurance		(19,043)	(6,941)
Interski expenses		(72,892)	(46,275)
Membership expenses		(11,997)	(9,966)
Membership fees		(5,069)	(2,464)
Office supplies		(4,404)	(3,489)
Printing and stationery		(5,660)	(4,831)
Professional fees		(23,933)	(8,268)
Mechandise and manuals		(40,764)	(38,082)
Rent expenses		(16,444)	(15,627)
Telephone		(2,999)	(4,937)
Travel and meals - locals		(115,626)	(94,908)
Uniform costs		(1,445)	(12,546)
Web hosting and design costs		(17,686)	(16,502)
(Deficit)/ surplus before income tax		(90,558)	77,461
Income tax expense	3(a)	-	-
(Deficit)/ surplus for the year		(90,558)	77,461
Other comprehensive income			
Total comprehensive income for the year		(90,558)	77,461

The accompanying notes form part of these financial statements.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	227,291	367,905
Trade and other receivables	7	12,168	35,925
Inventories	8	36,172	7,887
Other financial assets	9	313,516	309,656
Other assets	10	3,140	580
TOTAL CURRENT ASSETS		592,287	721,953
NON-CURRENT ASSETS			
Plant and equipment	11	3,185	5,632
TOTAL NON-CURRENT ASSETS		3,185	5,632
TOTAL ASSETS		595,472	727,585
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	79,045	43,731
Employee benefits	14	6,828	36,313
Fees received in advance	13	19,176	72,944
TOTAL CURRENT LIABILITIES		105,049	152,988
NON-CURRENT LIABILITIES			
Employee benefits	14	-	3,969
Fees received in advance	13	10,353	-
TOTAL NON-CURRENT LIABILITIES		10,353	3,969
TOTAL LIABILITIES		115,402	156,957
NET ASSETS		480,070	570,628
EQUITY			
Retained earnings		480,070	570,628
TOTAL EQUITY		480,070	570,628

The accompanying notes form part of these financial statements.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained earnings	Total
	\$	\$
Balance at 1 January 2019	570,628	570,628
(Deficit) for the year	(90,558)	(90,558)
Balance at 31 December 2019	480,070	480,070

2018

	Retained earnings	Total
	\$	\$
Balance at 1 January 2018	493,167	493,167
Surplus for the year	77,461	77,461
Balance at 31 December 2018	570,628	570,628

The accompanying notes form part of these financial statements.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Statement of Cash Flows For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	892,487	894,867
Payments to suppliers and employees	(1,032,508)	(764,198)
Interest received	4,483	3,225
Finance costs	(175)	-
Net cash provided by/(used in) operating activities	18 <u>(135,713)</u>	<u>133,894</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(1,041)	(5,393)
Purchase of investments	<u>(3,860)</u>	<u>(2,027)</u>
Net cash provided by/(used in) investing activities	<u>(4,901)</u>	<u>(7,420)</u>
Net (decrease)/increase in cash and cash equivalents held	(140,614)	126,474
Cash and cash equivalents at beginning of year	<u>367,905</u>	<u>241,431</u>
Cash and cash equivalents at end of financial year	6 <u><u>227,291</u></u>	<u><u>367,905</u></u>

The accompanying notes form part of these financial statements.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

The financial statements cover Australian Professional Snowsport Instructors Inc as an individual entity. Australian Professional Snowsport Instructors Inc is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010* ('the Act').

The functional and presentation currency of Australian Professional Snowsport Instructors Inc is Australian dollars.

1 Basis of Preparation

These general purpose financial statements that have been prepared in accordance with the *Associations Incorporation Act (NSW) 2009* and Australian Accounting Standards and interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

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

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

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Association as a lessee

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

Practical expedients used on transition

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

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 January 2019;
- right-of-use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 31 December 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 31 December 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are the same value as the leased asset and liability on 31 December 2019.

3 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

For comparative year

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(b) Revenue and other income

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

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

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Plant and equipment

Plant and equipment are carried at cost. All assets are depreciated over their useful lives to the Association.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(f) Financial instruments

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has no investments on listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables..

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) 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 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. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' leave entitlements not expected to be settled wholly before 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. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in which the changes occur.

