



Jewellers Association of Australia Limited

ABN: 48 000 024 162

Financial Statements

For the Year Ended 30 June 2020

Jewellers Association of Australia Limited

48 000 024 162

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For the Year Ended 30 June 2020

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Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Continuing operations			
Revenue	4	269,016	258,353
Employee benefits expense		(88,703)	(132,239)
Bad debts		(230)	(45,455)
General and administration expenses		(31,078)	(44,990)
Occupancy costs		(21,987)	(25,493)
Computer expenses		(10,771)	(8,920)
Cost of sales		(11,292)	(15,647)
Functions and events expense		(11,957)	(264)
Advertising and Marketing expense		(6,433)	(8,220)
Depreciation expense		(2,715)	(1,943)
Travel expense		(292)	(1,418)
Other expenses from ordinary activities		(3,239)	(22,008)
Surplus/(Deficit) for the year		80,319	(48,244)
Other comprehensive income			
Increase/(decrease) in asset revaluation reserve		(9,950)	-
Total comprehensive surplus/(deficit) for the year		70,369	(48,244)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	138,881	82,884
Trade and other receivables	6	12,734	5,674
Accrued income		3,000	-
Inventories		6,197	10,588
TOTAL CURRENT ASSETS		160,812	99,146
NON-CURRENT ASSETS			
Property, plant and equipment	7	20,000	32,665
TOTAL NON-CURRENT ASSETS		20,000	32,665
TOTAL ASSETS		180,812	131,811
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	18,065	20,108
Employee benefits	10	21,804	23,424
Other liabilities	11	80,919	98,624
TOTAL CURRENT LIABILITIES		120,788	142,156
TOTAL LIABILITIES		120,788	142,156
NET ASSETS		60,024	(10,345)
EQUITY			
Reserves		17,629	27,579
Retained earnings		42,395	(37,924)
TOTAL EQUITY		60,024	(10,345)

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	(37,924)	27,579	(10,345)
Surplus for the year	80,319	-	80,319
Revaluation increment (decrement)	-	(9,950)	(9,950)
Balance at 30 June 2020	42,395	17,629	60,024

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	10,320	27,579	37,899
Deficit for the year	(48,244)	-	(48,244)
Balance at 30 June 2019	(37,924)	27,579	(10,345)

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	261,470	294,724
Payments to suppliers and employees	(205,473)	(301,545)
Net cash provided by/(used in) operating activities	13 55,997	(6,821)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible assets	-	273
Proceeds from sale of plant and equipment	-	(273)
Net increase/(decrease) in cash and cash equivalents held	55,997	(6,821)
Cash and cash equivalents at beginning of year	82,884	89,705
Cash and cash equivalents at end of financial year	5 138,881	82,884

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Basis of Preparation

The financial report is for Jewellers Association of Australia Limited as an individual entity. The Jewellers Association of Australia Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in New South Wales.

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users who are dependent on its annual financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, except for those described below, 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*.

The Company has concluded that the requirements set out in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

The Company has not complied with requirements of AASB13 *Fair Value Measurement* in relation to President's chain of office. The value has been determined by the directors as a reasonable estimation of the value if the item were to be sold.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised and approved for issue on the date stated in the Director's Declaration

2 Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from memberships is recognised over the period to which the membership relates.

Government grants under the Australian Government JobKeeper wage subsidy program have been recognised as revenue when the company became entitled to receive the grants, which was assessed to be time at which the salary and wages payments for the eligible JobKeeper fortnight were made to eligible employees.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(b) Revenue

Government grants under the Australian Government cash flow boost initiative have been recognised as revenue the company became entitled to receive the grants, which was assessed to be the time at which the applicable Activity Statements were lodged with the Australian Taxation Office.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(c) Trade and other receivables

The Company provides an allowance for uncollectible accounts based upon prior experience and management's assessment of the collectability of existing specific amounts.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

(e) Property, plant and equipment

Each class of property and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property and equipment, excluding President's chain of office, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	2.5 -40%
Computer Equipment	25%
Website and software	40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Intangible assets

The company logo is recognised at cost of acquisition less accumulated amortization.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(g) Trade and payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid with 30 days of recognition of the liability.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(i) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(j) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

