

## Standard 13: Annual Report

An annual report can help your club demonstrate its accomplishments to current and future members, cultivate new sponsorship, and recognise important people within your club.

A club's annual report may be the only surviving document of the club in years to come. It is the type of document that can be kept and looked back upon to show the extensive history and success of a club.

Furthermore, clubs also have a statutory obligation to report annually to their members and GRNSW on the activities and financial performance of the club over the previous financial year.

Your annual report, together with ongoing management reporting, is a major tool that will help your club to maintain a financially viable operation.

In addition, compliance with this Operating Standard will also ensure your club's compliance with other legal requirements.

### Tools and Assistance

A copy of the Australian Accounting Standards can be found at [www.aasb.com.au](http://www.aasb.com.au).

An overview of Australian Taxation Requirements can be found at [www.ato.gov.au](http://www.ato.gov.au).

### What GRNSW Requires From Your Club

To meet this standard every club must prepare an annual report (including their audited financials) and provide a copy to GRNSW by no later than 30 November each year.



### **Annual Audit**

- A formal set of financial statements should be prepared for submission to the Annual General Meeting of the club. These statements should comply with Accounting Standards requirements.
- Auditing of the clubs financial statements must be completed by early October.
- Clubs that are companies should use a public accountant who is also a Registered Company Auditor to complete their audit.
- Other clubs should use a Public accountant with a 'Certificate of Public Practice' to conduct their audit.

### **Annual Report**

The size and complexity of your annual report will depend on the size of your club and the extent of its activities.

Your annual report should comprise of more than just your audited financial reports. As a guide, your annual report should be broken down into the following headings:

#### **1. Overview of the Club**

This section should explain the history and details of your club. How many members do you have? How many employees and volunteers? How long have you been in operation? How many race dates do you have? What type of racing do you provide (TAB / Non-TAB)? What are your main goals and priorities?

Describe the legal structure of the club (incorporated association or company limited by guarantee), have there been any changes in Board/Committee members during the reporting year?

#### **2. Letter / Message from Club President**

This message should give a summary of highlights of achievements and challenges that took place in the past year. It should also thank employees, volunteers, sponsors and community partners for their assistance and support.

#### **3. Operations Report / A Year in Review**

Readers want to know what you did, but more importantly, why you did it. What were the results? Why did you spend your time and money the way you did? What difference did it make?

Discuss some key events that happened throughout the year, including a summary of the racing highlights that occurred.

If you undertook any major projects, give an overview of the works completed and the amount of funding used towards the project. If you obtained grants or sponsorship, thank those involved, discuss how helpful the funding was and how effectively it was utilised by the club.



#### 4. Financial Summary

*This section is the most important section and should be accurate and easy to understand.*

You need to make sure you explain your financials. Many of your members may not know how to read a financial statement or may not take the time to read it. Include a paragraph or two that explains in plain English what the detailed financial reports say. Where does your money come from and how do you spend it? Do you make a profit? Do you rely heavily on fundraising to survive?

You want to make sure you list the total amount of money that was made for the year and the total club expenses. Discuss the proposed budget for the upcoming year and how you anticipate spending the money to meet your goals and objectives.

#### 5. Detailed Financial Reports

These are the reports that will be prepared by your auditor. Financial accounts must comply with the relevant Australian Accounting Standards Board (AASB) accounting standards for general-purpose financial reports for reporting entities, whether they are public companies or incorporated associations.

Detailed financial reports should include the following:

- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Concise notes that comply with AASB explaining major changes in financial flows, assets and liabilities;
- Statement of Accounting Policies;
- Description and accounting treatment of abnormal, or unusual items e.g. disposal of assets, restructuring costs;
- Revenue recognition;
- Reconciliations of classes of non-current assets;
- Details of non-productive assets;
- Comparative figures covering at least the last financial year;
- Details of contingent liabilities;
- Cross-references between the statements and the notes;
- Significant changes identified by a specific cross-reference; and
- A signed statement from the Committee/Board members as to their view of the financial statements.

Your auditor must also provide an independent auditor's declaration stating that the audited figures are correct to the best of their knowledge and that the club is in a viable financial position. If the auditor has concerns over the financial viability of the club, or has any issues that they believe should be brought to the attention of the club and GRNSW, this should also be listed near the auditor's declaration.



***Other Tips & Hints for Your Annual Report***

- Attract attention – make sure that your annual report encourages the reader to open the report and maintains their interest once inside. Is the font readable? Is it of a suitable size? Are headings and sub-headings used to enhance the text? Is the writing clear and concise?
- Please get permission from any person whom you are publishing information about in the annual report, this is essential for both print and also for photographs which may be contained within your document.
- Many of the people looking at your annual report may only skim read it, this is why photos can form an important part of your annual report. Make sure that your photos have detailed captions, even if people read nothing but the captions in your annual report, they should still get a sense for the good work you did last year.
- Always be honest and open, and never falsify or state misleading information in your annual report.
- Double check the report for grammar and/or spelling mistakes.

