



**Australian  
Taekwondo**

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## **Annual Report**

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# **2018 Chairman's and CEO Report**

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Sports Taekwondo Australia Ltd

T/A Australian Taekwondo Ltd

ACN: 167 216 033

22 September 2018

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# **Chairman's and CEO's Report To Accompany The Financial Statements For The 2018 Financial Year**

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## **Chairman's Statement**

This is my first report to Australian Taekwondo (AT) as Chair of the organisation, and it gives me great pleasure to submit this report to our members.

2018 has been a tumultuous year with many activities underway and several new faces welcomed to our organisation. Firstly on the Board we welcomed last year Elected Directors Caroline Marton and John Kfoury, and this year Appointed Director Sandra Nori. These directors bring a breadth of knowledge and experience across diverse fields such as elite athlete, governance and government ministry, to name a few, which serve to enhance the Board's level of expertise.

In December of last year we also saw the departure of CEO Joeline Chisholm after 3 years at the helm, with John Gradisar taking over the role to lead and manage the organisation. In the past 12 months there have also been some significant staffing appointments in Karim Dighou, who officially took up the position of National Coaching Director in October last year, closely followed in November by the appointment of Ben Exton as Participation Manager, whose task is to expand the diversity of our services and membership base. This year also saw the appointment of Stephen Brown to the position of Events Manager.

The Board has also been busy in partnership with our state counterparts, conducting a strategic planning workshop late last year to set the organisation's course for next 3 years. In addition, the Board also conducted a risk management workshop to ensure that risks in the organisation are identified and appropriately managed in a timely manner.

Our strategic partnership with Sport Australia (formerly the Australian Sports Commission) has seen funding for the sport continue through to this year. Furthermore, our strong relationship with the Australian Institute of Sport's Combat Centre has enabled us to partner with them to open a High Performance Hub in Melbourne. This has been funded through the generous contribution of Sport Australia with support for the project from the management of the Combat Centre.

We are also appreciative of Sport Australia's funding support for our participation projects which our membership will see coming to fruition in the months ahead.

In closing a special thanks must also go to Louise McCoach, who is one of our Appointed Directors, and is unfortunately standing down due to her term having come to an end. Louise has not only capably served as a director, but also as the Chair of the Finance, Audit and Risk Management sub-committee and has very wisely lead the organisation's management of our finances and risks.

The Board's Nominations Committee has undertaken an exhaustive search for a replacement director and we will shortly be announcing the appointment.

Our achievements this year are noted elsewhere in this report and none of this could have been achieved without the support of the members, volunteers, state boards, the our Executive, our committees and my fellow Board members, and to them all, I express my gratitude for your service and say thank you!

## **Financial Statements**

The year to 30 June 2018 resulted in a deficit of (\$37K) compared to a surplus of \$62K for 30 June 2017. It should be noted that the deficit in 2018 is due to revenue of \$96K being recognised in the 2017 year, but \$55k of High Performance cost being expensed against this revenue being in 2018, with the balance of \$35K to be expensed in 2019.

The effect of this is that there is a deficit in the 2018 financial year with a potential deficit in the 2019 financial year. AT intends to have a smooth out the mismatch of revenue against expenses by the year 2020.

The Balance Sheet shows \$152K of cash, total assets of \$190K and liabilities of \$294k resulting in (\$103K) of net assets. However, as noted by the auditors, the negative net assets is due to the deferral of 50% of membership revenue, and deferral of revenue for the Oceania Selections as the event was held on 5 of July 2018, but expensed in the 2018 financial year.

The Board is closely monitoring expenses and will curtail expenses where necessary, with expenses to be reviewed on a regular basis to ensure that the organisation can be brought into a profitable situation in future years.

## **Our Membership**

I am pleased to report that we have had a another promising uptake of memberships this year and we are currently above 18,000 members, which is a 28% increase on 2017. Year-on-year this represents an incredible 58% growth rate since 2016, and through the implementation of our upcoming Participation Plan, and with your continuing support, I look forward to seeing our membership continue to grow.

## **Participation**

The 2017 financial year has seen the employment of a Participation Manager with a renewed focus on nationally improving a broader participation in Taekwondo.

