

ACT Basketball Incorporated

A.B.N 11 936 731 929

Financial Statements

For the Year Ended 30 September 2019

ACT Basketball Incorporated

A.B.N 11 936 731 929

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For the Year Ended 30 September 2019

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ACT Basketball Incorporated

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Board's Report

For the Year Ended 30 September 2019

The board members submit the financial report of the Association for the financial year ended 30 September 2019.

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
Shane Lowndes	Treasurer
Kellie Henning	Director
Jocelyn Martin	Director
Alice Coddington	Director
Christine Higginson	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; and
- To be duly affiliated with BA Limited (trading as Basketball Australia).

Significant changes

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

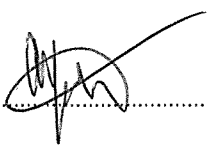
Subsequent events

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent financial years.

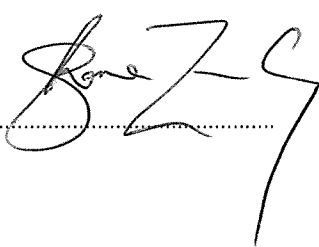
Operating result

The deficit of the Association for the financial year after providing for income tax amounted to \$256,783 (2018: surplus \$125,136)

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

Allan Yates: 

Chairperson

Shane Lowndes: 

Treasurer

Dated this 26th day of February 2020

ACT Basketball Incorporated

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 September 2019

		2019	2018
	Note	\$	\$
Revenue	5	3,115,532	3,266,278
Depreciation and amortisation expense		(137,764)	(102,566)
Development programmes		(970,328)	(1,366,614)
Facilities		(366,643)	(257,000)
National competitions		(1,225,097)	(952,635)
Administration expenses		(672,483)	(533,448)
Surplus / (deficit) for the year		(256,783)	54,015
One off grant income		-	71,121
Total comprehensive income for the year		(256,783)	125,136

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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Statement of Financial Position**As At 30 September 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	510,762	368,181
Trade and other receivables	8	442,979	228,897
Inventories	9	-	36,714
Other assets	10	56,704	164,679
TOTAL CURRENT ASSETS		1,010,445	798,471
NON-CURRENT ASSETS			
Trade and other receivables	8	65,381	-
Property, plant and equipment	11	5,167,084	5,207,041
Intangible assets	12	-	764
Investments	13	1,172	1,172
TOTAL NON-CURRENT ASSETS		5,233,637	5,208,977
TOTAL ASSETS		6,244,082	6,007,448
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	233,479	333,955
Provisions	15	65,394	57,878
Other liabilities	16	824,570	292,010
TOTAL CURRENT LIABILITIES		1,123,443	683,843
NON-CURRENT LIABILITIES			
Provisions	15	53,745	56,939
Other liabilities	16	57,011	-
TOTAL NON-CURRENT LIABILITIES		110,756	56,939
TOTAL LIABILITIES		1,234,199	740,782
NET ASSETS		5,009,883	5,266,666
EQUITY			
Asset revaluation reserve		1,846,319	1,846,319
Retained earnings		3,163,564	3,420,347
TOTAL EQUITY		5,009,883	5,266,666

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 September 2019

2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 October 2018	3,420,347	1,846,319	5,266,666
Loss during the financial year	(256,783)	-	(256,783)
Balance at 30 September 2019	3,163,564	1,846,319	5,009,883

2018

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 October 2017	3,295,211	1,846,319	5,141,530
Surplus during the financial year	125,136	-	125,136
Balance at 30 September 2018	3,420,347	1,846,319	5,266,666

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Statement of Cash Flows
For the Year Ended 30 September 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,586,844	3,554,433
Payments to suppliers and employees	(3,335,634)	(3,355,890)
Interest received	2,406	5,371
Net cash provided by/(used in) operating activities	<u>253,616</u>	<u>203,914</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(97,044)	(118,808)
Net cash used in investing activities	<u>(97,044)</u>	<u>(118,808)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(13,991)	-
Net cash used by financing activities	<u>(13,991)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	142,581	85,106
Cash and cash equivalents at beginning of year	368,181	283,075
Cash and cash equivalents at end of the year	<u>7</u> <u>510,762</u>	<u>368,181</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 2019

The financial report covers ACT Basketball Incorporated ("the Association") as an individual entity. The Association is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act (ACT) 1991.

The functional and presentation currency of the Association is Australian dollars.

Certain comparative figures have been adjusted to confirm to the current year's presentation.

