



# 2020 Annual Report

## 1. Presidents Report

In what can only be described as the most unusual year imaginable, I hereby present the SBA President's Report for 2020.

As a Board, we commenced 2020 with high hopes of targeting and achieving as many milestones as possible to aid the stability and growth of the Southern Basketball Association during 2020 and beyond. It is fair to say that the furthest aspect from our minds was the notion that there would be next to no basketball played at all during 2020!!

COVID-19 has produced unprecedented times that has tipped all forms of planning and strategic thinking completely on its head. On Friday 13<sup>th</sup> March 2020, guided by the leadership of our CEO Craig Weir with the full backing of the SBA Board, we took the first step of any Victorian Basketball Association to inform Basketball Victoria that we were withdrawing our junior and senior representative teams from all competitions and ceasing our domestic basketball competitions in light of the increasing risk that COVID-19 was starting to impose. The risk of exposing our juniors, coaches and parents across multiple basketball venues in metropolitan Melbourne and then amongst our own community was no longer logical. This decision was solely based on our non-negotiable principle that the safety and welfare of our members (both playing and non-playing) and our staff is the No. 1 priority. Within hours, our decision was vindicated by other Associations and then eventually Basketball Victoria following suit.

However, as an Association, we were in uncharted waters. The following weeks were dominated with a series of meetings and planning sessions coupled with consultation with our Domestic Club leaders with the aim on focusing the following three key aspects:

- Regular, open and concise communication with our members and our Basketball community;
- Activate cost management plans to protect SBA's financial strength; and
- Protection and retention of our loyal and highly valuable staff.

The year then proceeded with bursts of hopes and disappointments as COVID-19 took hold in the wider Victorian community, and only now at the time of writing, are we once again excited to be preparing to re-commence our basketball lives that we have dearly missed over the past eight months. A huge thank you to the SBA Operations team for maintaining their enthusiasm in continually engaging with our junior basketballers, domestic clubs and members through a series of virtual basketball skill sessions and a steady stream of communication during this time.

However, 2020 has also brought us many highlights. These include the resolution of various legacy legal and personal matters, undertaking an external governance review of our Board, updating our Constitution including the recognition of our own gender targets for Board representation, and the development of a technology solution to track and assess the performance of our advanced athletes that will be rolled out in 2021.

But above all, the clear highlight of the year was the approval of funding by the Bayside City Council for the build of our 4 additional courts at Tulip Street due to commence in the first half of 2021 and to be completed by mid 2022. We now have the ability to double our capacity, especially to accommodate our ever-expanding domestic competition player base and Clubs through to our representative and all abilities programs which we are extremely excited about. We are looking forward to continuing to build upon the fantastic positive momentum that

the SBA now has. A huge thank you again to the Bayside City Council for their collaborative approach over the past 12 months. Also sincere thanks to Craig Weir in particular for his tireless work to build a great relationship with the Bayside City Council Operations team especially during 2019, and for the endless support of our 12 Domestic Clubs and loyal Life Members, especially in the lead up to the funding decision in September 2020. We thank you all.

As you can see, the financial position of the SBA is extremely strong, and we are now starting to realise our true potential as we aim to invest further into the growth of the SBA. Coupled with our continued focus on delivering on our SBA 5 pillar strategy (People & Culture; Governance; Participation & Pathways; Communication & Engagement; and Facilities & Infrastructure), we have now reached a position that where we are unified, strategically focused and above all, it's a happy place to be.

I'd also like to take this opportunity to thank David Hopkins who resigned from the Board during 2020 due to work commitments. David made an enormous contribution to the SBA during his 3 years on the Board and we would like to thank him for technical expertise and his tireless commitment to our Association.

Finally, I'd like to thank our sponsors who have all stayed the course to support the SBA during 2020 and beyond. In challenging times, we appreciate that they would have had many hard decisions to make and we feel privileged that they still consider the SBA a valuable investment in their future plans.