To ensure our participation programs are developed from a sound evidence base, Australian Taekwondo carried out a research project to better understand member clubs' perceptions, needs and wants and to use these insights to make recommendations to improve Australian Taekwondo's development and implementation of participation programs.

The response from the research indicated overwhelmingly that instructors saw recreation and participation as their main priorities. As such Australian Taekwondo is has developed a National Participation Plan that will guide initiatives such as the implementation of a National Schools Program, supporting participation in remote and regional areas and development of resources to assist clubs in increasing their participation.

The Participation Plan is to be presented to the Board post AGM and thereafter will be a public release document.

## **Education**

It is very pleasing to see the steady increase in the number of accredited referees and coaches, which is due to the work of our national committees. We have also embarked on a program to make more use of digital technology in the delivery of courses, and plan to expand this in the forward years to enable members in remote and regional areas to access courses and seminars which tend to only be conducted in capital city and metropolitan centres.

### Kukkiwon Courses

The first official Kukkiwon courses to be run in the Oceania region by the World Taekwondo Academy were conducted at the Australian Institute of Sport in September 2017. The seven day residential courses included the Kukkiwon Master Instructor Course and the Kukkiwon Examiner Course. As well as Australian participants, these courses also attracted participants from Malaysia, Singapore and New Zealand.

This was an exciting step in our commitment to the professional development of Taekwondo in Australia, and represented a unique opportunity for Instructors, Club Owners and Members to enhance their skills, qualifications and personal development.

### Anti-Doping

The Australian Sport Anti-Doping Authority (ASADA) is tasked to support, encourage, develop and implement initiatives that increase the skills and knowledge of people involved in sporting activities about anti-doping matters.

Australian Taekwondo as the peak body for Taekwondo in Australia is responsible for ensuring that all of our athletes and support personnel are educated in anti-doping matters, and in this regard AT committed with ASADA to an Anti-Doping Education Plan, to ensure that members at all levels are educated in anti-doping matters.

The Education Plan commits Board directors, AT management and all members of National Teams, Squads and State Programs to compulsory complete the requisite ASADA anti-doping courses. These have been made available online via our website and is AT's commitment to anti-doping education.

### Kyorugi Referees

The National Kyorugi Referee Committee must be congratulated for their outstanding effort to bring their referee courses throughout the nation. These have been very well attended and received, and as a result as at 30 June 2018 we have 270 Accredited Kyorugi Referees.

### Poomsae Referees

The National Poomsae Officiating Committee were constrained in getting their referee accreditation courses underway in anticipation of World Taekwondo determining the competition rules for the upcoming world championships. Once these had been made available the Committee was able to launch its courses and as a result we currently have 120 Accredited Poomsae Referees.

### Kyorugi and Poomsae Coaches

In the second half of last year we embarked on several initiatives to improve the delivery of accreditation courses through the use of online courses and applications for accreditations. The initial 'test case' was the accreditation of Kyorugi Coaches followed by Poomsae Coaches. This has proven to be a more efficient and expedient process with almost 700 accreditations having been accredited to date.

## **Competitions and Team Selections**

The Events Committee had another busy year staging our major event for the year being the 2017 National Championships in Bendigo, which attracted 840 competitors representing 1,000 entries. The other event of note staged was the selection events for 201 European President's Cup Junior Team.

### 2017 Cadet Team

The 2017 World Cadet Championships were announced to be held in Egypt, and the Board acting on travel warning advice for Egypt, issued by the Department of Foreign Affairs and Trade, determined that Egypt posed a potential risk for the Cadet Team. As a result the decision was taken not to send the team to Egypt and in lieu of this, send them to high quality international competitions.

In November 2017 the Australian National Cadet Team embarked on a tour of two European Open competitions. The Cadets competed in the Croatia Open and came away with one of the best results an Australian Cadet Team has ever achieved with one Round of 16 finish, four Quarterfinal finishes and one Bronze Medal.

The following week's Greece Open the athletes were challenged by some of the finest in Europe and performed exceptionally well achieving several Quarterfinals, one Silver and two Bronze Medals.

