

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Financial Statements

For the Year Ended 30 June 2019

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Contents

For the Period Ended 30 June 2019

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	19
Independent Audit Report	20
Disclaimer to the Detailed Statement of Income and Expenditure	22

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Directors' Report

30 June 2019

The directors present their report, together with the financial statements of the Company, being the Company and its controlled entities, for the financial year ended 30 June 2019.

General information

Directors

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

Names	Appointed/Resigned
Michael Godfrey	
Neal Molineaux	
David Sloss	Resigned June 2019
Leon Budden	
Bethany Paterson	Appointed June 2018
Jared King	Appointed June 2019
Adam Stewart	Appointed June 2018

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

Principal activities

The principal activities of the Company during the financial year were to provide a volunteer based organisation that is secular and no-partisan, promoting active citizenship and charitable outcomes.

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

Members' guarantee

Association of Apex Clubs of Australia Inc. and Its Controlled Entities is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members that are corporations and \$ 10 for all other members, subject to the provisions of the company's constitution.

Operating results and review of operations for the year

Operating results

The consolidated profit of the Company amounted to \$ 21,608 (2018: \$ 7,181).

Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Company during the year.

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Directors' Report

30 June 2019

Other items

Events after the reporting date

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had on the Company based on known information. At this stage, there has been no material impact on the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has and whilst it has not impacted for the Company up to 30 June 2019, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Liam Scott has been the company secretary since 2019.

Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Michael Godfrey	13	13
Neal Molineaux	13	13
David Sloss	13	11
Leon Budden	13	13
Bethany Paterson	13	13
Jared King	-	-
Adam Stewart	13	12

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Association of Apex Clubs of Australia Inc. and Its Controlled Entities.

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Directors' Report


30 June 2019

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Neal Molineaux

Director: 
Leon Budden

Dated this 29 day of October 2020

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Association of Apex Clubs of Australia Inc. and Its Controlled Entities and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd

29 October 2020

Toowoomba

Association of Apex Clubs of Australia Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	4	173,512	235,388
Interest received		244	269
Gain/(loss) on Foundation investments	4	72,233	51,568
National Convention		(12,481)	(19,022)
National Board and Regional Communicator		(33,058)	(23,548)
Allowances and rebates		(17,466)	(17,050)
International relations		(7,054)	-
Insurance expense		(77,982)	(80,145)
Secretary expenses		(36,000)	(59,947)
Other expenses		(40,340)	(80,332)
Profit before income tax		21,608	7,181
Income tax expense		-	-
Profit for the year		21,608	7,181
Other comprehensive income, net of income tax			
Revaluation changes for property, plant and equipment		-	-
Total comprehensive income for the year		21,608	7,181

Association of Apex Clubs of Australia Inc.

Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	114,370	134,238
Trade and other receivables	6	35,936	8,241
Inventories		620	620
Foundation investments	7	-	213,068
Loans to Overseas Relief Fund	8	16,713	13,876
Prepayments		12,452	18,847
TOTAL CURRENT ASSETS		<u>180,091</u>	<u>388,890</u>
NON-CURRENT ASSETS			
Foundation investments	7	1,146,744	910,995
TOTAL NON-CURRENT ASSETS		<u>1,146,744</u>	<u>910,995</u>
TOTAL ASSETS		<u>1,326,835</u>	<u>1,299,885</u>
LIABILITIES			
CURRENT LIABILITIES			
GST payable/(receivable)		3,927	(1,415)
TOTAL CURRENT LIABILITIES		<u>3,927</u>	<u>(1,415)</u>
NON-CURRENT LIABILITIES			
Other liabilities		-	-
TOTAL LIABILITIES		<u>3,927</u>	<u>(1,415)</u>
NET ASSETS		<u>1,322,908</u>	<u>1,301,300</u>
EQUITY			
Reserves		792,444	792,444
Retained earnings		530,464	508,856
TOTAL EQUITY		<u>1,322,908</u>	<u>1,301,300</u>

Association of Apex Clubs of Australia Inc.