Finally, a huge thank you to our SBA Operational staff, our Domestic Clubs in particular each President & their committee, our Life Members, players, family and friends of the SBA. We very much appreciate your continued support and commitment in all aspects.

We have successfully survived 2020 and we can now look forward to 2021 and beyond with increased confidence and anticipation.



Phil McFarlane

SBA President

## 2. CEO's Report

In 2020, our year was brought to a halt with less than three months of the year being completed, a pandemic had arrived with disastrous consequences worldwide. Now we are in November it seems that the worst may be over for Australia and we can have all our playing members back on court in the not-too-distant future.

The Operations team continue to manage in line with the Five Pillars that are endorsed by the SBA Board:

1. **People and Culture**
2. **Governance**
3. **Participation and Pathways**
4. **Communication and Engagement**
5. **Facilities and Infrastructure.**

The best news for 2020 by far was the announcement from Bayside City Council confirming the additional four courts would commence construction in 2021. This has been in the planning stage for over 10 years now and I would like to take this opportunity to thank the following present and past Councillors and Council employees.

### **Councillors:**

Clarke Martin

Michael Heffernan

Rob Grinter

Laurie Evans

James Long

Alex del Porto

Sonia Castelli

### **Council employees:**

Mick Cummins, CEO

Damien Van Trier, Manager - Open Space, Recreation & Wellbeing

Sara Townsend, Recreation & Events Coordinator – Open Space, Recreation & Wellbeing.

This is a major milestone in the history of the Southern Basketball Association allowing the infrastructure to meet the growth of the Bayside area. I am pleased with our year-end financial result ending up more than \$100K in profit even though our income flow was reduced to zero as of March, a great result under the circumstances.

All of our representative programs for 2020 were cancelled; NBL1, Big V and VJBL, but I am confident we will bounce back all the better in 2021. The last eight months have been very challenging, and I need to highlight the efforts of the following Operational staff who have worked tirelessly behind the scenes to ensure the SBA is ready to bounce back on the other side of this pandemic.

Simon, Nathan, Vicki, Sophie and Margaret; a great job, well done!

Lastly, and most importantly, I would personally like to acknowledge and thank the SBA Board for their continued support of the Operations team throughout this year.

Craig Weir

SBA Chief Executive Officer

### 3. Secretary’s Report

#### Governance

The Board had a very active year, taking the opportunity to work on a number of governance related actions.

- In July 2020 an independent governance review was undertaken of the SBA Board in the areas of Board Composition, Board Operations and Monitoring and Risk Management. The review included a documentation review and interviews with all Board members and the CEO.
- A comprehensive review process of the SBA Constitution was undertaken working with Member Club Presidents and Life Members. An EGM was held in October 2019 and the Constitution was passed unanimously by special resolution. Some changes made to the Constitution were a result of recommendations made by the governance review, including the implementation of gender diversity targets and three-year Board terms.
- A Grievance and Complaints procedure was developed and adopted. This provides a clear roadmap for how complaints and grievances are reported, handled and investigated.
- A Life Membership Criteria policy was also developed to provide a clear and transparent process for nominating, approving and cancelling life membership.
- The independent governance review identified a number of recommendations that have subsequently been implemented including development of a Conflicts of Interest Register, SBA Risk Register and Board (Office Bearer and Director) position descriptions.

#### Board Meetings

A quorum was present at all 2020 Board Meetings. Vice President David Hopkins resigned in July 2020 and Kathrine Fordham-King, a corporate lawyer, was appointed to fill the casual vacancy on the Board. The Board also appointed Natalie Hughes as a non-voting Director to bring further governance and marketing skills to the Board.

Meetings were chaired by the President Phil McFarlane. All Board Members actively participated in robust and challenging discussions, with a diversity of opinions expressed. All decisions were documented in minutes and conflicts of interest were noted. All formally accepted meeting minutes are accessible on the SBA website.

