

**TKD Sports Taekwondo  
Australia Ltd**  
**ABN 69167216033**

Financial report  
For the year ended 30 June 2016

**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 for the year ended 30 June 2016 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:

- S J Lee (Appointed - 7 January 2014)
- D Trenton (Appointed - 7 January 2014)
- H Iskandar (Appointed - 15 September 2014)
- J W Walker (Appointed - 15 September 2014)
- R C Di Renzo (Appointed - 15 September 2014)
- L C McCoach (Appointed - 15 June 2015)
- A Austin (Appointed - 15 June 2015)
- J Kotsifas (Appointed - 7 January 2014; Resigned - 27 September 2015)
- D Crkvencic (Appointed - 15 September 2014; Resigned - 27 September 2015)

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);
- build the capacity of Taekwondo and its stakeholders to facilitate growth and development and provide appropriate services aligned with the aspirations of our participants;

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.

**DIRECTORS' REPORT**

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

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
- 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.

**Information on directors**

<b>S J Lee</b>	Director
Experience	Ten years experience in ACT Government Sport & Recreation. Operating own company covering Civil Construction. Accredited Migration Agent for ten years.
Special responsibilities	Company secretary and Secretary General - resigned 27 September 2015
<b>D Trenton</b>	Director
Experience	Lawyer, former Olympic athlete and coach.
Special responsibilities	President - appointed 27 September 2015
<b>H Iskandar</b>	Director
Experience	Diploma in Management and Marketing, fifteen years experience in sports administration.
Special responsibilities	Secretary General - appointed 27 September 2015
<b>J W Walker</b>	Director
Experience	Investment Banker, seventeen years experience in banking. Former Chief Executive Officer of a Government department.
Special responsibilities	Chairman

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

**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>R C Di Renzo</b>	Director
Experience	Lawyer, over ten years experience in legal practice.
Special responsibilities	Chair of Audit and Risk Committee
<b>L C McCoach</b>	Director
Experience	Lawyer, Over ten years experience in debt capital markets and holds various non-executive director positions.
Special responsibilities	-
<b>A Austin</b>	Director
Experience	Managing Director, twenty five years experience in change management consulting, specialising in talent management, executive recruitment and executive coaching.
Special responsibilities	Nominations Committee Chair
<b>J Kotsifas</b>	Director
Experience	Lawyer, over ten years experience in legal practice.
Special responsibilities	President - resigned 27 September 2015
<b>D Crkvencic</b>	Director
Experience	Manager, over twenty years experience in running his own company in sports sector.
Special responsibilities	-

**Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
S J Lee	6	4
D Trenton	6	4
H Iskandar	6	6
J W Walker	6	6
R C Di Renzo	6	6
L C McCoach	6	6
A Austin	6	5
J Kotsifas	2	2
D Crkvencic	2	2

TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033

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 outstandings and obligations of the company. At 30 June 2016 the number of members was 5. The combined total amount that members of the company are liable to contribute if the company is wound up is \$5.


**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:

Signed in accordance with a resolution of the board of directors.

Director:   
John Walker

Director:   
RAFFAELE DI RENZO

Dated this 20 day of October 2016



# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

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## 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 period ended 30 June 2016, 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: 21 October 2016

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Revenue and other income</b>			
Revenue	2	641,517	1,161,027
Other revenue	2	101,357	203,986
Other income	2	<u>159,900</u>	<u>-</u>
	2	<u>902,774</u>	<u>1,365,013</u>
<b>Less: expenses</b>			
Depreciation and amortisation expense	3	(3,879)	-
Employee benefits expense		(248,417)	(88,852)
Occupancy expense		(4,000)	(12,000)
Finance costs		(2,932)	-
Marketing and promotion expenses		(28,190)	-
Consultants fee		(30,059)	-
Board expenses		(39,394)	(33,264)
Administration expenses		(286,916)	(117,260)
Events expenditure	3	(392,516)	(1,029,368)
Other expenses		<u>(28,748)</u>	<u>(44,062)</u>
		<u>(1,065,051)</u>	<u>(1,324,806)</u>
<b>Profit / (loss) before income tax expense</b>		(162,277)	40,207
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u>(162,277)</u>	<u>40,207</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 2016**