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

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

4 Critical Accounting Estimates and Judgments

The committee members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

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

Key judgments - Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* 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 service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

5 Revenue and Other Income

	2019	2018
	\$	\$
Revenue		
- ASAA Income	17,633	20,022
- Fees - Course & Exam	584,344	561,894
- Interest Received	5,923	3,002
- Membership Fees	155,699	141,269
- Other Income	6,829	2,079
- Sales - Manuals	55,032	50,579
- Sales - Merchandise	6,227	5,764
- Sponsorship & Interski Income	5,202	24,095
	836,889	808,704

6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Bank balances	226,895	367,576
Cash on hand	396	329
	227,291	367,905

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

6 Cash and Cash Equivalents

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	227,291	367,905
Balance as per statement of cash flows	227,291	367,905

7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	9,200	36,549
Expected credit loss	-	(624)
GST receivable	2,968	-
	12,168	35,925

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

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

8 Inventories

	2019	2018
	\$	\$
CURRENT		
Stock on hand	36,172	7,887
	36,172	7,887

9 Other Financial Assets

	2019	2018
	\$	\$
CURRENT		
Term Deposit	313,516	309,656
	313,516	309,656

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

10 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	1,700	580
Accrued income	1,440	-
	<u>3,140</u>	<u>580</u>

11 Plant and equipment

	2019	2018
	\$	\$
Plant and equipment		
At cost	33,434	32,393
Accumulated depreciation	(30,249)	(26,761)
	<u>3,185</u>	<u>5,632</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

11 Plant and equipment

(a) Movements in carrying amounts of plant and equipment

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

	Plant and Equipment \$	Total \$
Year ended 31 December 2019		
Balance at the beginning of year	5,632	5,632
Additions	1,041	1,041
Depreciation expense	(3,488)	(3,488)
Balance at the end of the year	<u>3,185</u>	<u>3,185</u>

	Plant and Equipment \$	Total \$
Year ended 31 December 2018		
Balance at the beginning of year	2,575	2,575
Additions	5,393	5,393
Depreciation expense	(2,336)	(2,336)
Balance at the end of the year	<u>5,632</u>	<u>5,632</u>

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

12 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	56,601	-
Deposits	2,764	2,440
GST payable	-	14,186
Accrued expenses	13,173	3,650
Other payables	6,507	23,455
	<u>79,045</u>	<u>43,731</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Fees received in advance

	2019	2018
	\$	\$
CURRENT		
Fees received in advance	<u>19,176</u>	72,944
	<u>19,176</u>	<u>72,944</u>
NON-CURRENT		
Fees received in advance	<u>10,353</u>	-
	<u>10,353</u>	-

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

14 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Long service leave	-	22,339
Annual leave provisions	6,828	13,974
	<u>6,828</u>	<u>36,313</u>
	2019	2018
	\$	\$
NON-CURRENT		
Long service leave	-	3,969
	<u>-</u>	<u>3,969</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

15 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables

Liquidity risk

Liquidity risk arises from the Association's management of working capital. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Notes to the Financial Statements

For the Year Ended 31 December 2019

15 Financial Risk Management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Association's standard payment and delivery terms and conditions are offered. The Association review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Committee of Management receive monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Association's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Association's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Association and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Association.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

15 Financial Risk Management

	Gross amount \$	Past due and impaired \$	Within initial trade terms \$
2019			
Trade receivables	9,200	-	9,200
	<u>9,200</u>	<u>-</u>	<u>9,200</u>
2018			
Trade receivables	36,549	624	35,925
	<u>36,549</u>	<u>624</u>	<u>35,925</u>

The Association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the association to interest rate risk are limited to cash and cash equivalents.

16 Auditors' Remuneration

	2019 \$	2018 \$
Remuneration of the auditor of the association, Hardwicks Chartered Accountants, for:		
- auditing or reviewing the financial statements	4,050	3,950
	<u>4,050</u>	<u>3,950</u>

17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2019 (31 December 2018:None).

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Notes to the Financial Statements For the Year Ended 31 December 2019

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2019	2018
	\$	\$
(Deficit)/ surplus for the year	(90,558)	77,461
Non-cash flows in profit:		
- depreciation	3,488	2,336
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	22,317	(17,674)
- decrease/(increase) in prepayments	(1,120)	1,126
- (increase)/decrease in inventories	(28,285)	17,224
- (decrease)/increase in income in advance	(43,415)	22,493
- (decrease)/increase in trade and other payables	35,314	24,036
- (decrease)/increase in employee benefits	(33,454)	6,892
Cashflow from operations	<u>(135,713)</u>	<u>133,894</u>

19 Events after the end of the Reporting Period

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.

20 Association Details

The registered office of the association is:
Australian Professional Snowsport Instructors Inc
Unit 3/ 1 Penders Court
Jindabyne NSW 2627

Australian Professional Snowsport Instructors Inc

ABN: 34 519 216 085

Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 3-23:

1. Present fairly the financial position of Australian Professional Snowsport Instructors Inc as at 31 December 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Australian Professional Snowsport Instructors 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:

President
Anthony Hill

Treasurer
Deborah Meehan

Dated

Australian Professional Snowsport Instructors Inc

Independent Audit Report to the members of Australian Professional Snowsport Instructors Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Professional Snowsport Instructors Inc (the Association), which comprises the statement of financial position as at 31 December 2019, the income and expenditure statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 31 December 2019 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

Australian Professional Snowsport Instructors Inc

Independent Audit Report to the members of Australian Professional Snowsport Instructors Inc

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Hardwickes
Chartered Accountants

Robert Johnson FCA
Partner

Canberra