In addition to Board Meetings, a number of strategy planning sessions were held early in the year to identify strategic actions to be undertaken by the Board to progress the SBA’s ‘Our Future Together’ strategy. The Board has made significant progress with many of the actions identified – all board and strategic actions are tracked in an action register and progress is reviewed at each Board Meeting.

Board Member	Position	2020 Board Meeting Attendance											TOTAL	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov		
Phil McFarlane	President	AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Gerrik Gratz	Vice President	AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Anne-Maree Nunan	Secretary	AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Dean Cartwright	Treasurer	AGM	✓	✓	✓	✓	✓	X	✓	X	✓	✓	8	
Scott Harvey	Director	AGM	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	9	
Jason Shugg	Director	AGM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	
Kath Fordham-King	Director (appointed 27/7/2020)								✓	✓	✓	✓	4	
Natalie Hughes	Director (appointed 27/7/2020)								✓	✓	✓	✓	4	
David Hopkins	Vice President (resigned 3/7/2020)	X	X	✓	✓	✓	X						3	

#### Anne-Maree Nunan

#### SBA Secretary

## 4. Treasurers Report

In a year that threw up plenty of challenges there is a lot of positives for the SBA.

We produced a profit of \$183k for the year (\$220k FY19), but that hardly tells the story.

In purely financial terms we had a good year considering the circumstances. Basketball revenue was from one domestic season and junior representative fees only. This was offset by lower expenses for the junior representative program, minimal NBL1 costs, low outreach program costs and low rental costs. All costs were managed closely by CEO Craig Weir.

We were assisted by the government cash flow boost including JobKeeper payments (\$212K).

As a community-based organisation, keeping our employees meaningfully employed has been outstanding. We are not all about the bottom line and supporting our people and their families is something we should take pride in.

Our cash balance actually increased year on year from \$870k in FY19 to \$996k at the end of FY20. We committed to increasing our term deposits and by year's end they were over \$500k. The balance is \$621k as of today. This means that we have remained on track of achieving our contribution of \$1m to the build of the 4 new courts by mid-2022, which is an outstanding outcome given the year that it has been.

Both Trade Receivables and Trade Creditors are within expectations with no known material risks in either. Other receivables include accrued JobKeeper and Cashflow Boost (\$70k) and Trade payables includes GST from prior periods (34k) and Other payables includes PAYG tax (50k).

There will be a flow on effect in FY21. Our revenue will include one and a third seasons of domestic revenue. This means that expenses will again be monitored closely. As with all businesses this provides opportunity. Every dollar we spend has significance and we will be prudent in what we spend the Association's

money on. We continue to scenario plan for the coming year and we are confident of financial stability even in the changing landscape that the pandemic has presented us.

### **AASB 16 Leases**

FY20 is the first year that AASB 16 Leases has been adopted by the SBA. The adoption of this standard means that right-of-use assets are to be reported and recognised on the balance sheet. The lease asset reported on the SBA balance sheet is for our premises lease at 150 Tulip Street.

**Dean Cartwright**

**SBA Treasurer**

## Appendix 1: Financial Reports

# **Southern Basketball Association Incorporated**

78 936 718 412

## **Financial Statements**

**For the Year Ended 31 August 2020**



# **Southern Basketball Association Incorporated**

78 936 718 412

## **Contents**

**For the Year Ended 31 August 2020**

	Page
<b>Financial Statements</b>	
Committee's Report	1
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Certificate by Members of Committee	25
Independent Audit Report	26
Schedules	28

## Southern Basketball Association Incorporated

78 936 718 412

### Committee's Report 31 August 2020

The committee members submit the financial report of the Association for the financial year ended 31 August 2020.

#### 1. General information

##### Committee members

The names of the Committee members in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
David Hopkins	Vice President	Resigned 3 July 2020
Dean Cartwright	Treasurer	
Scott Harvey		
Phil McFarlane	President	
Anne-Maree Nunan	Secretary	
Jason Shugg		
Gerrik Gratz		
Kath Fordham-King		Appointed 27 July 2020
Natalie Hughes		Appointed 27 July 2020

##### Principal activities

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

Promoting the sport of Basketball and providing the members of the Association with facilities to encourage participation and competition within the sport.

