

ACT Basketball Incorporated

ABN: 11 936 731 929

Financial Statements

For the Year Ended 30 September 2020

ACT Basketball Incorporated

ABN: 11 936 731 929

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For the Year Ended 30 September 2020

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ACT Basketball Incorporated

ABN: 11 936 731 929

Board's Report

For the year ended 30 September 2020

The board members submit the financial report of the Association for the financial year ended 30 September 2020.

1. General information

Board members

The names of board members throughout the year and at the date of this report are:

Allan Yates	Chairperson
John Solomon	Vice - Chairperson
Glenn Cummings	Treasurer
Shane Lowndes	Director
Christine Higginson	Director
Alice Coddington	Director
Simon Cann-Evans	Director
Emma Campbell	Director

Principal activities

The principal activities of the Association during the financial year were:

- To control, promote and encourage basketball in the Australian Capital Territory;
- To be duly affiliated with BA Limited (trading as Basketball Australia).

Significant changes

The following significant changes in the nature of the principal activities occurred during the financial year:

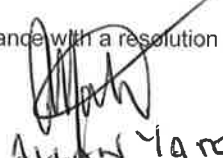
The Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation on 11 March 2020. The impact of the virus has seen an unprecedented global response by governments, regulators, and numerous industry sectors. Basketball ACT was not immune to the impact of the pandemic resulting in the shut down of all external facing services for the period from March - June 2020. Judgment has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the organisation based on known information. This consideration extends to the nature of the products and services offered, supply chain, staffing, and geographic region in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavorably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

2. Operating result

The surplus of the Association for the financial year after providing for income tax amounted to \$91,667 (2019: deficit (\$256,783)).

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

Board member:


ALLAN YATES
PRESIDENT

Dated

2/2/2021

Board member:


Glenn Cummings
2/2/2021

ACT Basketball Incorporated

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2020

		2020	2019
	Note	\$	\$
Revenue	4	2,833,595	3,115,532
ACT management & support expense		(678,996)	(779,738)
Competitions expense		(627,230)	(1,076,573)
Depreciation expense - Property, plant & equipment	9(a)	(276,827)	(137,764)
Depreciation expense - Right of use assets	10(a)	(769)	-
Development programmes		(176,069)	(151,681)
Facility expense		(528,575)	(366,643)
Finance expenses		(5,715)	-
Performance expenses		(447,747)	(859,916)
Surplus/(Deficit) for the year before income tax		91,667	(256,783)
Income tax expense	3(a)	-	-
Surplus/(Deficit) for the year		91,667	(256,783)
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value movements on investments held at FVOCI		(384)	-
Other comprehensive income for the year		(384)	-
Total comprehensive income for the year		91,283	(256,783)

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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Statement of Financial Position**As At 30 September 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	674,985	510,762
Trade and other receivables	6	70,691	442,979
Other assets	8	79,781	56,704
TOTAL CURRENT ASSETS		825,457	1,010,445
NON-CURRENT ASSETS			
Trade and other receivables	6	52,381	65,381
Investments	7	788	1,172
Property, plant and equipment	9	5,072,023	5,167,084
Right-of-use assets	10	10,766	-
TOTAL NON-CURRENT ASSETS		5,135,958	5,233,637
TOTAL ASSETS		5,961,415	6,244,082
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	149,491	233,479
Lease liabilities	10	2,080	-
Provisions	12	74,163	65,394
Other liabilities	13	574,080	824,570
TOTAL CURRENT LIABILITIES		799,814	1,123,443
NON-CURRENT LIABILITIES			
Lease liabilities	10	8,788	-
Provisions	12	1,972	53,745
Other liabilities	13	49,675	57,011
TOTAL NON-CURRENT LIABILITIES		60,435	110,756
TOTAL LIABILITIES		860,249	1,234,199
NET ASSETS		5,101,166	5,009,883
EQUITY			
Reserves		1,885,935	1,846,319
Retained earnings		3,215,231	3,163,564
TOTAL EQUITY		5,101,166	5,009,883

