

Management Report

Sports Environment Alliance

ABN 81 622 341 419

For the 3 months ended 30 June 2021

Prepared by HLB Mann Judd (Vic) Pty Ltd

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Executive Summary

Sports Environment Alliance For the 3 months ended 30 June 2021

Overview

For the June 2021 quarter SEA reported a net **loss of \$28,916**.

The full year position is a net **profit of \$15,150** (please see NOTE to the accounts below).

The quarter position is a slightly greater loss than budgeted, primarily due to a significant increase in human resource costs which was partially offset by the deferral of the SEA awards ceremony expenses (due to COVID-19 Victorian lockdowns) and unbudgeted new partner and consulting income.

Key Highlights

Income

Income from membership renewals and SEA Awards ticket sales were boosted with additional consulting income and (Moreland City Council) and a new partner (ePar).

Expenses

Despite the deferral of the SEA Awards event, overall expenses were higher than anticipated due to SEA operational team movements.

[NOTE to the accounts – Event Subsequent to Balance Date.

Income related to the SEA awards ceremony has been received and recognised in FY2021. However, due to the Victorian COVID-19 lockdown and extension, the event did not occur in FY2021. Due to the uncertainty of the situation, and the occurrence of these circumstances arising subsequent to balance date of 30 June 2021, the SEA awards ceremony expenses (estimated to in the realm of \$12,000.00) will be incurred and recognised in FY2022.]

Balance sheet

SEA's ending cash balance is in a strong position due to inclusion of COVID-19 grants and the pre-payment of consulting (YMCA).

The quarter ending accounts receivable is based off the issuance of member renewals in June 2021 and unearned income reflecting member renewals paid in the quarter which will be moved off balance sheet and into the FY2022 P&L.

Profit and Loss

Sports Environment Alliance For the 3 months ended 30 June 2021

APR-JUN 2021 12 MONTHS 2021 12 MONTHS 2020

Income

Operating Income

Income

Consultancy Income	4,125	17,625	17,400
Function & Event Income	3,493	6,899	-
Function & Event Income - sponsors	-	32,750	3,250
Govt Stimulus	-	10,000	20,000
Grants - Govt	-	30,000	15,000
Memberships	5,828	66,749	74,561
Partnership Income	2,750	16,750	10,000
Sundry Income	47	47	4
Total Income	16,243	180,820	140,215

Total Operating Income

Total Income	16,243	180,820	140,215
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Total Income

16,243 180,820 140,215

Expenses

Foreign Currency Gains and Losses	4	4	196
Accounting Fees	-	1,001	5,842
Bank fees	-	89	-
Catering	196	1,726	324
Client Meetings	-	-	36
Computer Supplies	27	27	187
Consulting Fees	7,300	11,750	401
Contractors	6,505	13,080	3,225
Computers and Software Expense	-	23	-
Dues & Subscriptions	1,031	3,916	1,366
General Administration	-	-	8
Insurance	-	2,831	2,252
Internet Service Provider	123	491	287
IT Support	-	6,772	-
Marketing & Promotions Expense	-	-	4,000
Merchant Fees	251	327	46
Office Supplies	-	-	4
Postage	-	8	9
Presentations	-	1	-
Presents / Gifts	234	2,228	584
Printing & Stationary	-	19	81
S&W Salaries	24,763	93,069	91,907
S&W Superannuation	2,260	8,686	8,490

APR-JUN 2021 12 MONTHS 2021 12 MONTHS 2020

S&W WorkCare	-	-	773
Seminars & Workshops	-	500	-
Staff / Volunteers Training	908	1,225	439
Staff Meals & Entertainment	361	717	313
Staff Travel	247	332	136
Stakeholder Meeting Expenses	209	578	1,105
Stakeholder Servicing	-	15,000	15,000
Travel Expenses	549	945	3,744
Trophies	191	191	-
Venue Hire Expense	-	136	9
Total Expenses	45,159	165,671	140,761
Period Net Income / (Loss)	(28,916)	15,150	(547)

Balance Sheet

Sports Environment Alliance As at 30 June 2021

	30 JUN 2021	31 MAR 2021	30 JUN 2020
Assets			
Current Assets			
SEA Cash Account	58,986	67,713	82,681
Paypal	6,434	3,186	1,875
Prepayments	3,766	1,639	1,639
Suspense Account	-	-	68
Receivables			
Accounts Receivable	70,852	1,127	27,518
Sundry Debtors	-	-	-
Total Receivables	70,852	1,127	27,518
Total Current Assets	140,038	73,665	113,782
Non-Current Assets			
Computer Software Accum Dep'n	(878)	(878)	(878)
Computer & Software at Cost	878	878	878
Total Non-Current Assets	-	-	-
Total Assets	140,038	73,665	113,782
Liabilities			
Current Liabilities			
GST	12,288	3,239	7,415
Accounts Payable	1,919	2,470	-
Credit Card (ANZ)	(36)	(36)	(36)
FBT Provision	-	-	-
PAYG Withholding Payable	10,798	5,118	3,594
Prepaid Grants	-	-	5,000
Rounding	-	-	-
Salary Sacrifice Clearing	-	-	-
Superannuation Payable	1,704	2,235	1,703
Unpaid Expense Claims	-	58	-
Wages Payable - Payroll	-	-	1
Total Current Liabilities	26,674	13,084	17,677
Unearned Income			
Prepaid Income - Membership & Sponsorship	81,700	1	79,590
Total Unearned Income	81,700	1	79,590
Total Liabilities	108,373	13,084	97,266
Net Assets	31,665	60,581	16,515
Equity			
Retained Earnings	31,665	60,581	16,515
Total Equity	31,665	60,581	16,515

Notes to the Financial Statements

Sports Environment Alliance For the 3 months ended 30 June 2021

1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to directors and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the users of the organisation's financial information.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Income Tax & GST

The organisation is exempt from income tax expense. It is registered for Goods & Services Tax and remits this to the ATO on a quarterly basis on a cash received / cash paid basis.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Debtors and Other Receivables

Unpaid invoices at balance date are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2021. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition Policy

Income is recognised on an accruals basis in the financial statements in line with the expected period that SEA anticipates its services being provided in.