##### Significant changes

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

#### 2. Operating results and review of operations for the year

##### Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ 183,057 (2019 profit: \$ 220,016).

**Southern Basketball Association Incorporated**

78 936 718 412

**Committee's Report**  
**31 August 2020**

**3. Other items**

**Future developments and results**

Covid19

On 11 March 2020, the World Health Organization declared COVID19 a global pandemic. While COVID19 is a health crisis, it has caused socioeconomic disruption on a global scale. The Association has considered the Impact of COVID19 when preparing the financial statements and related note disclosures. In the opinion of The Committee, whilst the widespread outbreak of COVID19 has impacted the normal course of operations during the financial year, the Association does not foresee a material financial impact resulting from the COVID19 outbreak.

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

Committee member:   
Phil McFarlane

Committee member:   
Dean Cartwright

Dated 20 November 2020

## Southern Basketball Association Incorporated

78 936 718 412

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 August 2020

		2020	2019
	Note	\$	\$
Sales revenue	5	333,468	154,529
Basketball and other revenue	5	1,331,285	2,172,541
Cost of sales		(98,597)	(149,014)
Employee benefits expense		(648,867)	(664,813)
Depreciation and amortisation expense		(49,090)	(50,782)
Competition Costs		(416,042)	(875,228)
Other expenses		(268,521)	(367,217)
Finance costs		(579)	-
<b>Profit before income tax</b>		<b>183,057</b>	<b>220,016</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>183,057</b>	<b>220,016</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>183,057</b>	<b>220,016</b>

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

## Southern Basketball Association Incorporated

78 936 718 412

### Statement of Financial Position 31 August 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	996,377	870,067
Trade and other receivables	7	74,074	3,793
Inventories	8	45,164	13,956
Other assets	11	8,296	22,377
<b>TOTAL CURRENT ASSETS</b>		<b>1,123,911</b>	<b>910,193</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	375,559	402,536
Intangible assets	10	5,000	5,000
Right of use asset	12	7,475	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>388,034</b>	<b>407,536</b>
<b>TOTAL ASSETS</b>		<b>1,511,945</b>	<b>1,317,729</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	147,946	140,884
Employee benefits	15	83,717	61,801
Other financial liabilities	14	-	20,398
Lease liabilities	12	6,065	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>237,728</b>	<b>223,083</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	15	2,825	1,016
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,825</b>	<b>1,016</b>
<b>TOTAL LIABILITIES</b>		<b>240,553</b>	<b>224,099</b>
<b>NET ASSETS</b>		<b>1,271,392</b>	<b>1,093,630</b>
<b>EQUITY</b>			
Reserves		85,167	85,167
Retained earnings		1,186,225	1,008,463
<b>TOTAL EQUITY</b>		<b>1,271,392</b>	<b>1,093,630</b>

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
**For the Year Ended 31 August 2020**

2020

	Retained Earnings	Asset Realisation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 September 2019</b>	1,008,463	85,167	1,093,630
Profit / (loss) attributable to members	183,057	-	183,057
Retrospective adjustment upon adoption of AASB 16	(5,295)	-	(5,295)
<b>Balance at 31 August 2020</b>	<u>1,186,225</u>	<u>85,167</u>	<u>1,271,392</u>

2019

	Retained Earnings	Asset Realisation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 September 2018</b>	788,447	85,167	873,614
Profit attributable to members of the parent entity	220,016	-	220,016
<b>Balance at 31 August 2019</b>	<u>1,008,463</u>	<u>85,167</u>	<u>1,093,630</u>