### 2018 Junior Team

Likewise the World Junior Championships were scheduled for Tunisia, the event also serving as the selections for the Youth Olympic Games. However following discussions with the Australian Olympic Committee and advice from the Australian Federal Police, the Board determined that the Team would not travel to Tunisia, and in its place would contest selected quality European competitions, and from there be selected to compete at the European President's Cup.

Outstanding performances were returned by Reba Stewart returning with a Gold at the Sofia Open and Silver at the Dutch Open, while Helena Nicolaous gained a Bronze at the same event. While Anastasia Typou returned an incredible result with a Silver Medal at the European President's Cup which was held in Greece.

### Para Taekwondo

Australian Taekwondo para-athletes Steven Currie and Janine Watson returned outstanding performances at the World Para Taekwondo Championships held last October in London.

Para-Poomsae athlete Janine Watson delivered her very best to secure the highest technical score in her division and ultimately a 1st Place result to win Gold over Great Britain, Czechoslovakia and Hungary. Janine Watson created sporting history in London to become our first Para-Poomsae World Champion, and fulfilled her lifetime dream to become an Australian World Taekwondo Champion!

Both athletes are now building up towards the Tokyo 2020 Paralympics and we look forward to their journeys.

### 2017 World Taekwondo Hanmadang

Australian Taekwondo sent a small but formidable team to the 2017 World Taekwondo Hanmadang which was held in the Korean City of Anyang from July to August 2017.

Podium results were returned by Blake Murray (Bronze) for the male Long Jump Kick Breaking, and Cheryl Parks (Bronze) for Female Dan Authorised Poomsae.

Kim Seng also represented Australia as one of 70 Hanmadang International Referees judging Poomsae as well as the All Round Breaking events.

### High Performance Events

The Australia Senior Team attended several international events which have brought in a new focus with the appointment of Karim Dighou as the National Coaching Director.

International events competed at included:

Korean Open (Korea)	July 2017	Development Team 15 athletes
1 <sup>st</sup> Asian President's Cup (Uzbekistan)	August 2017	6 athletes
GP 1 Moscow (Russia)	August 2017	6 athletes
Hanmadang (Korea)	August 2017	6 athletes
Universiade (Taipei)	August 2017	17 athletes
Asian Indoor and Martial Arts Games (Turkmenistan)	September 2017	6 athletes
GP 2 London (UK)	September 2017	6 athletes
World Para Championships (UK)	October 2017	2 athletes
Croatia Open	November 2017	National Cadet Team
Greece Open	November 2017	National Cadet Team
Dutch Open (Holland)	March 18	11 athletes
Euro President's Cup (Greece)	April 18	9 athletes

### **High Performance Hub**

In April 2018 the Australian Institute of Sport and Australian Taekwondo announced the opening of a new high performance hub (HPH) for elite athletes in Melbourne, which provides the foundation for our elite and developing athletes to regularly train together, and is a critical factor for a combat sport's daily training environment.

The AIS is also providing additional investment through the Victorian Institute of Sport to provide athlete services including strength and conditioning, athlete welfare and engagement, and sports science and sports medicine services.

For the initial intake into the HPH, 11 athletes were selected from a field of 44 who had applied through an expression of interest. In addition, 5 athletes will relocate to Melbourne later in the year to join the current group in the first intake.

We believe that the HPH provides the best opportunity to enhance outcomes at next year's World Senior Championships and future Grands Prix, and optimise our performances at the 2020 Tokyo Olympic Games, and we are very grateful to the AIS for their commitment to our joint initiative.

  
**John Gradisar**  
Chief Executive Officer

  
**Raffaele Di Renzo**  
Board Chair

**TKD Sports Taekwondo  
Australia Ltd**

**ABN 69167216033**

Financial report  
For the year ended 30 June 2018

**Pitcher Partners  
Level 1, 100 Hutt Street  
ADELAIDE SA 5000**

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**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of TKD Sports Taekwondo Australia Ltd (the Company) for the year ended 30 June 2018 and auditor's report thereon.