1 Basis of Preparation

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

2 New Accounting Standards and Interpretations adopted

Financial Instruments - Adoption of AASB 9

Classification of financial assets

The financial assets of the Association have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2019

2 New Accounting Standards and Interpretations adopted

Financial Instruments - Adoption of AASB 9

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Reclassific- ation	Re- measur- e-nts	Carrying amount under AASB 9
Note			\$	\$	\$	\$
Financial assets						
Equity securities (i)	Available for sale	Mandatorily at FVTPL	1,172	-	-	1,172
Trade and other receivables	Loans and receivables	Amortised cost	228,897	-	-	228,897
Cash and cash equivalents	Loans and receivables	Amortised cost	287,290	-	-	287,290
Term deposits (ii)	Held to maturity	Amortised cost	80,891	-	-	80,891
Total financial assets			598,250	-	-	598,250
Financial liabilities						
Trade payables	Other financial liabilities	Other financial liabilities	333,955	-	-	333,955
Other payables	Other financial liabilities	Other financial liabilities	292,010	-	-	292,010
Total financial liabilities			625,965	-	-	625,965

Notes to the table:

(i) Reclassify investments from Available for Sale to FVTPL

The Association reclassified some equity instruments from available for sale to FVTPL as the instruments are more appropriately classified as held for trading. Related fair value gains of \$ were transferred from the financial asset reserve to retained earnings on adoption of AASB 9.

(ii) Reclassification from Held to Maturity to Amortised Cost

Term deposits that would previously have been classified as held to maturity are now classified at amortised cost. The Association intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

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*.

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Summary of Significant Accounting Policies

(b) Leases

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.

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.

(c) Revenue and other income

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

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

Grants are treated according to the specifications of the grant funding deeds. Grant income and expenses are recognised as specified by each grant funding deed. Grants required to be returned to the funding provider due to specific circumstances are treated as unexpended grants which form part of the liabilities in the balance sheet at the end of the year.

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

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) 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.

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.

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Summary of Significant Accounting Policies

(f) Inventories

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

(g) 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 are recognised in the financial statements of the association, and are reviewed at the end of each reporting period to ensure that the carrying value of 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 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

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

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

Fixed asset class	Depreciation rate
Buildings	2%
Leased assets	40%
Office equipment	20-50%

(h) Financial instruments

Initial Recognition Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Summary of Significant Accounting Policies

(h) Financial instruments

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Derecognising

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligation are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

- Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains and losses) recognised in profit or loss.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

- Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

- Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

- Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2019

3 Summary of Significant Accounting Policies

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Provisions

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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 profitability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

4 Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates - Impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

5 Revenue and Other Income

	2019	2018
	\$	\$
Sales revenue		
Non-operating activities		
- Dividend received	68	-
- Interest received	2,406	5,371
Total interest income	2,474	5,371
Operating activities		
- Admin and facilities	80,515	118,866
- Grants and sponsorships	120,252	120,003
- Gain on disposal of assets	-	2,000
- Competition revenue	2,235,133	2,405,110
- Elite and development programs	677,158	614,928
Total Revenue	3,115,532	3,266,278

ACT Basketball Incorporated

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Notes to the Financial Statements For the Year Ended 30 September 2019

6 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2019	2018
	\$	\$
Finance lease payments	13,991	-
Auditor's remuneration	12,300	12,300
Operating lease payments	1,410	12,997

7 Cash and Cash Equivalents

Cash at bank and in hand	428,743	287,290
Short-term deposits	82,019	80,891
	<u>510,762</u>	<u>368,181</u>

8 Trade and Other Receivables

CURRENT		
Trade receivables	462,979	248,897
Provision for doubtful debts	(20,000)	(20,000)
	<u>442,979</u>	<u>228,897</u>
NON-CURRENT	-	-
Trade receivables	65,381	-
Total receivables	<u>508,360</u>	<u>228,897</u>

Non current receivables are repaid at \$16,000 per annum up to 6 March 2022 and \$6,000 per annum thereafter. No interest is levied on the receivables and the effect of discounting is not considered to be material.