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Capital Profits Reserve	Young Apexians Leadership Fund	Apex Australia Club Marketing Fund	Founders' Fund	National Relief Fund	Apex Founders Club	Bruce Kelman Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	508,856	642,592	30,242	63,911	10,999	30,258	11,360	3,083	1,301,300
Profit for the year	21,608	-	-	-	-	-	-	-	21,608
Balance at 30 June 2019	530,464	642,592	30,242	63,911	10,999	30,258	11,360	3,083	1,322,908

2018

	Retained Earnings	Capital Profits Reserve	Young Apexians Leadership Fund	Apex Australia Club Marketing Fund	Founders' Fund	National Relief Fund	Apex Founders Club	Bruce Kelman Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	501,675	642,592	30,242	63,911	10,999	30,258	11,360	3,083	1,294,120
Profit for the year	7,181	-	-	-	-	-	-	-	7,181
Balance at 30 June 2018	508,856	642,592	30,242	63,911	10,999	30,258	11,360	3,083	1,301,300

Association of Apex Clubs of Australia Inc.

Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	166,191	226,947
Payments to suppliers and employees	(238,800)	(281,704)
Interest received	244	269
Other receipts	2,945	10,455
Net cash provided by/(used in) operating activities	11 (69,420)	(44,033)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Apex Foundation investments	49,552	96,974
Net cash provided by/(used in) investing activities	49,552	96,974
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(19,868)	52,941
Cash and cash equivalents at beginning of year	134,238	81,297
Cash and cash equivalents at end of financial year	5 114,370	134,238

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Association of Apex Clubs of Australia Inc. and Its Controlled Entities ('the Company'). Association of Apex Clubs of Australia Inc. and Its Controlled Entities is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Each of the entities within the Company prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors' opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

(a) The Reporting Entity

The Company controls subsidiaries as listed below. The financial statements include the value of all income, expenses, assets, liabilities and equity for the consolidated Company as an individual entity.

Parent Entity

Association of Apex Clubs of Australia Inc. ABN: 52 057 197 350

Subsidiaries

Apex Consolidated Industries Limited ABN: 29 003 539 142 (Ownership 100%)

Apex Charitable Fund Incorporated ABN: 78 103 798 186 (Sole Member)

2 Summary of Significant Accounting Policies

(a) Revenue and other income

The revenue recognition policies for the principal revenue streams of the Company are:

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Board of Directors have self-assessed their income tax status and believe they are exempt from income tax under section 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Financial instruments

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

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

Financial assets

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

Classification

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

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

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Financial assets through profit or loss

All financial assets held with Apex Foundation are measured at FVTPL.

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

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

Impairment of financial assets

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

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

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

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

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

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

Trade receivables and contract assets

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

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

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

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

Other financial assets measured at amortised cost

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

Financial liabilities

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

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(e) Cash and cash equivalents

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

(f) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(g) Accounting Standards Issued but not yet Effective and not been Adopted Early by the Company

A number of new standards have been issued but are not yet effective for the year ended 30 June 2019. Information on the more significant standards is presented below.

AASB 15 Revenue from Contracts with Customers

This standard replaces AASB 118 Revenue, AASB 11 Construction Contracts and some revenue related Interpretations and:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;
- provided new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing); and
- expands and improves disclosure about revenue

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(g) Accounting Standards Issued but not yet Effective and not been Adopted Early by the Company

AASB 15 Revenue from Contracts with Customers

The Company has undertaken a detailed assessment of the impact of AASB 15. Based on the Company's assessment, the Standards is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 1058 Income of Not for Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to notforprofit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- contributions by owners;
- revenue, or a contract liability arising from a contract with a customer;
- a lease liability;
- a financial instrument; or
- a provision

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Company has undertaken a review of the future effect of the adoption of AASB 1058 Income of Not for Profit Entities. Based on the Company's assessment, the Standards is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies

(g) Accounting Standards Issued but not yet Effective and not been Adopted Early by the Company

AASB 16 Leases

IAASB 16:

- replaces AASB 117 Leases and some lease related Interpretations;
- requires all leases to be accounted for 'on balance sheet' by lessees, other than short term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosure about leases.

The Company undertook a review of the future effect of the adoption of AASB 16 Leases. When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue		
- National fees	169,479	220,073
- Other income	4,033	15,315
	<u>173,512</u>	<u>235,388</u>
Gain/(Loss) on Foundation Investments		
- Income distributed	93,878	60,388
- Gain on asset disposals	-	31,017
- Movement in market value	-	(16,641)
- Central overheads	(21,645)	(23,195)
	<u>72,233</u>	<u>51,568</u>

5 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	114,370	134,238
	<u>114,370</u>	<u>134,238</u>

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	35,936	12,837
Provision for impairment	-	(4,596)
Total current trade and other receivables	<u>35,936</u>	<u>8,241</u>

Accounting Policy

Trade and other receivables relate primarily to national fees charged to Clubs but not yet received. It was assessed that any expected credit loss would be insignificant to the financial statements.