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	4	261,444	316,500
Receivables	5	<u>35,484</u>	<u>130,780</u>
<b>Total current assets</b>		<u>296,928</u>	<u>447,280</u>
<b>Non-current assets</b>			
Intangible assets	7	16,625	-
Property, plant and equipment	6	<u>6,406</u>	<u>4,091</u>
<b>Total non-current assets</b>		<u>23,031</u>	<u>4,091</u>
<b>Total assets</b>		<u>319,959</u>	<u>451,371</u>
<b>Current liabilities</b>			
Payables	8	57,422	56,530
Other liabilities	9	<u>390,471</u>	<u>360,498</u>
<b>Total current liabilities</b>		<u>447,893</u>	<u>417,028</u>
<b>Total liabilities</b>		<u>447,893</u>	<u>417,028</u>
<b>Net assets</b>		<u>(127,934)</u>	<u>34,343</u>
<b>Equity</b>			
Retained earnings	10	<u>(127,934)</u>	<u>34,343</u>
<b>Total equity</b>		<u>(127,934)</u>	<u>34,343</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 2016

	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2014</b>	(5,864)	(5,864)
Profit for the year	<u>40,207</u>	<u>40,207</u>
<b>Total comprehensive income for the year</b>	<u>40,207</u>	<u>40,207</u>
<b>Balance as at 30 June 2015</b>	<u>34,343</u>	<u>34,343</u>
<b>Balance as at 1 July 2015</b>	34,343	34,343
Profit/(loss) for the year	<u>(162,277)</u>	<u>(162,277)</u>
<b>Total comprehensive income for the year</b>	<u>(162,277)</u>	<u>(162,277)</u>
<b>Balance as at 30 June 2016</b>	<u>(127,934)</u>	<u>(127,934)</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 2016**

	Note	2016	2015
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from operations		1,177,795	1,505,181
Payments to suppliers and employees		(1,111,726)	(1,363,883)
Finance costs		(2,932)	-
Net GST paid		<u>(91,283)</u>	<u>(1,376)</u>
<b>Net cash provided by / (used in) operating activities</b>		<u>(28,146)</u>	<u>139,922</u>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		(6,510)	(4,091)
Payment for other non current assets		<u>(20,400)</u>	<u>-</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>(26,910)</u>	<u>(4,091)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		316,500	180,669
Net increase / (decrease) in cash held		<u>(55,056)</u>	<u>135,831</u>
<b>Cash at end of financial year</b>	11(a)	<u><u>261,444</u></u>	<u><u>316,500</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 2016**

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

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

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

The financial report is for the entity 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 following is a summary of the material 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 \$162,277 during the year ended 30 June 2016, and as at that date the company's total liabilities exceeded total assets by \$127,934.

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 and generate profits to move the entity into a positive net asset position in the future. Further, the Directors have identified the expenses or activities that can be controlled or curtailed if there is a requirement.

**(c) Revenue**

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

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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

**(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) Property, 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 property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Computer equipment at cost	40%	Straight line

**(f) Intangibles**

Other intangible assets other than those acquired in a business combination are initially recorded at cost. Other intangible assets are amortised on a straight line basis over the period of 5 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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

**(h) Comparatives**

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

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Revenue		
Revenue - competitions	197,589	670,092
Membership fees	<u>443,928</u>	<u>490,935</u>
	<u>641,517</u>	<u>1,161,027</u>
Donations	30,002	-
Other revenue	<u>71,355</u>	<u>203,986</u>
	<u>101,357</u>	<u>203,986</u>
Grant income	<u>159,900</u>	-
	<u>159,900</u>	-
	<u>902,774</u>	<u>1,365,013</u>

**NOTE 3: OPERATING PROFIT**

Profit / (losses) before income tax has been determined after:

Depreciation and amortisation expense		
- depreciation	104	-
- amortisation	<u>3,775</u>	<u>-</u>
	<u>3,879</u>	<u>-</u>
Foreign currency translation losses / (gains)	351	-
Employee benefits:		
- Other employee benefits	248,417	88,852