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

APR-JUN 2021 JAN-MAR 2021

2. Cash and Cash Equivalents

Bank Accounts

SEA Cash Account	58,986	67,713
Paypal	6,434	3,186
Total Bank Accounts	65,420	70,899
Total Cash and Cash Equivalents	65,420	70,899

APR-JUN 2021 JAN-MAR 2021

3. Receivables

Current

Sundry Debtors	-	-
Accounts Receivable	70,852	1,127
Total Current	70,852	1,127
Total Receivables	70,852	1,127

APR-JUN 2021 JAN-MAR 2021

4. Property Plant and Equipment

Plant and Equipment

Plant and Equipment at Cost

Computer & Software at Cost	878	878
Total Plant and Equipment at Cost	878	878
Accumulated Depreciation of Plant and Equipment	(878)	(878)
Total Plant and Equipment	-	-

Total Property Plant and Equipment

APR-JUN 2021 JAN-MAR 2021

5. Unearned Income

Prepaid Income - Membership & Sponsorship	81,700	1
Total Unearned Income	81,700	1

Explanatory note to Unearned Income

At 30 June 2021 SEA has determined membership income received in May and June 2021 relates to 2021-2022 income and as such have treated that income as unearned. Also included in unearned income is \$8,400 of Victoria University Partnership income, and \$28,500 of the YMCA Consulting contract income invoiced in June 2021.

APR-JUN 2021 JAN-MAR 2021

6. Payables

Current

GST	12,288	3,239
Superannuation Payable	1,704	2,235

	APR-JUN 2021	JAN-MAR 2021
PAYG Withholding Payable	10,798	5,118
Accounts Payable	1,919	2,470
Unpaid Expense Claims	-	58
Total Current	26,710	13,120
Total Payables	26,710	13,120

Profit and Loss - Year to Date Budget Variance Report

Sports Environment Alliance For the 3 months ended 30 June 2021

	FULL YEAR 2021 (ACTUAL)	FULL YEAR 2021 BUDGET (REVISED)	VARIANCE (\$) ON YEARLY BUDGET	VARIANCE (%) ON YEARLY BUDGET
Income				
Operating Income				
Revenue				
Consultancy Income	17,625	13,750	3,875	28
Function & Event Income	6,899	6,406	493	8
Function & Event Income - sponsors	32,750	38,500	(5,750)	(15)
Govt Stimulus	10,000	10,000	-	-
Grants - Govt	30,000	30,000	-	-
Memberships	66,749	64,665	2,084	3
Partnership Income	16,750	13,750	3,000	22
Sundry Income	47	-	47	-
Total Revenue	180,820	177,071	3,749	2
Total Operating Income	180,820	177,071	3,749	2
Total Income	180,820	177,071	3,749	2
Expenses				
Foreign Currency Gains and Losses	4	-	4	-
Accounting Fees	1,001	1,001	-	-
Bank fees	89	-	89	-
Catering	1,726	9,530	(7,804)	(82)
Computer Supplies	27	1,250	(1,223)	(98)
Consulting Fees	11,750	10,650	1,100	10
Contractors	13,080	14,987	(1,907)	(13)
Computers and Software Expense	23	23	-	(1)
Dues & Subscriptions	3,916	1,978	1,938	98
Entertainment	-	450	(450)	(100)
Insurance	2,831	2,831	-	-
Internet Service Provider	491	470	21	4
IT Support	6,772	8,221	(1,449)	(18)
Legal Fees	-	2,000	(2,000)	(100)
Marketing & Promotions Expense	-	300	(300)	(100)
Merchant Fees	327	288	39	14
Postage	8	133	(125)	(94)
Presentations	1	-	1	-
Presents / Gifts	2,228	1,064	1,164	109
Printing & Stationary	19	194	(176)	(90)

	FULL YEAR 2021 (ACTUAL)	FULL YEAR 2021 BUDGET (REVISED)	VARIANCE (\$) ON YEARLY BUDGET	VARIANCE (%) ON YEARLY BUDGET
Programs Expense	-	15,000	(15,000)	(100)
S&W Salaries	93,069	80,063	13,006	16
S&W Superannuation	8,686	7,567	1,119	15
Seminars & Workshops	500	500	-	-
Staff / Volunteers Training	1,225	809	416	51
Staff Meals & Entertainment	717	856	(139)	(16)
Staff Travel	332	500	(168)	(34)
Stakeholder Meeting Expenses	578	424	154	36
Stakeholder Servicing	15,000	-	15,000	-
Travel Expenses	945	1,914	(969)	(51)
Trophies	191	-	191	-
Venue Hire Expense	136	-	136	-
Total Expenses	165,671	163,003	2,668	2
Period Profit / (Loss) against Budget	15,150	14,068	1,082	8