ACT Basketball Incorporated

ABN: 11 936 731 929

Financial Statements

For the Year Ended 30 September 2021

ACT Basketball Incorporated

ABN: 11 936 731 929

Contents

For the Year Ended 30 September 2021

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Board's Report

For the year ended 30 September 2021

The board members submit the financial report of the Association for the financial year ended 30 September 2021.

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 President
Glenn Cummings	Treasurer
Shane Lowndes	Director
Simon Cann-Evans	Director
Kathryn Rendell (Appointed: 27 July 2021)	Director
Nick Janssen (Appointed: 23 February 2021)	Director
Michelle Hocking (Appointed: 27 July 2021)	Director
Emma Campbell (Resigned: 11 April 2021)	Director
Alice Coddington (Resigned: 23 February 2021)	Director
Christine Higginson (Resigned: 23 February 2021)	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.

ACT Basketball Incorporated

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Board's Report

For the year ended 30 September 2021

2. Operating result

The surplus of the Association for the financial year amounted to $279,952 (2020: $91,667).

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

Board member: ....

Board member: ....

Dated 1 FEB 2022

ACT Basketball Incorporated

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 September 2021

	Note	2021 $	2020 $
Revenue	3	**3,388,871**	2,833,595
ACT Management & Support Expense		**(783,139)**	(678,996)
Competitions expense		**(872,222)**	(627,230)
Depreciation expense - Property, plant & equipment	8(a)	**(174,605)**	(276,827)
Depreciation expense - Right of use assets	9	**(2,306)**	(769)
Development programmes		**(188,176)**	(176,069)
Facility expense		**(422,431)**	(528,575)
Finance expenses		**(3,478)**	(5,715)
Performance expenses		**(662,562)**	(447,747)
Surplus before income tax		**279,952**	91,667
Income tax expense	2(a)	**-**	-
Surplus for the year		**279,952**	91,667
Other comprehensive income			
Revaluation changes for property, plant and equipment		**1,327,524**	-
Fair value movements on investments held at FVOCI		**97**	(384)
Other comprehensive income for the year		**1,327,621**	(384)
Total comprehensive income for the year		**1,607,573**	91,283

The accompanying notes form part of these financial statements.

ACT Basketball Incorporated

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Statement of Financial Position

As At 30 September 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**859,681**	674,985
Trade and other receivables	5	**38,823**	70,691
Other assets	7	**69,186**	79,781
TOTAL CURRENT ASSETS		**967,690**	825,457
NON-CURRENT ASSETS			
Loans and other receivables	5	**43,840**	52,381
Investments	6	**886**	788
Property, plant and equipment	8	**6,237,990**	5,072,023
Right-of-use assets	9	**8,459**	10,766
TOTAL NON-CURRENT ASSETS		**6,291,175**	5,135,958
TOTAL ASSETS		**7,258,865**	5,961,415
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**62,147**	149,491
Lease liabilities	9	**2,209**	2,080
Employee benefits	11	**88,039**	74,163
Other financial liabilities	12	**349,677**	574,080
TOTAL CURRENT LIABILITIES		**502,072**	799,814
NON-CURRENT LIABILITIES			
Borrowings	12	**35,605**	49,675
Lease liabilities	9	**6,579**	8,788
Employee benefits	11	**5,870**	1,972
TOTAL NON-CURRENT LIABILITIES		**48,054**	60,435
TOTAL LIABILITIES		**550,126**	860,249
NET ASSETS		**6,708,739**	5,101,166
EQUITY			
Building fund reserve		**40,000**	40,000
Reserves		**3,173,557**	1,845,935
Retained earnings		**3,495,182**	3,215,231
TOTAL EQUITY		**6,708,739**	5,101,166

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 2021

2021

	Retained Earnings	Asset Revaluation Surplus	Reserve for building fund	FVOCI reserve	Total
	$	$	$	$	$
Balance at 1 October 2020	3,215,231	1,846,319	40,000	(384)	5,101,166
Surplus during the financial year	279,952	-	-	-	279,952
Total other comprehensive income for the year	-	1,327,524	-	97	1,327,621
Balance at 30 September 2021	3,495,183	3,173,843	40,000	(287)	6,708,739

