



Australian Taekwondo Limited

ABN: 69167216033

Financial report

For the year ended 30 June 2020

Pitcher Partners
Level 1, 100 Hutt Street
ADELAIDE SA 5000

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AUSTRALIAN TAEKWONDO LIMITED

ABN: 69167216033

DIRECTORS' REPORT

The directors present their report together with the financial report of Australian Taekwondo Limited ("the Company") for the year ended 30 June 2020 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

H Iskandar

G Savage (Resigned 26 April 2020)

S Lew

B J Elmowy (Term Expired 5 September 2019)

S Nori (Resigned 30 July 2019)

C Marton (Resigned 19 August 2020)

J Kfoury

L Cunnold (Appointed 8 April 2020)

G Hartnett (Appointed 5 Sep 2019)

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

Results

The profit of the Company for the year after providing for income tax amounted to \$246,888 (2019: profit of \$160,338).

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.

AUSTRALIAN TAEKWONDO LIMITED

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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 that 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. The key performance indicators include high performance program outcomes and achievements, membership participation and physical activity measures, safe and inclusive sport frameworks.

After balance date events

Due to COVID-19 restrictions all competitions and events have been cancelled until March 2021, the Company is closely monitoring ongoing COVID-19 developments and related operational restrictions which may allow events and competitions to resume earlier. Given the dynamic nature of the measures being implemented on the economy to control and slow the outbreak, the related impact on the Company's go forward results of operation, cash flows and financial conditions, will be reflected in the Company's future financial statements.

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.

AUSTRALIAN TAEKWONDO LIMITED

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DIRECTORS' REPORT

Information on directors

R C Di Renzo

Director

Experience

Lawyer, over twenty years experience in legal practice.

Special responsibilities

Board Chair

H Iskandar

Director

Experience

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

Special responsibilities

President

G Savage

Director (Resigned 26 April 2020)

Experience

Over 30 years experience in public and private sectors including senior executive government roles, governance and managing change.

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

Chair, Finance, Audit and Risk Management Sub-Committee

B J Elmow

Director (Term Expired 5 September 2019)

Experience

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

Special responsibilities

-

S Nori

Director (Resigned 30 July 2019)

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

-

AUSTRALIAN TAEKWONDO LIMITED

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DIRECTORS' REPORT**Information on directors (Continued)**

C Marton	Director (Resigned 19 August 2020)
Experience	Degree in Political Science and honours degree in Politics. Former Olympian having represented Australia in Taekwondo at Rio 2016.
Special responsibilities	-
J Kfoury	Director
Experience	Over ten years experience as an elite athlete and coach.
Special responsibilities	Secretary General
L Cunnold	Director (Appointed 8 April 2020)
Experience	Leanne has a Bachelor of business with Majors in Marketing. Has over 25 years experience in the IT industry across Australia, Asia Pacific and USA working with enterprises and government organisations.
Special responsibilities	-
G Hartnett	Director (Appointed 5 September 2019)
Experience	Gramme has a Bachelor of Commerce degree majoring in economics and finance. He is a manager with KPMG working within the Deals , Tax and Legal team.
Special responsibilities	-

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
R C Di Renzo	7	7
H Iskandar	7	6
G Savage	4	3
S Lew	7	7
B J Elmowy	-	-
S Nori	-	-
C Marton	7	6
J Kfoury	7	1
L Cunnold	3	3
G Hartnett	7	7

AUSTRALIAN TAEKWONDO LIMITED

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DIRECTORS' REPORT

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 2020 the number of members was 7. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$7.

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, John Gradisar held the position of the Company secretary.

Signed on behalf of the board of directors.