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: OPERATING PROFIT (CONTINUED)</b>		
Events expenditure		
- Domestic competitions	93,328	301,759
- International competitions	170,230	591,621
- Kukkiwon expenses	56,627	47,210
- Merchandise	12,695	25,556
- Referees expenses	5,790	-
- World Taekwondo Federation expenses	19,914	63,222
- Oceania Taekwondo Union expenses	4,112	-
- 2016 Olympics expenses	8,033	-
- Other expenses - High Performance	<u>21,787</u>	<u>-</u>
	<u>392,516</u>	<u>1,029,368</u>

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash at bank	<u>261,444</u>	<u>316,500</u>
	<u>261,444</u>	<u>316,500</u>

**NOTE 5: RECEIVABLES**

**CURRENT**

Trade debtors	<u>35,484</u>	<u>130,780</u>
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**Aged analysis**

Trade and other receivables ageing analysis at 30 June is:

	<b>Gross</b>	<b>Impairment</b>	<b>Gross</b>	<b>Impairment</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not past due	11,000	-	129,840	-
Past due 31-60 days	2,237	-	940	-
Past due 61-90 days	<u>22,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>35,484</u>	<u>-</u>	<u>130,780</u>	<u>-</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Computer equipment at cost	6,510	4,091
Accumulated depreciation	<u>(104)</u>	<u>-</u>
	<u>6,406</u>	<u>4,091</u>
Total property, plant and equipment	<u>6,406</u>	<u>4,091</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	4,091	-
Additions	6,510	4,091
Depreciation expense	(104)	-
Write-off of assets	<u>(4,091)</u>	<u>-</u>
Closing carrying amount	<u>6,406</u>	<u>4,091</u>

**NOTE 7: INTANGIBLE ASSETS**

Website development	20,400	-
Accumulated amortisation	<u>(3,775)</u>	<u>-</u>
	<u>16,625</u>	<u>-</u>

At 30 June 2016, the remaining number of years for website development amortisation is 4 years.

**(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	-	-
Additions	20,400	-
Amortisation expense	<u>(3,775)</u>	<u>-</u>
Closing balance	<u>16,625</u>	<u>-</u>

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



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

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 8: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	41,431	16,604
GST credits	<u>15,991</u>	<u>39,926</u>
	<u><u>57,422</u></u>	<u><u>56,530</u></u>

**NOTE 9: OTHER LIABILITIES**

CURRENT		
Deferred income - membership fees	224,471	210,498
Grants received in advance	<u>166,000</u>	<u>150,000</u>
	<u><u>390,471</u></u>	<u><u>360,498</u></u>

**NOTE 10: RETAINED EARNINGS**

Retained earnings at beginning of year	34,343	(5,864)
Net profit / (loss)	<u>(162,277)</u>	<u>40,207</u>
	<u><u>(127,934)</u></u>	<u><u>34,343</u></u>

**NOTE 11: 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>261,444</u>	<u>316,500</u>
	<u><u>261,444</u></u>	<u><u>316,500</u></u>

**NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2016 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2016, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2016, of the company.

**TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 13: 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 2016 the number of members was 5. The combined total amount that members of the company are liable to contribute if the company is wound up is \$5.

TKD SPORTS TAEKWONDO AUSTRALIA LTD  
ABN 69167216033

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 - 16, are in accordance with the *Corporations Act 2001*; and
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 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: \_\_\_\_\_  
John Walker



Director: \_\_\_\_\_  
RAFFAELE DI RENZO

Dated this 20 day of October 2016



# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

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

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

We have audited the accompanying financial report of TKD Sports Taekwondo Australia Ltd "the company", which comprises the statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Basis for Qualified Opinion*

A Disclaimer of Opinion was issued for the financial year ended 30 June 2015 due to non-retention of relevant documentation to support the transactions entered into the accounting system during the first six months of the 2015 financial year. We were therefore unable to obtain sufficient appropriate audit evidence to substantiate the deferred membership fee balance of \$210,498 as at 30 June 2015.

Membership fee revenue for the year ended 30 June 2016 includes \$210,498 of revenue relating to the deferred membership fee balance brought forward from the 2015 financial year. Consequently, we were unable to determine whether any adjustments to the revenue or deferred membership fee were necessary.

*Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the 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 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



A P FAULKNER  
PRINCIPAL

Date: 21 October 2016



PITCHER PARTNERS  
Adelaide