

GUIDE FOR INCORPORATED ASSOCIATION'S ANNUAL REPORT

Although there is no legal requirement for an incorporated association to prepare and provide an annual report to members at the AGM doing so is an invaluable opportunity for the association's board to report to the members on the association's activities for the previous 12 months. It is also a good governance tool and provides transparency. Finally, it is an information tool to the association's stakeholders including government, sponsors and even insurers.

NOTE however that an association should always prepare financial statements. A tier 1 association¹ in NSW must prepare audited financial statements² and must submit them to the AGM³. A tier 2 association⁴ must cause financial statements for that year to be prepared⁵ and must submit them to the AGM⁶.

An annual report **must** include the financial statements referred to above and for tier 1 associations should include a copy of the auditor's declaration in relation to the audit undertaken.

An annual report **should** include:

Strategy

- (a) a description of the short, and long, term objectives of the association;
- (b) a statement of the association's strategy for achieving those objectives;
- (c) a statement of the association's principal activities and operations during the year;
- (d) a statement of how those activities assisted in achieving the association's objectives;
- (e) a statement of how the board and association measures performance, including any key performance indicators used by the association;

Governance

- (f) the name of each person who has been a director of the association at any time during or since the end of the year and the period for which the person was a director;
- (g) each director's qualifications, experience, and special responsibilities.
- (h) the number of meetings of the board of directors held during the year and each director's attendance at those meetings;

Liability

- (i) the amount which a member of the association is liable to contribute if the association is wound up.
- (j) An association can include any other information in the report which the board determines. For example, life members, key performance results at championships etc, state or national representatives and reports from any of the association's portfolios.

¹ Tier 1 associations are those whose total revenue as recorded in the income and expenditure statement (i.e. gross receipts) for a financial year is more than \$250,000 or current assets are more than \$500,000.

² http://www6.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_act/aia2009307/s43.html

³ http://www6.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_act/aia2009307/s44.html

⁴ A tier 2 association is an association that is not a tier 1 association: http://www6.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_act/aia2009307/s46.html

⁵ http://www6.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_act/aia2009307/s47.html

⁶ http://www6.austlii.edu.au/cgi-bin/viewdoc/au/legis/nsw/consol_act/aia2009307/s48.html



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