9 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Merchandise	-	36,714
	<u>-</u>	<u>36,714</u>

10 Other Assets

CURRENT		
Prepayments	56,704	159,226
Deposit paid	-	5,453
	<u>56,704</u>	<u>164,679</u>

ACT Basketball Incorporated

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Notes to the Financial Statements For the Year Ended 30 September 2019

11 Property, plant and equipment

	2019 \$	2018 \$
Belconnen land		
At fair value		
Belconnen land at 16 at market value	1,224,426	1,224,426
Belconnen land at 13 at market value	220,000	220,000
Total land	1,444,426	1,444,426
Belconnen Stadium		
At cost	2,636,483	2,564,114
Accumulated depreciation	(221,042)	(142,466)
	2,415,441	2,421,648
Total leasehold land and buildings at market value	3,859,867	3,866,074
Plant and equipment		
At cost	1,499,735	1,475,061
Accumulated depreciation	(192,518)	(134,094)
Total plant and equipment	1,307,217	1,340,967
Total property, plant and equipment	5,167,084	5,207,041

ACT Basketball Incorporated

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Notes to the Financial Statements For the Year Ended 30 September 2019

11 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 year:

	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

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Year ended 30 September 2018				
Balance at the beginning of year	1,444,426	2,418,186	1,326,118	5,188,730
Additions	-	64,114	54,694	118,808
Depreciation expense	-	(60,652)	(39,845)	(100,497)
Balance at the end of the year	1,444,426	2,421,648	1,340,967	5,207,041

12 Intangible Assets

	2019 \$	2018 \$
Website		
At Cost	17,694	17,694
Accumulated amortisation	(17,694)	(16,930)
	-	764

13 Investments

NON-CURRENT Shares	1,172	1,172
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ACT Basketball Incorporated

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Notes to the Financial Statements
For the Year Ended 30 September 2019**14 Trade and Other Payables**

	2019	2018
	\$	\$
Trade payables	192,867	329,018
GST payable	16,740	(11,517)
Payroll liabilities	23,872	16,454
	<u>233,479</u>	<u>333,955</u>

15 Provisions**CURRENT**

Annual leave and Long service leave

65,394	57,878
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NON-CURRENT

Provision for long service leave

13,745 16,939

Provision for floor maintenance

20,000 20,000

Provision for building fund

20,000 20,000

53,745 56,939**16 Other Liabilities****CURRENT**

Unearned Revenue

807,779 292,010

Lease liability - solar purchase

13,991 -

Deposits received

2,800 -

824,570 292,010**NON-CURRENT**

Lease liability - solar purchase

71,121 -

Unexpired interest

(14,110) -57,011 -**Total**881,581 292,010

ACT Basketball Incorporated

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Notes to the Financial Statements

For the Year Ended 30 September 2019

17 Capital and Leasing Commitments

(a) Finance Leases

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	13,991	-
- between one year and five years	55,964	-
- later than five years	15,157	-
Minimum lease payments	85,112	-
Less: future finance charges	(14,110)	-
Net commitment recognised as liability	71,002	-

Finance leases are in place for Solar PV System with a term of 7 years.

(b) Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	-	1,410
	-	1,410

The photocopier lease commitment is a non - cancellable operating lease with a 5-year term.

(c) Capital Lease Commitments

The ACT government has been granted a first mortgage over the Belconnen land as a security for the Associations obligations pursuant to the funding deed.

18 Key Management Personnel Remuneration

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

	2019	2018
	\$	\$
Salary	101,237	115,595
Superannuation contribution	8,720	10,982
	109,957	126,577

19 Contingencies

In the opinion of the Committee of Management, the Association has contingent liability for security deposit guarantee of \$65,000 at 30 September 2019 (30 September 2018: \$65,000).

ACT Basketball Incorporated

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Notes to the Financial Statements
For the Year Ended 30 September 2019

20 Statutory Information

The registered office of the association is:

ACT Basketball Incorporated
42 Oatley Court
Belconnen ACT 2617

ACT Basketball Incorporated

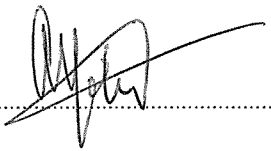
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Statement by Members of the Board

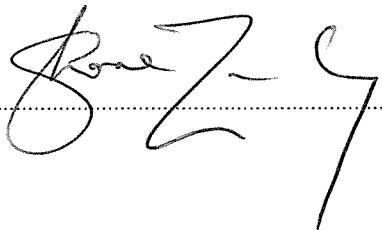
In the opinion of the board the financial report as set out on pages 2 to 17:

1. Represents a true and fair view of the financial position of ACT Basketball Incorporated at 30 September 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional requirements and other authoritative pronouncements 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 become due and payable.

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

Allan Yates


Chairperson

Shane Lowndes


Treasurer

Dated this 26th day of February 2020