Director: 
R C Di Renzo

Director: 
S Lew

Dated this 7th day of November 2020

AUSTRALIAN TAEKWONDO LIMITED
ABN: 69167216033

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUSTRALIAN TAEKWONDO LIMITED

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AUSTRALIAN TAEKWONDO LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Revenue from contracts with customers	2	765,613	982,400
Other revenue	3	173,168	37,136
Grant income	3	<u>924,933</u>	<u>847,604</u>
		<u>1,863,714</u>	<u>1,867,140</u>
Less: expenses			
Depreciation and amortisation expense	4	(53,326)	(2,675)
Employee benefits expense		(444,933)	(483,160)
World Taekwondo Federation expenses		(2,492)	(3,100)
Hub expenses		(67,557)	(65,117)
Insurance expenses		(121,840)	(117,936)
Finance costs		(206)	-
Marketing and promotion expenses		(1,011)	(2,009)
Other expenses - high performance		(3,674)	(2,548)
Domestic competition expenses		(237,750)	(337,210)
International team expenses		(252,228)	(230,725)
Accreditation course expenses		(6,883)	(27,392)
Administration expenses		(188,618)	(175,970)
Kukkiwon expenses		(90,662)	(85,244)
Board and admin expenses		(31,680)	(69,505)
Other expenses		<u>(113,966)</u>	<u>(104,211)</u>
		<u>(1,616,826)</u>	<u>(1,706,802)</u>
Profit before income tax expense		246,888	160,338
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>246,888</u></u>	<u><u>160,338</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN TAEKWONDO LIMITED
ABN: 69167216033

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	5	563,704	358,022
Receivables	6	51,683	28,281
Other assets	7	<u>1,476</u>	<u>36,669</u>
Total current assets		<u>616,863</u>	<u>422,972</u>
Non-current assets			
Lease assets	10	97,867	-
Property, plant and equipment	9	<u>5,100</u>	<u>12,059</u>
Total non-current assets		<u>102,967</u>	<u>12,059</u>
Total assets		<u>719,830</u>	<u>435,031</u>
Current liabilities			
Payables	11	32,767	131,529
Lease liabilities	10	77,950	-
Provisions	12	22,288	26,671
Other liabilities	13	<u>259,944</u>	<u>219,765</u>
Total current liabilities		<u>392,949</u>	<u>377,965</u>
Non-current liabilities			
Lease liabilities	10	19,917	-
Provisions	12	<u>3,010</u>	<u>-</u>
Total non-current liabilities		<u>22,927</u>	<u>-</u>
Total liabilities		<u>415,876</u>	<u>377,965</u>
Net assets		<u>303,954</u>	<u>57,066</u>
Equity			
Retained earnings	14	<u>303,954</u>	<u>57,066</u>
Total equity		<u>303,954</u>	<u>57,066</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN TAEKWONDO LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2018	(103,272)	(103,272)
Profit for the year	<u>160,338</u>	<u>160,338</u>
Total comprehensive income for the year	<u>160,338</u>	<u>160,338</u>
Balance as at 30 June 2019	<u>57,066</u>	<u>57,066</u>
Balance as at 1 July 2019	57,066	57,066
Profit for the year	<u>246,888</u>	<u>246,888</u>
Total comprehensive income for the year	<u>246,888</u>	<u>246,888</u>
Balance as at 30 June 2020	<u><u>303,954</u></u>	<u><u>303,954</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN TAEKWONDO LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Cash flow from operating activities			
Receipts from operations		2,057,510	2,012,414
Payments to suppliers and employees		(1,693,872)	(1,706,073)
Interest received		85	293
Interest Paid (Lease)		(206)	-
Net GST paid		<u>(104,591)</u>	<u>(106,060)</u>
Net cash provided by operating activities		<u>258,926</u>	<u>200,574</u>
Cash flow from investing activities			
Payment for property, plant and equipment		<u>(4,050)</u>	<u>(3,735)</u>
Net cash used in investing activities		<u>(4,050)</u>	<u>(3,735)</u>
Cash flow from financing activities			
Principal portion of lease payments		<u>(49,194)</u>	-
Net cash used in financing activities		<u>(49,194)</u>	-
Reconciliation of cash			
Cash at beginning of the financial year		358,022	161,183
Net increase in cash held		<u>205,682</u>	<u>196,839</u>
Cash at end of financial year	15(a)	<u><u>563,704</u></u>	<u><u>358,022</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 Australian Taekwondo Limited as an individual entity. Australian Taekwondo Limited is a Company limited by guarantee, incorporated and domiciled in Australia. Australian Taekwondo Limited 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 earned a profit from ordinary activities of \$246,888 during the year ended 30 June 2020.

The directors have assessed the impact of COVID-19 to the Company's operations at least for the next 12 months from the date of signing these financial statements for the year ended 30 June 2020.