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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**Statement of Changes in Equity
For the Year Ended 30 September 2020****2020**

Balance at 1 October 2019
Profit during the financial year
Transfers from retained earnings to general
reserve
Total other comprehensive income for the period
Balance at 30 September 2020

Retained Earnings	Asset Revaluation Reserve	Reserve for building fund	FVOCI reserve	Total
\$	\$	\$	\$	\$
3,163,564	1,846,319	-	-	5,009,883
91,667	-	-	-	91,667
(40,000)	-	40,000	-	-
-	-	-	(384)	(384)
3,215,231	1,846,319	40,000	(384)	5,101,166

2019

Balance at 1 October 2018
(Deficit) during the financial year
Balance at 30 September 2019

Retained Earnings	Asset Revaluation Reserve	Reserve for building fund	FVOCI reserve	Total
\$	\$	\$	\$	\$
3,420,347	1,846,319	-	-	5,266,666
(256,783)	-	-	-	(256,783)
3,163,564	1,846,319	-	-	5,009,883

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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Statement of Cash Flows

For the Year Ended 30 September 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,323,819	3,586,844
Payments to suppliers and employees		(2,960,557)	(3,335,634)
Interest received		541	2,405
Net cash provided by/(used in) operating activities		<u>363,803</u>	<u>253,615</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	9(a)	(184,697)	(97,043)
Net cash provided by/(used in) investing activities		<u>(184,697)</u>	<u>(97,043)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		(14,883)	(13,991)
Net cash provided by/(used in) financing activities		<u>(14,883)</u>	<u>(13,991)</u>
Net increase/(decrease) in cash and cash equivalents held		164,223	142,581
Cash and cash equivalents at beginning of year		510,762	368,181
Cash and cash equivalents at end of financial year	5	<u>674,985</u>	<u>510,762</u>

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2020

The financial statements cover ACT Basketball Incorporated as an individual entity. ACT Basketball Incorporated is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

The functional and presentation currency of ACT Basketball Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 October 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 October 2019.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Transfer of control to a customer - over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The Association has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

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Notes to the Financial Statements **For the Year Ended 30 September 2020**

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

Income of Not-for-Profit Entities - Adoption of AASB 1058

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is 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, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Where there is an 'enforceable' contract with a customer with 'sufficiently specific performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058.

Impact of adoption of AASB 15 and AASB 1058

The Association has assessed the impact of adopting the new revenue standards and it was determined that the adoption of these new standards had no significant impact on the Association's current revenue streams.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 October 2019 and therefore the comparative information for the year ended 30 September 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 October 2019;
- right-of-use assets at 1 October 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 November 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 November 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 October 2019 are the same value as the leased asset and liability on 30 November 2019.

3 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(b) Leases

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(b) Leases

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(c) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue from contracts with customers

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

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

Operating grants, donations and bequests

When the Association receives operating grant revenue, donations or bequests, it assess whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15:

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If the contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

(d) 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 payables 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.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(d) Goods and services tax (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.

(e) Property, plant and equipment

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

Land and buildings

Land and buildings are measured at fair value. Fair value is determined based on periodic independent valuations prepared by external valuation experts, based on market values. The fair values recognised in the financial statements of the Association are reviewed at the end of each reporting period to ensure that the carrying value of the land and buildings is not materially different from their fair values.

Plant and equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated carrying recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Depreciation

Property, plant and equipment, excluding leasehold land, is depreciated on a straight-line basis over the assets useful life to the Association, 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
Buildings	2.5%
Office Equipment	5% -25%

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.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association 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 Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association 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 Association'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 and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Fair value through other comprehensive income

Equity instruments

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Association holds no assets that fall into this category.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Association 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 Association's historical experience and informed credit assessment and including forward looking information.

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

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

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

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable 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 Association 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.

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 Association 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 Association comprise trade payables, bank and other loans and lease liabilities.