2020

	Retained Earnings	Asset Revaluation Reserve	Reserve for building fund	FVOCI reserve	Total
	$	$	$	$	$
Balance at 1 October 2019	3,163,564	1,846,319	-	-	5,009,883
Surplus during the financial year	91,667	-	-	-	91,667
Transfers from retained earnings to general reserve	(40,000)	-	40,000	-	-
Total other comprehensive income for the year	-	-	-	(384)	(384)
Balance at 30 September 2020	3,215,231	1,846,319	40,000	(384)	5,101,166

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 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**3,807,478**	3,323,819
Payments to suppliers and employees		**(3,591,373)**	(2,960,557)
Interest received		**101**	541
Net cash provided by operating activities		**216,206**	363,803
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	8(a)	**(13,048)**	(184,697)
Net cash (used in) investing activities		**(13,048)**	(184,697)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		**(15,786)**	(13,991)
Payment of lease liabilities	9	**(2,676)**	(892)
Net cash (used in) financing activities		**(18,462)**	(14,883)
Net increase in cash and cash equivalents held		**184,696**	164,223
Cash and cash equivalents at beginning of year		**674,985**	510,762
Cash and cash equivalents at end of financial year	4	**859,681**	674,985

The accompanying notes form part of these financial statements.

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 authoritive pronouncements of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 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

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.

2 Summary of Significant Accounting Policies

(b) Leases

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.

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

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.

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

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue from contracts with customers

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.

Specific revenue streams

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

Competition and program revenue

Revenue from a contract to provide services including competition fees, development programs and performance programs are recognised over time as the services are rendered based on either a fixed price or an hourly rate which better reflects the services provided (and their level of contribution).

Operating grants and donations

When the Association receives operating grant revenue or donations, 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.

2 Summary of Significant Accounting Policies

(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.

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

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.

3x3 courts are measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

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.

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

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.

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Fair value through other comprehensive income

Equity instruments

The Association has an investment in a listed entity over which are they do not have significant influence nor control. The Association has made an irrevocable election to classify this equity investment as fair value through other comprehensive income as it is not held for trading purposes.

The investment is 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 other comprehensive income.

Financial assets through profit or loss (FVTPL)

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 assets 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

2 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.

2 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.

2 Summary of Significant Accounting Policies

(j) 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 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-profits - 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 non-current 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.

3 Revenue and Other Income

	2021	2020
	$	$
- ACT management and support income	**104,003**	236,363
- Competition revenue	**2,345,530**	1,692,174
- COVID-19 Income	**33,000**	292,000
- Development income	**326,950**	252,701
- Facility income	**68,929**	44,526
- Other income	**84,382**	69,300
- Performance income	**426,077**	246,531
Total Revenue and Other Income	**3,388,871**	2,833,595

4 Cash and Cash Equivalents

	2021	2020
	$	$
Cash at bank and in hand	737,306	572,136
Capital investment account	40,000	20,529
Short-term deposit	82,375	82,320
	859,681	674,985

5 Trade and Other Receivables

	2021	2020
	$	$
CURRENT		
Trade receivables	2,092	59,191
Provision for doubtful debts	-	(4,500)
	2,092	54,691
GST receivable	25,190	-
Loans and recievables	11,541	16,000
Total current trade and other receivables	38,823	70,691

	2021	2020
	$	$
NON-CURRENT		
Loans and recievables	43,840	52,381
Total trade and other receivables	43,840	52,381

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.

6 Investments

	2021	2020
	$	$
NON-CURRENT		
Shares	886	788
Total	886	788

Notes to the Financial Statements

For the Year Ended 30 September 2021

7 Other Assets

	2021	2020
	$	$
CURRENT		
Prepayments	**69,186**	67,281
Accrued income	**-**	12,500
	69,186	79,781

8 Property, Plant and Equipment

	2021	2020
	$	$
Belconnen land		
At fair value		
Block 16	**2,025,000**	1,224,426
Block 13	**220,000**	220,000
Total Belconnen land	**2,245,000**	1,444,426
Belconnen stadium		
At fair value	**3,012,483**	2,800,952
Accumulated depreciation	**(218,272)**	(438,409)
Total Belconnen stadium	**2,794,211**	2,362,543
Total land and buildings	**5,039,211**	3,806,969
Plant and equipment		
At cost	**1,329,702**	1,500,463
Accumulated depreciation	**(130,923)**	(235,409)
Total plant and equipment	**1,198,779**	1,265,054
Total property, plant and equipment	**6,237,990**	5,072,023