The Company has secured its grant funding for 2021 financial year amounting to \$347,000. The Company expect to receive its membership fee income at a reduced level due to reduction in membership following COVID-19 restrictions. While some competitions and events have been cancelled due to ongoing COVID-19 restrictions, the related expenses for these competitions and events would not be incurred. Further, the Company has the ability to curtail its activities if required.

Considering the above, the financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue from contracts with customers

The Company derives revenue from competition fees and membership fees. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods or services.

Revenue from competition and events are recognised in the period in which the events or competitions are held.

Membership fee revenue is recognised when the membership services are provided, which is typically based on the passage of time over the membership period.

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

Prior Year Revenue Policy

Membership fees are recognised as revenue when no significant uncertainty as to its collectability 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.

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

(d) Other revenue and other income

Government stimulus

Government stimulus payments are recognised when the Company meets the eligibility requirements of the stimulus payment and has a right to receive the income.

Interest

Interest revenue is measured in accordance with the effective interest method.

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

(e) Contributions - Government Grants and Donations

A non-reciprocal contribution or grant is recognised when the Company obtains control of the contribution or grant and it is probable that the economic benefits will flow to the Company, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the Company is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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*.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

Trade and other receivables

Trade and other receivables arise from the Company's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(h) Plant and equipment

Each class of plant and equipment is measured 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
Plant and equipment at cost	15%	Straight line
Computer equipment at cost	15-40%	Straight line

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets

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.

(j) 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.

(k) Comparatives

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

(l) New and revised accounting standards effective at 30 June 2020

The Company has applied all relevant new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
 - ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New and revised accounting standards effective at 30 June 2020 (Continued)

- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

In accordance with the transition requirements of AASB 16, the Company has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The Company has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognise each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- to adjust each right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of each right-of-use asset at the date of initial application; and
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of \$49,193 (referred to in these financial statements as “lease assets”) and corresponding lease liabilities with an aggregate carrying amount of \$49,193. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 5.03%.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New and revised accounting standards effective at 30 June 2020 (Continued)

The following is a reconciliation of non-cancellable operating lease commitments disclosed at the end of the prior reporting period (i.e., at 30 June 2019) to the aggregate carrying amount of lease liabilities recognised at the date of the initial application (i.e., at 1 July 2019):

	\$
Aggregate non-cancellable operating lease commitments at 30 June 2019	48,600
Plus: lease payments included in the measurement of lease liabilities and not previously included in non-cancellable operating lease commitments	800
Less: impact of discounting lease payments to their present value at 1 July 2019	<u>(207)</u>
Carrying amount of lease liabilities recognised at 1 July 2019	<u><u>49,193</u></u>

Further details of the Company's accounting policy in relation to accounting for leases under AASB 16 are contained in Note 1.

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) New and revised accounting standards effective at 30 June 2020 (Continued)

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the Company has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the Company's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(c) and Note 1(e).

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Competitions and Events - recognised at a point in time	355,728	561,735
Membership Fees - recognised over time	<u>409,885</u>	<u>420,665</u>
	<u><u>765,613</u></u>	<u><u>982,400</u></u>
 NOTE 3: OTHER REVENUE AND OTHER INCOME		
Interest income	85	293
Other Revenue - contributions, sponsorships & etc.	83,583	36,843
Cashflow Boost	62,500	-
JobKeeper subsidy	<u>27,000</u>	<u>-</u>
	<u><u>173,168</u></u>	<u><u>37,136</u></u>
 Grant Income	 <u><u>924,933</u></u>	 <u><u>847,604</u></u>
 NOTE 4: OPERATING PROFIT		
Profit before income tax has been determined after:		
Depreciation and amortisation expense		
- depreciation	4,132	2,242
- Intangible asset amortisation	-	433
- Lease asset amortisation	49,194	-
 NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	<u>563,704</u>	<u>358,022</u>
	<u><u>563,704</u></u>	<u><u>358,022</u></u>