## Southern Basketball Association Incorporated

78 936 718 412

### Statement of Cash Flows For the Year Ended 31 August 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,492,911	2,579,545
Payments to suppliers and employees	(1,557,136)	(2,142,757)
Interest received	7,072	6,253
Interest paid	(579)	-
Receipt from grants	212,328	-
Net cash provided by/(used in) operating activities	21 <u>154,596</u>	<u>443,041</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	532	295
Purchase of property, plant and equipment	(18,036)	(9,977)
Net cash used by investing activities	<u>(17,504)</u>	<u>(9,682)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease	(10,782)	-
Net cash used by financing activities	<u>(10,782)</u>	-
Net increase/(decrease) in cash and cash equivalents held	126,310	433,359
Cash and cash equivalents at beginning of year	<u>870,067</u>	<u>436,708</u>
Cash and cash equivalents at end of financial year	6 <u><u>996,377</u></u>	<u><u>870,067</u></u>

The accompanying notes form part of these financial statements.

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

The financial statements cover Southern Basketball Association Incorporated as an individual entity. Southern Basketball Association Incorporated is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The functional and presentation currency of Southern Basketball Association 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 and the Act.

#### 2 Change in Accounting Policy

##### Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 September 2019 and therefore the comparative information for the year ended 31 August 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.

##### *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 September 2019;
- right-of-use assets at 1 September 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;



## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 2 Change in Accounting Policy

##### Leases - Adoption of AASB 16

##### Impact of adoption of AASB 16

- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 31 August 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 31 August 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 September 2019 are the same value as the leased asset and liability on 31 August 2019.

##### Financial statement impact of adoption of AASB 16

The Association has recognised right-of-use assets of \$11,552 and lease liabilities of \$11,552 at 1 September 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 September 2019 was 5.00%.

	\$
Operating lease commitments at 31 August 2019 financial statements	12,435
Discounted using the incremental borrowing rate at 1 September 2019	11,552
Add:	
Less:	
<b>Lease liabilities recognised at 1 September 2019</b>	<b>11,552</b>

#### 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) Revenue and other income

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.

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

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 3 Summary of Significant Accounting Policies

##### (b) Revenue and other income

###### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

###### Interest revenue

Interest is recognised using the effective interest method.

###### Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

##### (c) 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.

##### (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 payable 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) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

##### (f) 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.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 3 Summary of Significant Accounting Policies

- (f) **Property, plant and equipment**  
impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a diminishing value and straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

- (g) **Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. 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*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and other receivables fall into this category of financial instruments.

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements

For the Year Ended 31 August 2020

#### 3 Summary of Significant Accounting Policies

##### (g) Financial instruments

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Association uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### (h) 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.

##### (i) Leases

For comparative year

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

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 3 Summary of Significant Accounting Policies

##### (i) Leases

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.

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.

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.

##### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Southern Basketball Association Incorporated**

78 936 718 412

### **Notes to the Financial Statements**

**For the Year Ended 31 August 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(j) 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.

##### **(k) Adoption of new and revised accounting standards**

The Association has adopted all standards which became effective for the first time at 31 August 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

##### **(l) 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.

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 4 Critical Accounting Estimates and Judgments

Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

#### 5 Revenue and Other Income

##### Revenue from continuing operations

	2020	2019
	\$	\$
Sales revenue		
- sale of goods	114,068	148,276
- Covid cashflow boost	212,328	-
	<u>326,396</u>	<u>148,276</u>
Finance income		
- Bank interest received	7,072	6,253
Other revenue		
- Basketball revenue	1,331,285	2,172,541
<b>Total Revenue</b>	<u><u>1,664,753</u></u>	<u><u>2,327,070</u></u>

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	1,989	1,989
Short-term deposits	521,183	314,877
Other cash and cash equivalents	473,205	553,201
	<u>996,377</u>	<u>870,067</u>

#### 7 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	641	2,420
GST receivable	3,300	-
Other receivables	70,133	1,373
<b>Total current trade and other receivables</b>	<u>74,074</u>	<u>3,793</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.