(g) 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.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(h) Employee benefits

Provision is made for the Association'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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 September 2020. Other than the impacts detailed in Note 2 the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 October 2020	The amendments refine the definition of material in AASB 101 to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	Unlikely to be any impact on the reported financial position, performance or cash flows in the financial statements.

ACT Basketball Incorporated

ABN: 11 936 731 929

Notes to the Financial Statements For the Year Ended 30 September 2020

3 Summary of Significant Accounting Policies

(k) New Accounting Standards and Interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 October 2021	This Standard is a stand-alone disclosure standard to be applied by all entities reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 which replaces the current Reduced Disclosure Requirements (RDR) framework.	Minor impact expected as changes to the disclosures in Tier 2 financial reports prepared by for-profits and not-for-profit entities – the level of change and impact on disclosures will vary depending on the current disclosures included in an entity's financial statements.
AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current	1 October 2022	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as noncurrent if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	Minor impact expected but entities should consider the appropriate classification of liabilities as current or non-current.

4 Revenue and Other Income

	2020	2019
	\$	\$
- ACT management and support income	236,363	55,707
- Competition revenue	1,692,174	2,235,133
- COVID - 19 income	292,000	-
- Development income	252,701	249,021
- Facility income	44,526	77,688
- Other income	69,300	42,490
- Performance income	246,531	455,493
Total revenue and other income	2,833,595	3,115,532

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2020

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	592,665	428,743
Short-term deposits	82,320	82,019
	<u>674,985</u>	<u>510,762</u>

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	59,191	446,461
Provision for doubtful debts	(4,500)	(20,000)
	<u>54,691</u>	<u>426,461</u>
Loans and advances	<u>16,000</u>	<u>16,518</u>
Total current trade and other receivables	<u>70,691</u>	<u>442,979</u>

	2020	2019
	\$	\$
NON-CURRENT		
Loans and advances	<u>52,381</u>	<u>65,381</u>
Total trade and other receivables	<u>52,381</u>	<u>65,381</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Investments

	2020	2019
	\$	\$
NON-CURRENT		
Shares	<u>788</u>	<u>1,172</u>
Total	<u>788</u>	<u>1,172</u>

ACT Basketball Incorporated

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Notes to the Financial Statements For the Year Ended 30 September 2020

8 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	67,281	56,704
Accrued income	12,500	-
	<u>79,781</u>	<u>56,704</u>

9 Property, plant and equipment

	2020	2019
	\$	\$
Belconnen land		
At fair value		
Block 16	1,224,426	1,224,426
Block 13	220,000	220,000
Total land	<u>1,444,426</u>	<u>1,444,426</u>
Belconnen stadium		
At cost	2,800,952	2,636,483
Accumulated depreciation	(438,409)	(221,042)
Total buildings	<u>2,362,543</u>	<u>2,415,441</u>
Total land and buildings	<u>3,806,969</u>	<u>3,859,867</u>
Plant and equipment		
At cost	1,500,463	1,499,735
Accumulated depreciation	(235,409)	(192,518)
Total plant and equipment	<u>1,265,054</u>	<u>1,307,217</u>
Total property, plant and equipment	<u>5,072,023</u>	<u>5,167,084</u>

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2020

9 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Year ended 30 September 2020				
Balance at the beginning of year	1,444,426	2,415,441	1,307,217	5,167,084
Additions	-	164,469	20,228	184,697
Disposals	-	-	(2,931)	(2,931)
Depreciation expense	-	(217,367)	(59,460)	(276,827)
Balance at the end of the year	1,444,426	2,362,543	1,265,054	5,072,023

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Year ended 30 September 2019				
Balance at the beginning of year	1,444,426	2,421,648	1,340,967	5,207,041
Additions	-	72,369	24,674	97,043
Depreciation expense	-	(78,576)	(58,424)	(137,000)
Balance at the end of the year	1,444,426	2,415,441	1,307,217	5,167,084