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 6: RECEIVABLES		
CURRENT		
Trade receivables	31,050	17,695
Other receivables	<u>20,633</u>	<u>10,586</u>
	<u><u>51,683</u></u>	<u><u>28,281</u></u>
 NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	2,705	34,047
Other current assets	<u>(1,229)</u>	<u>2,622</u>
	<u><u>1,476</u></u>	<u><u>36,669</u></u>
 NOTE 8: INTANGIBLE ASSETS		
Website development	25,800	25,800
Accumulated amortisation	<u>(25,800)</u>	<u>(25,800)</u>
	<u><u>-</u></u>	<u><u>-</u></u>
 (a) Reconciliations		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Website development at cost</i>		
Opening balance	-	433
Amortisation expense	<u>-</u>	<u>(433)</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Plant and equipment at cost	7,785	3,735
Accumulated depreciation	<u>(2,685)</u>	<u>(374)</u>
	5,100	3,361
Computer equipment at cost	12,286	12,286
Accumulated depreciation	<u>(12,286)</u>	<u>(3,588)</u>
	<u>-</u>	<u>8,698</u>
Total plant and equipment	<u>5,100</u>	<u>12,059</u>
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Plant and equipment</i>		
Opening carrying amount	3,361	-
Additions	4,050	3,735
Depreciation expense	<u>(2,311)</u>	<u>(374)</u>
Closing carrying amount	<u>5,100</u>	<u>3,361</u>
<i>Computer equipment</i>		
Opening carrying amount	8,698	10,566
Depreciation expense	(1,821)	(1,868)
Impairment	<u>(6,877)</u>	<u>-</u>
Closing carrying amount	<u>-</u>	<u>8,698</u>

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: LEASE ASSETS AND LEASE LIABILITIES

Lease arrangements (30 June 2020)

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the Company for the first time in the current reporting period).

	2020
	\$
(a) Lease assets	
Land and buildings	
Buildings	
Under lease	<u>97,867</u>
(b) Lease liabilities	
CURRENT	
Lease liability	<u>77,950</u>
NON CURRENT	
Lease liability	<u>19,917</u>
Total carrying amount of lease liabilities	<u><u>97,867</u></u>

(c) Non-cancellable operating lease arrangements (30 June 2019)

The following information relates to non-cancellable operating lease arrangements of the prior reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 *Leases*.

	2019
	\$
- Not later than 1 year	<u>48,600</u>
Aggregate lease payments contracted for at reporting date	<u><u>48,600</u></u>

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	21,897	116,272
GST payable	10,870	15,044
Other payables	-	213
	<u>32,767</u>	<u>131,529</u>
 NOTE 12: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>22,288</u>	<u>26,671</u>
NON CURRENT		
Employee benefits	(a) <u>3,010</u>	<u>-</u>
(a) Aggregate employee benefits liability	25,298	26,671
 NOTE 13: OTHER LIABILITIES		
CURRENT		
Deferred income - membership fees	187,944	219,765
Grants received in advance	<u>72,000</u>	<u>-</u>
	<u>259,944</u>	<u>219,765</u>
 NOTE 14: RETAINED EARNINGS		
Retained earnings at beginning of year	57,066	(103,272)
Net profit	<u>246,888</u>	<u>160,338</u>
	<u>303,954</u>	<u>57,066</u>
 NOTE 15: 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>563,704</u>	<u>358,022</u>
	<u>563,704</u>	<u>358,022</u>

AUSTRALIAN TAEKWONDO LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

Due to COVID-19 restrictions all competition and events have been cancelled until March 2021, the company is closely monitoring ongoing COVID-19 developments and related operational restrictions which may allow events and competitions to resume earlier. Given the dynamic nature of the measures being implemented on the economy to control and slow the outbreak, the related impact on the Company's go forward results of operation, cash flows and financial conditions, will be reflected in the Company's future financial statements.

There has been no other matter or circumstance, which has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2020, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2020, of the Company.

NOTE 17: 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 obligations of the Company. At 30 June 2020 the number of members was 7. The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$7.

NOTE 18: COMPANY DETAILS

The registered office of the Company is:

Australian Taekwondo Limited
4 Babbacombe Drive
Moana height, SA 5169

AUSTRALIAN TAEKWONDO LIMITED
ABN: 69167216033

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 - 23, 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 2020 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: _____

S Lew

Dated this 7th day of November 2020