#### 8 Inventories

	2020	2019
	\$	\$
CURRENT		
At cost:		
Finished goods	45,164	13,956
	<u>45,164</u>	<u>13,956</u>



**Southern Basketball Association Incorporated**

78 936 718 412

**Notes to the Financial Statements  
For the Year Ended 31 August 2020**

**9 Property, plant and equipment**

	2020	2019
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	537,192	519,427
Accumulated depreciation	<u>(372,067)</u>	<u>(352,475)</u>
Total plant and equipment	<u>165,125</u>	166,952
Office equipment		
At cost	205,241	204,970
Accumulated depreciation	<u>(145,551)</u>	<u>(134,489)</u>
Total office equipment	<u>59,690</u>	70,481
Leasehold Improvements		
At cost	254,832	254,832
Accumulated amortisation	<u>(104,088)</u>	<u>(89,729)</u>
Total leasehold improvements	<u>150,744</u>	165,103
Total plant and equipment	<u>375,559</u>	402,536
<b>Total property, plant and equipment</b>	<u><u>375,559</u></u>	<u>402,536</u>

**Southern Basketball Association Incorporated**

78 936 718 412

**Notes to the Financial Statements**  
**For the Year Ended 31 August 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:

	Plant and Equipment \$	Motor Vehicles \$	Office Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 31 August 2020</b>					
Balance at the beginning of year	166,952	-	70,481	165,103	402,536
Additions	17,765	-	271	-	18,036
Depreciation expense	(19,592)	-	(11,062)	(14,359)	(45,013)
<b>Balance at the end of the year</b>	<b>165,125</b>	<b>-</b>	<b>59,690</b>	<b>150,744</b>	<b>375,559</b>

	Plant and Equipment \$	Motor Vehicles \$	Other Plant & Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 31 August 2019</b>					
Balance at the beginning of year	177,386	-	90,703	179,524	447,613
Additions	9,977	-	-	-	9,977
Disposals / Write-offs	(2,070)	-	(2,204)	-	(4,274)
Depreciation expense	(18,341)	-	(18,018)	(14,423)	(50,782)
Other changes, movements	-	-	-	2	2
<b>Balance at the end of the year</b>	<b>166,952</b>	<b>-</b>	<b>70,481</b>	<b>165,103</b>	<b>402,536</b>

**Southern Basketball Association Incorporated**

78 936 718 412

**Notes to the Financial Statements  
For the Year Ended 31 August 2020**

**10 Intangible Assets**

	2020	2019
	\$	\$
B Ball Program Cost	5,000	5,000
Accumulated amortisation and impairment	-	-
<b>Total Intangibles</b>	<b>5,000</b>	<b>5,000</b>

**11 Other Assets**

	2020	2019
	\$	\$
CURRENT		
Prepayments	5,015	19,096
Other asset	3,281	3,281
	<b>8,296</b>	<b>22,377</b>

**12 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.

**Association as a lessee**

The Association has leases over land and buildings.

The Association has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

*Terms and conditions of leases*

The Association leases land and buildings for their registered office and place of business, the lease is for 9 years. At the time of this report the Association is negotiating to renew for a further 15 years.

**Right-of-use assets**

	Buildings	Total
	\$	\$
<b>Year ended 31 August 2020</b>		
Balance at beginning of year	11,552	11,552
Depreciation charge	(4,077)	(4,077)
<b>Balance at end of year</b>	<b>7,475</b>	<b>7,475</b>

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 12 Leases

##### 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 undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2020</b>				
Lease liabilities	6,066	6,369	12,435	11,552

##### 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:

	2020 \$
Interest expense on lease liabilities	(579)
Depreciation of right-of-use assets	(4,077)
	<u>(4,656)</u>

##### Statement of Cash Flows

	2020 \$
Total cash outflow for leases	(6,066)

#### 13 Trade and Other Payables

	2020 \$	2019 \$
Current		
Trade payables	59,513	36,044
Deposits	1,000	1,250
GST payable	-	35,527
Fund raising fund	3,767	6,286
Other payables	83,666	61,777
	<u>147,946</u>	<u>140,884</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