10 Leases

The Association has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

(a) Right-of-use assets

	Office Equipment \$	Total \$
Year ended 30 September 2020		
Balance at beginning of year	11,535	11,535
Depreciation charge	(769)	(769)
Balance at end of year	10,766	10,766

ACT Basketball Incorporated

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Notes to the Financial Statements For the Year Ended 30 September 2020

10 Leases

(b) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	Total lease liabilities \$
2020			
Lease liabilities	2,080	8,788	10,868

11 Trade and other payables

	2020 \$	2019 \$
CURRENT		
Trade payables	31,539	152,755
GST payable	30,065	16,740
Accrued expenses	47,383	18,030
Payroll liabilities	15,888	23,872
Other payables	24,616	22,082
	<u>149,491</u>	<u>233,479</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12 Provisions

	2020 \$	2019 \$
CURRENT		
Provisions for annual leave	47,894	49,120
Provisions for long service leave	26,269	16,274
	<u>74,163</u>	<u>65,394</u>
NON-CURRENT		
Provisions for long service leave	1,972	13,745
Provisions for floor maintenance	-	20,000
Provisions for building fund	-	20,000
	<u>1,972</u>	<u>53,745</u>

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2020

13 Other liabilities

	2020	2019
	\$	\$
CURRENT		
Deposit received	5,175	2,800
Amounts received in advance	556,080	807,779
Lease liability - Solar panel	12,825	13,991
	<u>574,080</u>	<u>824,570</u>
	2020	2019
	\$	\$
NON-CURRENT		
Lease liability - Solar panel	49,675	57,011
	<u>49,675</u>	<u>57,011</u>

14 Key management personnel remuneration

The totals of remuneration paid to the key management personnel of ACT Basketball Incorporated during the year are as follows:

	2020	2019
	\$	\$
Total key management personnel remuneration	119,999	109,957
	<u>119,999</u>	<u>109,957</u>

15 Contingencies

In the opinion of the Board members, the Association did not have any contingencies at 30 September 2020 (30 September 2019: None).

16 Events after the end of the Reporting Period

The Coronavirus (COVID-19) was declared a global pandemic by the World Health Organisation on 11 March 2020. The impact of the virus has seen an unprecedented global response by governments, regulators, and numerous industry sectors. Basketball ACT was not immune to the impact of the pandemic resulting in the shut down of all external facing services for the period from March - June 2020. Judgment has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the organisation based on known information. This consideration extends to the nature of the products and services offered, supply chain, staffing, and geographic region in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavorably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

ACT Basketball Incorporated

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Notes to the Financial Statements **For the Year Ended 30 September 2020**

17 Statutory Information

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

ACT Basketball Incorporated
42 Oatley Court
Belconnen ACT 2617

ACT Basketball Incorporated

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Statement by Members of the Board

In the opinion of the Board the financial report as set out on pages 2 to 23:

1. Present fairly the financial position of ACT Basketball Incorporated as at 30 September 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that ACT Basketball Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Board member



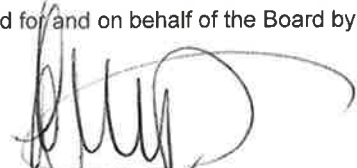
ALLAN YATES

PRESIDENT

Dated

2/2/2021

Board member



GLEN CUMMINS

TREASURER

2/2/2021.

ACT Basketball Incorporated

Independent Audit Report to the members of ACT Basketball Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ACT Basketball Incorporated (the Association), which comprises the statement of financial position as at 30 September 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board..

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 September 2020 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with the Associations Incorporation Act (ACT) 1991.

Basis for Opinion

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 Association in accordance with the auditor independence requirements of 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 opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

ACT Basketball Incorporated

Independent Audit Report to the members of ACT Basketball Incorporated

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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 Association'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 reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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 the management 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.


Hardwicks
Chartered Accountants


Bhaumik Bumia CA
Partner

Canberra

2 FEBRUARY 2021