**Directors names**

The names of the directors in office at any time during or since the end of the year are:

R C Di Renzo (Appointed 7 October 2017)

H Iskandar

L C McCoach

S Lew

B J Elmowy

S Nori (Appointed 10 March 2018)

C Marton (Appointed 7 October 2017)

J Kfoury (Appointed 7 October 2017)

J W Walker (Resigned 9 October 2017)

A Austin (Resigned 9 October 2017)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

**Short-term and long-term objectives and strategies**

The company's short-term objectives are to:

- provide best practice governance in leading and managing Taekwondo at all levels;
- attract, engage, recruit, retain and service participants across the full Taekwondo spectrum from recreation to performance (this includes athletes, coaches, officials, referees and judges, administrators, volunteers, parents and supporters); and
- build the capacity of Taekwondo and its stakeholders to facilitate growth and development and provide appropriate services aligned with the aspirations of our participants.

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**DIRECTORS' REPORT**

**Short-term and long-term objectives and strategies (Continued)**

The company's long-term objectives are to:

- ensure long term commercial viability through sound financial management and business practices and systems;
- ensure Australia has a top 10 world ranking for both male and female open sparring divisions, and podium finishes for world championships in Cadets, Juniors, Masters, Para and Poomsae; and
- achieve high recognition by the public and media with broadcast coverage of our major selection competitions and international events.

To achieve its short-term and long-term objectives, the company has adopted the following strategies:

- Leading, unifying and governing Taekwondo for all participants;
- Growing participation in all forms of Taekwondo; and
- Engaging, valuing and developing our people and culture.

**Principal activities**

To carry out the company's strategies and to achieve its short-term and long-term objectives, during the year, the company engaged in its principal activity of conduct, encourage, promote, advance, control and manage all levels of Taekwondo in Australia.

**Key performance indicators**

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses key performance indicators to measure, analyse and monitor its performance.

**After balance date events**

On 23 July 2018, the company has entered into an agreement with Australian Sports Commission for an amount of \$576,004 operating grant.

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

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**DIRECTORS' REPORT**

**Information on directors**

**R C Di Renzo**

Director

**Experience**

Lawyer, over ten years experience in legal practice.

**Special responsibilities**

Secretary General - Appointed on 22 October 2016

**H Iskandar**

Director

**Experience**

Diploma in Management and Marketing, over fifteen years experience in sports administration.

**Special responsibilities**

President - Appointed on 22 October 2016

Secretary General - Resigned on 22 October 2016

**L C McCoach**

Director

**Experience**

Lawyer, Over ten years experience in debt capital markets and holds various non-executive director positions.

**Special responsibilities**

Chair, Finance, Audit and Risk Management Sub-Committee

**S Lew**

Director

**Experience**

Ten years experience at a major Australian Health Fund as a strategic advisor and centre manager driving successful business improvement outcomes. Passionate and experienced Taekwondo Instructor and photographer.

**Special responsibilities**

Member, Finance, Audit and Risk Management Sub-Committee

**B J Elmowy**

Director

**Experience**

Many years in Taekwondo instruction and community engagement. Self employed business owner.

**Special responsibilities**

-

**S Nori**

Director

**Experience**

Member of Macquarie University Council, Deputy Chair Duke of Edinburgh's International Award - Australia, former minister in NSW Government (portfolios Minister for Small Business, Minister for Tourism, Sport and Recreation and Minister for Women).

**Special responsibilities**

-

**C Marton**

Director

**Experience**

Degree in Political Science and honours degree in Politics. Former Olympian having represented Australia in Taekwondo at Rio 2016.

**Special responsibilities**

-

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>J Kfoury</b>	Director
Experience	Over ten years experience as an elite athlete and coach, 2008 Olympian.
Special responsibilities	-
<b>J W Walker</b>	Director
Experience	Investment Banker, seventeen years experience in banking. Former Chief Executive Officer of a Government department.
Special responsibilities	Resigned 9 October 2017
<b>A Austin</b>	Director
Experience	Managing Director, over twenty five years experience in change management consulting, specialising in talent management, executive recruitment and executive coaching.
Special responsibilities	Nominations Committee Chair Resigned 9 October 2017

**Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
R C Di Renzo	7	7
H Iskandar	7	7
L C McCoach	7	7
S Lew	7	6
B J Elmowy	7	6
S Nori	3	3
C Marton	6	6
J Kfoury	6	2
J W Walker	-	1
A Austin	1	1

**Members guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each voting member is required to contribute to a maximum of \$1 each towards meeting any outstanding's and obligations of the company. At 30 June 2018 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is \$8.

TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033

**DIRECTORS' REPORT**

**Auditor's independence declaration**

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

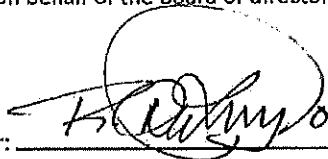
**Company secretary**

During the financial period, the following person held the position of the company secretary:

J Gradisar (Appointed 13 December 2017)  
J Chisholm (Resigned 15 February 2018)  
Smita Khakhar (Appointed 16 April 2018)

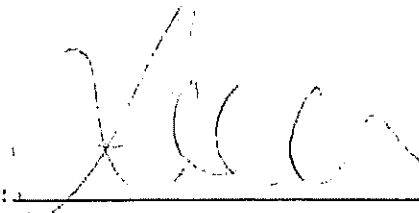
Signed on behalf of the board of directors.

Director:



R C DI Renzo

Director:



L C McCoach

Dated this *18* day of September 2018



# PITCHER PARTNERS

Level 1, 100 Hutt Street  
Adelaide SA 5000

Tel +61 8 8179 2800  
Fax +61 8 8179 2885

Postal Address  
PO Box 7006 Hutt Street  
Adelaide SA 5001

[www.pitcher.com.au](http://www.pitcher.com.au)

## TKD SPORTS TAEKWONDO AUSTRALIA LTD

ABN 69167216033

### AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF TKD SPORTS TAEKWONDO AUSTRALIA LTD

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

A P Faulkner  
Principal

PITCHER PARTNERS  
Adelaide

Date: 19 September 2018

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue and other income</b>			
Revenue	2	788,817	1,163,619
Other revenue	2	13,947	53,194
Other income	2	<u>608,904</u>	<u>161,717</u>
	2	<u>1,411,668</u>	<u>1,378,530</u>
<b>Less: expenses</b>			
Olympic expenses		-	(3,900)
Depreciation and amortisation expense	3	(12,004)	(11,267)
Employee benefits expense		(397,726)	(287,328)
World Taekwondo Federation expenses		(4,104)	(25,166)
Lease expense		(20,400)	-
Insurance expenses		(108,735)	(95,138)
Finance costs		-	(394)
Marketing and promotion expenses		(4,960)	(13,284)
Other expenses - high performance		(6,694)	(9,604)
Domestic competition expenses		(117,222)	(123,616)
International competition expenses		(276,339)	(399,902)
Merchandise expenses		(6,074)	(8,170)
Referees fees expenses		(55,100)	(29,647)
Administration expenses		(200,574)	(152,236)
Kukkiwon expenses		(84,917)	(83,957)
Event expenses		(53,586)	(51,245)
Other expenses		<u>(100,088)</u>	<u>(22,158)</u>
		<u>(1,448,523)</u>	<u>(1,317,012)</u>
<b>(Loss) / Profit before income tax expense</b>		(36,855)	61,518
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive (loss) / income</b>		<u>(36,855)</u>	<u>61,518</u>

The accompanying notes form part of these financial statements.

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	4	161,183	155,203
Receivables	5	10,704	20,146
Other assets	6	<u>7,461</u>	<u>20,574</u>
<b>Total current assets</b>		<u>179,348</u>	<u>195,923</u>
<b>Non-current assets</b>			
Intangible assets	7	433	7,175
Plant and equipment	8	<u>10,566</u>	<u>8,335</u>
<b>Total non-current assets</b>		<u>10,999</u>	<u>15,510</u>
<b>Total assets</b>		<u>190,347</u>	<u>211,433</u>
<b>Current liabilities</b>			
Payables	9	59,610	40,351
Other liabilities	10	<u>234,009</u>	<u>237,499</u>
<b>Total current liabilities</b>		<u>293,619</u>	<u>277,850</u>
<b>Total liabilities</b>		<u>293,619</u>	<u>277,850</u>
<b>Net assets</b>		<u>(103,272)</u>	<u>(66,417)</u>
<b>Equity</b>			
Retained earnings	11	<u>(103,272)</u>	<u>(66,417)</u>
<b>Total equity</b>		<u>(103,272)</u>	<u>(66,417)</u>

The accompanying notes form part of these financial statements.