**Southern Basketball Association Incorporated**

78 936 718 412

**Notes to the Financial Statements  
For the Year Ended 31 August 2020**

**14 Other Financial Liabilities**

	2020	2019
	\$	\$
CURRENT		
Amounts received in advance	-	20,398

**15 Employee Benefits**

	2020	2019
	\$	\$
Current liabilities		
Long service leave	24,056	21,648
Annual leave	59,661	40,153
	<u>83,717</u>	<u>61,801</u>
	2020	2019
	\$	\$
Non-current liabilities		
Long service leave	2,825	1,016

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 16 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Association does not speculate in financial assets.

The most significant financial risks to which the Association is exposed to are described below:

##### Specific risks

- Liquidity risk
- Credit risk

##### Financial instruments used

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables

##### Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Association manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 16 Financial Risk Management

##### Liquidity risk

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

	Within 1 Month		1 to 3 Months	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	-	-	59,513	36,044
Other short term liabilities	83,650	71,237	-	-

The timing of expected outflows is not expected to be materially different from contracted cashflows.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Association's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Association and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Association.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 16 Financial Risk Management

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)		Within initial trade terms
			< 30	> 90	
	\$	\$	\$	\$	\$
<b>2020</b>					
Trade and term receivables	641	-	-	-	641
Other receivables	73,609	-	-	-	73,609
<b>Total</b>	<b>74,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,250</b>
<b>2019</b>					
Trade and term receivables	2,420	-	-	-	2,420
Other receivables	3,281	-	-	-	3,281
<b>Total</b>	<b>5,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,701</b>

The Association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### 17 Key Management Personnel Remuneration

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

	2020	2019
	\$	\$
Short-term employee benefits	120,450	123,080

#### 18 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor Alan Tudor, for:		
- auditing or reviewing the financial statements	7,000	7,000
- other services	7,000	6,750
<b>Total</b>	<b>14,000</b>	<b>13,750</b>

#### 19 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 August 2020 (31 August 2019: None).



## Southern Basketball Association Incorporated

78 936 718 412

### Notes to the Financial Statements For the Year Ended 31 August 2020

#### 20 Related Parties

No remuneration is received by members of the Committee of Management from the Association for acting on the committee during the year. Remuneration received or receivable by members of the Committee of Management from the Association for acting as referees, supervisors, domestic graders, consultants or in other paid capacities are paid on an arms length basis and on normal terms and conditions.

#### 21 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit / (loss) for the year	183,057	220,016
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	49,090	50,782
- net gain on disposal of property, plant and equipment	(532)	3,978
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(66,981)	42,067
- (increase)/decrease in prepayments	14,081	266
- (increase)/decrease in inventories	(31,208)	59,339
- increase/(decrease) in trade and other payables	(16,636)	36,208
- increase/(decrease) in employee benefits	23,725	30,385
Cashflows from operations	<u>154,596</u>	<u>443,041</u>

#### 22 Events after the end of the Reporting Period

COVID19 and its associated economic impacts remain uncertain. The Company continues to closely monitor developments with a focus on potential financial and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of COVID19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, however note that the situation is continuing to evolve.

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.

#### 23 Statutory Information

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

Southern Basketball Association Incorporated  
150 Tulip Street  
Sandringham Vic 3191

**Southern Basketball Association Incorporated**

78 936 718 412

**Certificate by Members of Committee**

**Annual statements give true and fair view of financial performance and position of incorporated association**

We, Phil McFarlane and Dean Cartwright, being members of the Committee of the Southern Basketball Association Incorporated, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of Southern Basketball Association Incorporated during and at the end of the financial year of the association ending on 31 August 2020.

Dated 20 - 11 - 2020 .



Phil McFarlane (Committee Member)



Dean Cartwright (Committee Member)

**Southern Basketball Association Incorporated**

**Independent Audit Report to the members of Southern Basketball Association Incorporated**

**Report on the Audit of the Financial Report**

**Opinion**

I have audited the financial report of Southern Basketball Association Incorporated (the Association), which comprises the statement of financial position as at 31 August 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 declaration by those charged with governance.