3 Going Concern

As at 30 June 2020, Jewellers Association of Australia Limited has a net asset balance of \$58,397 (2019: - \$10,345). The current liability of \$80,919 (2019: \$98,624) relates to memberships in advance and is not required to be settled in cash. The directors have determined there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable and has sufficient cash reserves to meet future obligations. Forecasts for the year supports the directors' determination that the company is a going concern.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Revenue

	2020	2019
	\$	\$
Membership fees	179,543	204,377
Commissions	21,838	27,295
Functions and events	24,374	4,563
Sale of goods	24,057	21,869
Accreditation fees	-	249
Other income	19,204	-
	<u>269,016</u>	<u>258,353</u>

5 Cash and Cash Equivalents

Cash at bank	133,814	80,500
Cash on hand	3,043	1,306
Short-term deposits	2,024	1,078
	<u>138,881</u>	<u>82,884</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	12,734	2,148
GST receivable	-	3,526
	<u>12,734</u>	<u>5,674</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Property, plant and equipment

	2020 \$	2019 \$
PLANT AND EQUIPMENT		
Computer equipment		
At cost	6,120	6,120
Accumulated depreciation	(6,120)	(6,120)
Office equipment		
At cost	28,386	28,386
Accumulated depreciation	(28,386)	(25,671)
Total office equipment	-	2,715
President's chain of office		
At director's valuation	20,000	29,950
Total President's chain of office	20,000	29,950
Total property, plant and equipment	20,000	32,665

The directors have revalued the President's chain of office to \$20,000 in the current period. This value was based on the director's estimation of likely value if the item was sold.

8 Intangible Assets

Logo Development		
Cost	10,443	10,443
Accumulated amortisation	(10,443)	(10,443)
Website		
Cost	8,077	8,077
Accumulated amortisation	(8,077)	(8,077)
Total intangibles	-	-

9 Trade and Other Payables

CURRENT		
Trade payables	12,688	11,341
GST payable	500	-
Accrued expense	3,500	3,500
Other payables	1,377	5,267
	18,065	20,108

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Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Annual leave	7,112	8,976
Long service leave	14,692	14,448
	<u>21,804</u>	<u>23,424</u>

11 Other Liabilities

CURRENT		
Memberships received in advance	80,919	98,624
	<u>80,919</u>	<u>98,624</u>

12 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstandings and obligations of the Company.

At 30 June 2020 the number of members was 413 (2019: 521).

13 Cash Flow Information

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

Surplus/(Deficit) for the year	80,319	(48,244)
Non-cash flows in result:		
- depreciation	2,715	1,943
- bad debt write-off	-	45,455
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(8,396)	18,093
- increase/(decrease) in inventories	4,390	1,115
- increase/(decrease) in trade and other payables	(3,706)	(21,732)
- increase/(decrease) in other liabilities	(17,705)	(7,128)
- increase/(decrease) in provisions	(1,620)	3,677
Cashflows from operations	<u>55,997</u>	<u>(6,821)</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Events after the end of the Reporting Period

Subsequent to the balance date, there has been a continued impact of the Coronavirus disease (COVID-19) that has caused a significant impact to the global economy. There is no adjusting events to the financial statements as at 30 June 2020 however this outbreak may have an impact to the company's future operations.

Except for the above, 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.

15 Company Information

The registered office of the Company is:
Jewellers Association of Australia Limited
Level 35, One International Tower
100 Barangaroo Avenue
Sydney NSW 2000

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Directors' Declaration

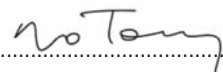
The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 11, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of 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 

Director 

Dated this 18th day of November 2020

Jewellers Association of Australia Limited

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Review Report to the members of Jewellers Association of Australia Limited

Report on the Financial Report

We have reviewed the accompanying financial report being a special purpose financial report of Jewellers Association of Australia Limited, which comprises the statement of financial position as at 30 June 2020, the statement of income and expenditure and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, 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 and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Reviewer's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including: giving a true and fair view of the company's financial position as at 30 June 2020 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and *Australian Charities and Not-for-profits Commission Regulation 2013*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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Review Report to the members of Jewellers Association of Australia Limited

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Jewellers Association of Australia Limited as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with Australian Charities and Not-for-profits Commission Act 2012.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial report is prepared to assist the Jewellers Association of Australia Limited to comply with the financial reporting provisions of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.


Saward Dawson

Jeffrey Tulk

Partner

Blackburn, VIC
Dated: 18 November 2020