**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Retained earnings \$	Total equity \$
Balance as at 1 July 2016	(127,935)	(127,935)
Profit for the year	<u>61,518</u>	<u>61,518</u>
Total comprehensive income for the year	<u>61,518</u>	<u>61,518</u>
Balance as at 30 June 2017	<u>(66,417)</u>	<u>(66,417)</u>
Balance as at 1 July 2017	(66,417)	(66,417)
Loss for the year	<u>(36,855)</u>	<u>(36,855)</u>
Total comprehensive income for the year	<u>(36,855)</u>	<u>(36,855)</u>
Balance as at 30 June 2018	<u>(103,272)</u>	<u>(103,272)</u>

The accompanying notes form part of these financial statements.

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Cash flow from operating activities</b>			
Receipts from operations		1,561,993	1,391,154
Payments to suppliers and employees		(1,528,915)	(1,415,010)
Finance costs		-	(394)
Net GST paid		<u>(19,605)</u>	<u>(78,245)</u>
<b>Net cash provided by / (used in) operating activities</b>		<u>13,473</u>	<u>(102,495)</u>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(3,430)	(2,346)
Payment for other non current assets		<u>(4,063)</u>	<u>(1,400)</u>
<b>Net cash used in investing activities</b>		<u>(7,493)</u>	<u>(3,746)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		155,203	261,444
Net increase / (decrease) in cash held		<u>5,980</u>	<u>(106,241)</u>
<b>Cash at end of financial year</b>	12(a)	<u><u>161,183</u></u>	<u><u>155,203</u></u>

The accompanying notes form part of these financial statements.

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers TKD Sports Taekwondo Australia Ltd as an individual entity. TKD Sports Taekwondo Australia Ltd is a company limited by guarantee, incorporated and domiciled in Australia. TKD Sports Taekwondo Australia Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**(b) Going concern**

The company incurred a loss from ordinary activities of \$36,855 (2017 : profit of \$61,518). During the year ended 30 June 2018, and as at that date the company's total liabilities exceeded total assets by \$103,272 (2017 : \$66,416).

As disclosed in note 13 of this financial report, the company has secured an operating grant of \$576,004.

The financial report has been prepared on a going concern basis as the Directors believe that the company can maintain positive cash balances throughout the next financial year. The negative net asset balance is due to the deferral of membership fees received, for accounting purposes.

Further, the Directors have identified the expenses or activities that can be controlled or curtailed if there is a requirement.

TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Revenue**

Membership fees are recognised as revenue when no significant uncertainty as to its collectible exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

**(c) Revenue (continued)**

Revenue from organising and hosting events is recognised in the period in which the events are held.

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

**(d) Income tax**

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

**(e) Plant and equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Computer equipment at cost	40%	Straight line

**(f) Intangibles**

*Intangible assets*

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Intangibles (Continued)**

*Other intangibles*

Other intangible assets are initially recorded at cost. Other intangible assets are amortised on a straight line basis over the period of 3 years. The balances are reviewed annually and amounts are written off to the extent the realisable future benefits are considered to be no longer probable.

**(g) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(h) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

	2018 \$	2017 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Revenue		
Revenue - Competitions	337,265	711,038
Membership fees	<u>451,552</u>	<u>452,581</u>
	<u>788,817</u>	<u>1,163,619</u>
Other revenue		
Donations	-	21,055
Other revenue - contributions, sponsorships & etc.	<u>13,947</u>	<u>32,139</u>
	<u>13,947</u>	<u>53,194</u>
Other Income		
Grant income	<u>608,904</u>	<u>161,717</u>
	<u>608,904</u>	<u>161,717</u>
	<u>1,411,668</u>	<u>1,378,530</u>