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Foundation Investments

	2019 \$	2018 \$
CURRENT		
Charitable Reserve Trust - Apex Foundation	-	213,068
	-	213,068
NON-CURRENT		
Charitable Reserve Trust - Apex Foundation	216,943	-
Mascot Reserve Trust - Apex Foundation	929,801	910,995
	1,146,744	910,995
Total	1,146,744	1,124,063

Accounting Policy

The Company has established trust funds with Apex Foundation for the purpose of investment of Trust monies. Gains and losses to the investment balances are recorded in the statement of profit or loss and other comprehensive income.

8 Loans to Overseas Relief Fund

Loans to the Overseas Relief Fund represent funds contributed to the Fund that the Company expects to recover from future fund receipts.

9 Contingencies and Commitments

Contracted Commitments

The Company had no commitments for expenditure as at 30 June 2019 and 30 June 2018.

Contingent Liabilities

The Company had no contingent liabilities as at 30 June 2019 and 30 June 2018.

10 Auditors' Remuneration

	2019 \$	2018 \$
Woods Financial Services		
- auditing the financial statements	3,000	-
LBW & Partners		
- auditing the financial statements	-	8,000

Association of Apex Clubs of Australia Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Profit for the year	21,608	7,181
Cash flows excluded from profit attributable to operating activities		
- Investment income	(72,233)	(49,554)
Non-cash flows in profit:		
- bad debts	(10,616)	5,367
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(17,079)	(3,392)
- (increase)/decrease in prepayments	6,395	4,757
- (increase)/decrease in inventories	-	4,309
- increase/(decrease) in trade and other payables	5,343	(4,600)
- (increase)/decrease in related party loan	(2,837)	(8,101)
Cashflows from operations	<u>(69,420)</u>	<u>(44,033)</u>

12 Events after the end of the Reporting Period

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had on the Company based on known information. At this stage, there has been no material impact on the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has and whilst it has not impacted for the Company up to 30 June 2019, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

13 Statutory Information

The registered office and principal place of business of the company is:

Association of Apex Clubs of Australia Inc.

Sydney, NSW, 2000

Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Directors' Declaration

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 18, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards to the extent stated in Note 1; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
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
Neal Molineaux

Director
Leon Budden

Dated 22 October 2020

Independent Audit Report to the Members of Association of Apex Clubs of Australia Inc. and Its Controlled Entities

Qualified Opinion

We have audited the financial report of Association of Apex Clubs of Australia Inc. and Its Controlled Entities, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

This being our initial audit engagement, we were not able to obtain sufficient appropriate audit evidence that the comparative figures as presented in the financial statements did not contain misstatements that materially affect the current financial statements. Accordingly, no opinion is expressed on comparative figures, or on the potential impact that this may have on the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity or the statement of cash flows.

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 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 qualified opinion.

Other Matter

The financial report of the Association for the year ended 30 June 2018 was audited by another auditor who expressed a modified audit opinion dated 21 February 2019.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Company to meet the requirements of the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Board of Directors' Responsibility for the Financial Report

The Board of Directors of the Association of Apex Clubs of Australia Inc. and Its Controlled Entities are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Corporations Act 2001 and for such internal control as the Board of Directors determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Independent Audit Report to the Members of Association of Apex Clubs of Australia Inc. and Its Controlled Entities

In preparing the financial report, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of 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.

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

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d) Conclude on the appropriateness of the Board of 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 of the Company.
- e) 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 those charged with governance 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.



Mr Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd
619 Ruthven Street
Toowoomba Qld 4350

30 October 2020

Association of Apex Clubs of Australia Inc.

Disclaimer to the Detailed Statement of Income and Expenditure For the Year Ended 30 June 2019

The additional financial data presented on pages 23 - 26 is in accordance with the books and records of the Group which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Association of Apex Clubs of Australia Inc. and Its Controlled Entities) in respect of such data, including any errors or omissions therein however caused.



Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd

Toowoomba
30 October 2020

Association of Apex Clubs of Australia and Its Controlled Entities
Detailed Statement of Income and Expenditure
Association of Apex Clubs of Australia Inc
For the Year Ended 30 June 2019

	2019 \$	2018 \$
INCOME		
Interest Received	125	120
AGM Registration	-	(390)
Gain/(Loss) on Foundation Investments		
Income Distributed	-	2,464
Gain on Asset Disposals	-	155
Movement in Market Value	-	177
Central Overheads	-	(781)
Net Gain/(Loss) on Foundation Investments	-	2,015
Sundry Income	4,033	7,798
National Fees	169,479	220,073
TOTAL INCOME	173,637	229,616
EXPENDITURE		
National Convention		
Awards and Donations	3,625	1,242
Delegate Registration	3,245	5,000
Delegate Accommodation	4,233	1,464
Finalisation Prior Year Convention	-	5,000
National Convention Travel Fund	1,379	6,225
Sundry	-	91
	12,481	19,022
National Board and Regional Communicator		
Apex Apparel and Badges	1,950	1,728
Board Meeting Travel	17,969	19,197
Board Meetings - Venue and Accommodation	4,236	2,623
Regional Communicator Travel, Training and Accommodation	7,976	-
Member Training	927	-
	33,058	23,548
Allowances and Rebates		
National President	7,318	8,050
National Board and Regional Committee	9,500	9,000
Regional Communicator Rebate	648	-
	17,466	17,050
International Relations		
Apex Global Meeting	6,054	-
IR-Inc Future Fund Apex Global	1,000	-
	7,054	-

Association of Apex Clubs of Australia and Its Controlled Entities
Detailed Statement of Income and Expenditure
Association of Apex Clubs of Australia Inc
For the Year Ended 30 June 2019

EXPENDITURE CONTINUED	2019 \$	2018 \$
Other Expenses		
Audit Fees	2,727	8,800
AATFA National Final	1,818	13,000
Bank Charges	645	884
Storage	1,100	808
Regulatory Costs	5,944	-
Insurance Premiums	77,982	80,145
Marketing Grants	3,327	-
Marketing and Publicity	1,091	1,500
Membership Database	4,501	528
Apex Supply House	4,757	-
Office Expenses	4,188	1,065
Provision for Doubtful Debts	1,764	6,471
Company Secretary	36,000	59,947
Software	618	289
Sundry Expenses	327	5,963
Staff Travel and Training	-	7,289
Website	2,095	1,030
Ben Chambers Expenses	-	2,591
Prior Year Adjustments	-	8,173
ACI Expenses	2,700	-
	<u>151,585</u>	<u>198,483</u>
TOTAL EXPENDITURE	<u>221,644</u>	<u>258,103</u>
SURPLUS/(DEFICIT) FOR THE YEAR	<u>(48,008)</u>	<u>(28,487)</u>

Association of Apex Clubs of Australia and Its Controlled Entities
Detailed Statement of Income and Expenditure
Apex Australia Charitable Fund Inc.
For the Year Ended 30 June 2019

	2019 \$	2018 \$
INCOME		
Interest Received - Charitable	119	149
Gain/(Loss) on Foundation Investments		
Income Distributed	93,878	57,924
Gain on Asset Disposals	-	30,862
Movement in Market Value	-	(16,818)
Central Overheads	(21,645)	(22,414)
Net Gain/(Loss) on Foundation Investments	72,233	49,554
AATFA Income	-	348
Sundry Income	-	2,309
Donations Received	-	5,250
TOTAL INCOME	72,352	57,610
EXPENDITURE		
National Office		
Bank Fees	-	84
	-	84
Other		
Donations	1,000	11,950
Young Apexian Leadership Fund	1,000	-
Prior Year Adjustments	-	9,907
	2,000	21,857
TOTAL EXPENDITURE	2,000	21,942
SURPLUS/(DEFICIT) FOR THE YEAR	70,352	35,668

Association of Apex Clubs of Australia and Its Controlled Entities
Detailed Statement of Income and Expenditure
Apex Consolidated Industries Limited
For the Year Ended 30 June 2019

	2019 \$	2018 \$
INCOME		
Interest Received	-	-
Transfer from Association of AACA	<u>2,700</u>	<u>-</u>
TOTAL INCOME	2,700	-
EXPENDITURE		
ASIC Filing Fees	<u>3,437</u>	<u>-</u>
TOTAL EXPENDITURE	<u>3,437</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE YEAR	<u>(737)</u>	<u>-</u>