Notes to the Financial Statements

For the Year Ended 30 September 2021

8 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 2021				
Balance at the beginning of year	1,444,426	2,362,543	1,265,054	5,072,023
Additions	-	-	13,048	13,048
Depreciation expense	-	(95,282)	(79,323)	(174,605)
Revaluation increase	800,574	526,950	-	1,327,524
Balance at the end of the year	2,245,000	2,794,211	1,198,779	6,237,990

	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

(b) Land and Building Valuation

The valuation of the land for Block 16 50 Oatley Court Belconnen ACT was $2,025,000 and was based on the estimated (fair) value of the land in an open market. The valuation was carried out as at 4 November 2020 by Matthew Shadbolt AAPI CPV from Opteon.

The valuation of the Belconnen Basketball Centre, 42 Oatley Court Belconnen ACT was $2,740,000 and was based on fair value of the improvements. The valuation was carried out as at 4 November 2020 by Matthew Shadbolt AAPI CPV from Opteon.

Notes to the Financial Statements

For the Year Ended 30 September 2021

9 Leases

Right-Of-Use Assets

	Office Equipment $	Total $
Year ended 30 September 2021		
At cost	**11,535**	**11,535**
Accumulated depreciation	**(3,076)**	**(3,076)**
Balance at end of year	**8,459**	**8,459**

	Office Equipment $	Total $
Year ended 30 September 2020		
At cost	11,535	11,535
Accumulated depreciation	(769)	(769)
Balance at end of year	10,766	10,766

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 $	Lease liabilities included in this Statement Of Financial Position $
2021			
Lease liabilities	**2,209**	**6,579**	**8,788**
2020			
Lease liabilities	2,080	8,788	10,868

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2021 $	2020 $
Interest expense on lease liabilities	**(595)**	(226)
Depreciation of right-of-use assets	**(2,306)**	(769)
	(2,901)	(995)

Notes to the Financial Statements

For the Year Ended 30 September 2021

9 Leases

Statement of Cash Flows

	2021 $	2020 $
Total cash outflow for leases	(2,676)	(892)

10 Trade and Other Payables

	2021 $	2020 $
CURRENT		
Trade payables	6,693	31,539
GST payable	-	30,065
Accrued expenses	36,399	47,383
Payroll liabilities	11,263	15,888
Other payables	7,792	24,616
	62,147	149,491

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.

11 Employee Benefits

	2021 $	2020 $
CURRENT		
Provisions for annual leave	59,931	47,894
Provisions for long service leave	28,108	26,269
	88,039	74,163

	2021 $	2020 $
NON-CURRENT		
Provisions for long service leave	5,870	1,972
	5,870	1,972

Notes to the Financial Statements

For the Year Ended 30 September 2021

12 Other Liabilities

	2021 $	2020 $
CURRENT		
Deposit received	-	5,175
Amounts received in advance	**335,686**	556,080
Lease liability - Solar panel	**13,991**	12,825
	349,677	574,080

	2021 $	2020 $
NON-CURRENT		
Lease liability - Solar panel	**35,605**	49,675
	35,605	49,675

13 Key Management Personnel Remuneration

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

	2021 $	2020 $
Total key management personnel remuneration	**125,948**	119,999
	125,948	119,999

14 Contingencies

(a) Contingent Liabilities

At 30 September 2021, the Association has a contingent liability of $65,000 (2020: $65,000) relating to a security deposit guarantee provided to the Australian Capital Territory Planning and Land Authority.

15 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.

16 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

ABN: 11 936 731 929

Statement by Members of the Board

In the opinion of the Board the financial report as set out on pages 3 to 22:

1. Present fairly the financial position of ACT Basketball Incorporated as at 30 September 2021 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 .... Board member ....

Dated 1 FEB 2022

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Liability limited by a scheme approved under Professional Standards Legislation

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 2021, 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 2021 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 (including Independence Standards)* (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.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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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.

Hardwickes
Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra

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