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
**ABN 69167216033**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>NOTE 3: OPERATING PROFIT</b>		
(Losses) / Profit before income tax has been determined after:		
Depreciation and amortisation expense		
- depreciation	1,199	417
- amortisation	<u>10,805</u>	<u>10,850</u>
	<u>12,004</u>	<u>11,267</u>
Rental expense on operating leases		
- minimum lease payments	20,400	-
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>161,183</u>	<u>155,203</u>
	<u>161,183</u>	<u>155,203</u>
<b>NOTE 5: RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	<u>10,704</u>	<u>20,146</u>
<b>NOTE 6: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	5,118	16,018
Other current assets	<u>2,343</u>	<u>4,556</u>
	<u>7,461</u>	<u>20,574</u>
<b>NOTE 7: INTANGIBLE ASSETS</b>		
Website development	25,800	21,800
Accumulated amortisation	<u>(25,367)</u>	<u>(14,625)</u>
	<u>433</u>	<u>7,175</u>

At 30 June 2018, the remaining number of years for website development amortisation is less than 1 year.

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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

2018	2017
\$	\$

**NOTE 7: INTANGIBLE ASSETS (CONTINUED)**

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

*Website development at cost*

Opening balance	7,175	16,625
Additions	4,063	1,400
Amortisation expense	<u>(10,805)</u>	<u>(10,850)</u>
Closing balance	<u>433</u>	<u>7,175</u>

Amortisation expense in relation to intangible assets has been recognised in depreciation and amortisation expenses within profit or loss.

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**Plant and equipment**

Computer equipment at cost	12,286	8,856
Accumulated depreciation	<u>(1,720)</u>	<u>(521)</u>
	<u>10,566</u>	<u>8,335</u>
Total property, plant and equipment	<u>10,566</u>	<u>8,335</u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

*Computer equipment*

Opening carrying amount	8,335	6,406
Additions	3,430	2,346
Depreciation expense	<u>(1,199)</u>	<u>(417)</u>
Closing carrying amount	<u>10,566</u>	<u>8,335</u>

**TKD SPORTS TAEKWONDO AUSTRALIA LTD**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>NOTE 9: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	48,064	35,256
GST payable	<u>11,546</u>	<u>5,095</u>
	<u><u>59,610</u></u>	<u><u>40,351</u></u>

**NOTE 10: OTHER LIABILITIES**

CURRENT		
Deferred income - membership fees	222,409	224,999
Grants received in advance	<u>11,600</u>	<u>12,500</u>
	<u><u>234,009</u></u>	<u><u>237,499</u></u>

**NOTE 11: RETAINED EARNINGS**

Retained earnings at beginning of year	(66,417)	(127,935)
Net profit / (loss)	<u>(36,855)</u>	<u>61,518</u>
	<u><u>(103,272)</u></u>	<u><u>(66,417)</u></u>

**NOTE 12: CASH FLOW INFORMATION**

**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash at bank	<u>161,183</u>	<u>155,203</u>
	<u><u>161,183</u></u>	<u><u>155,203</u></u>



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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE**

On 23 July 2018, the company has entered into an agreement with Australian Sports Commission for an amount of \$576,004 operating grant.

There has been no other matter or circumstance, which has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2018, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2018, of the company.

**NOTE 14: MEMBERS' GUARANTEE**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each voting member is required to contribute to a maximum of \$1 each towards meeting any outstandings and obligations of the company. At 30 June 2018 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is \$8.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 7 - 17, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position as at 30 June 2018 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: \_\_\_\_\_

  
R.C. Di Renzo

Director: \_\_\_\_\_

  
L.C. McCoach

Dated this 18<sup>th</sup> day of September 2018

**TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TKD SPORTS TAEKWONDO AUSTRALIA LTD**

*Opinion*

We have audited the financial report of TKD Sports Taekwondo Australia Ltd, "the Company", which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of TKD Sports Taekwondo Australia Ltd, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TKD SPORTS TAEKWONDO AUSTRALIA LTD**

*Other information*

The directors are responsible for the other information. The other information comprises the Directors Report which was obtained as at the date of our audit report, and any additional other information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgment to determine the appropriate action to take.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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



TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TKD SPORTS TAEKWONDO AUSTRALIA LTD

*Auditor's Responsibilities for the Audit of the Financial Report (continued)*

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:

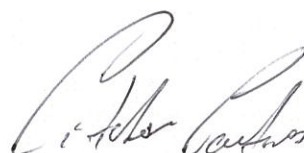
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



A P FAULKNER  
PRINCIPAL

Date: 19 September 2018



PITCHER PARTNERS  
Adelaide