In my 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 31 August 2020 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of Matter**

Without qualification to the opinion expressed above, attention is drawn to the component of revenue received as entrance fees from members and guests in the nature of cash. The Association has determined it is not practicable to establish an effective system of internal control over entrance fee income until its initial entry into its financial records. Accordingly our audit was limited to the amounts recorded in the financial records. I am therefore unable to express an opinion whether all income from entrance fees is complete.

### 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 Reform Act 2012, 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 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.

### Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

A. T. Tudor

Alan T. Tudor  
Chartered Accountant

Dated this 20<sup>th</sup> day of November 2020

**Southern Basketball Association Incorporated**

78 936 718 412

**For the Year Ended 31 August 2020**

**Disclaimer**

The additional financial data presented on 29 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 31 August 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Southern Basketball Association Incorporated) in respect of such data, including any errors of omissions therein however caused.

Tudor & Company Pty Ltd



.....

Alan T Tudor FCA

20 November 2020  
Moorabbin

## Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2020

### Profit and Loss Account

	2020	2019
	\$	\$
<b>Income</b>		
Sale of goods	114,068	148,276
Interest income	7,072	6,253
Registration income	102,833	112,364
Scoresheet income	471,599	950,927
Covid cashflow boost	212,328	-
Sponsorship	21,048	41,168
Outreach programs	101,161	179,068
Other income	1,745	2,182
SBA entry and membership	249,086	380,331
Jnr rep championship Inc.	279,892	344,365
Events income	610	5,182
Other basketball revenue	102,778	156,954
<b>Total income</b>	<b>1,664,220</b>	<b>2,327,070</b>
<b>Less: Expenses</b>		
Advertising and promotions	300	11,620
Amortisation	4,077	-
Auditors remuneration	14,000	15,750
Bad debts	1,622	773
Bank charges	4,979	5,145
Cleaning / rubbish removal	45,638	68,733
Computer expenses	16,923	20,790
Consulting and professional fees	35,187	40,715
Depreciation	45,013	50,782
Domestic competition expenses	236,617	396,370
Finance costs - interest paid	579	-
Filing fees	405	299
Fines and penalties	(237)	734
Hire / rent of plant & equipment	14,724	12,403
Insurance	13,616	8,941
Internet expenses	12,843	11,498
IT expenses	3,030	2,160
Annual leave	19,508	19,387
Long service leave	4,217	10,998
Motor vehicle expenses	-	(176)
Other employee costs	134	782
Outreach expenses	29,385	68,955
Office supplies	3,740	1,219
Postage	148	1,199
Printing and stationery	2,851	5,244
Rent & outgoings	51,331	100,093
Repairs and maintenance	18,264	9,427
Retail- selling expenses	1,535	5,799
Salaries	569,201	572,252
Security costs	1,135	1,563

## Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2020

### Profit and Loss Account

	2020	2019
	\$	\$
SBA scholarship fund	-	29
Staff training	1,653	4,763
Staff amenities	2,135	2,612
Storage costs	(334)	4,795
Subscriptions	8,702	10,748
Sundry expenses	1,076	5,680
Superannuation contributions	47,554	50,741
Telephone and fax	11,471	10,875
Travel - domestic	3,436	4,570
Workers compensation insurance	6,600	5,891
Cost of sales	98,597	149,014
Sponsorship & event expenses	34,644	18,714
NBL 1 expenses	10,955	229,552
Jnr Rep Championship expenses	85,056	118,336
Big V expenses	19,385	43,301
<b>Total Expenses</b>	<b>1,481,695</b>	<b>2,103,076</b>
<b>Other items:</b>		
Profit / (Loss) on disposal of assets	532	(3,978)
<b>Profit before income tax</b>	<b>183,057</b>	<b>220,016</b>