



2021 Annual Report

1. Presidents Report

SBA Community,

We have successfully navigated another challenging year due to the COVID-19 pandemic. At the time of writing, we are now moving forward with confidence given the high vaccination rates in Victoria and across Australia. This certainly provides us with some surety that the worst of this experience is now hopefully behind us and we can look forward to returning to our normal lives of which community basketball plays an important role for us all in 2022.

Once again, the year entailed the SBA Board and our CEO Craig Weir undertaking a series of scenario analysis sessions in relation to when our basketball seasons could commence, impact of them stopping, and then re-starting again. However, it proved to be a master stroke to change our domestic competition seasons to Autumn & Spring which meant that we completed the bulk of our domestic fixtures (93% of the Autumn 2021 season) along with a portion of our Junior representative, Youth League and NBL1 seasons. This resulted in an outstanding financial result for the SBA given the circumstances. A huge thanks to the commitment and support of our playing members, parents and families, Life Members, sponsors, and the unwavering support of our Domestic Clubs in particular each Domestic Club President and their hard working committees. We thank you all for your efforts and support.

A special mention to our CEO Craig Weir, our Head Coaches Nathan Crosswell and Simon Giovannoni, and the entire Operations staff for your exceptional commitment and persistence in managing the SBA as well as finding ways to stay engaged with our playing members and Clubs. We really appreciate it in such trying times.

Despite the interruptions, our year produced a number of highlights. Our growth rates continued in our domestic competitions, and we performed admirably in our junior and senior representative programs. We also continued to invest in our facilities in particular the launch of the 'The Cage' consisting of four highly technical shooting machines located on court 4 that will no doubt improve the technical skills of our players as well as their 'experience' in using our facilities at Tulip Street. The aim is also to provide high tech facilities that is affordable to everyone, at any time. We also installed cushioned seating, gave the change rooms a makeover and we are planning a number of continual improvements in 2022.

Last year, we received the green light for our new four courts. Due to a detailed assessment of the environmental impacts and ensuring that the new members of the Bayside City Council were comfortable with the design coupled with COVID-19 impacts, we didn't receive approval for our building permit until April 2021. Following this, the builder (The Lloyd Group), wasn't appointed until late October 2021. However, construction is due to start early December 2021 with completion schedule in late 2022/early 2023. These are exciting times to think that we will have such fantastic facilities at our disposal.

As a Board, we have also commenced work on the 2022-2024 SBA Strategy & Vision as the current strategy is due to expire. The main focus is managing our growth but also on our basketball pathway by investing in our people in order to improve performance at all levels. We are due to publish the new strategy by the end of Q1 2022. As part of the next 3 year strategy, we are also looking forward to celebrating SBA's 50th year in 2024 as well.

I would also like to take this opportunity to thank each member of the current SBA Board. It is clear we have the right group of people with the drive, passion and cross pollination of complementary skillsets that the SBA is now benefitting from. Above all, it is extremely collaborative and it has been a pleasure to work with each of you.

On behalf of myself and the SBA Board we are looking forward to completing 2021 on a high note and then really experiencing the SBA back in its full glory once again in 2022 and beyond.

A handwritten signature in black ink, appearing to read "P. McFarlane". The signature is fluid and cursive, with a large initial "P" and "M".

Phil McFarlane

SBA President

2. CEO's Report

2021 was another year of interruptions to playing basketball, a very frustrating time for all of us.

COVID-19 continued to throw down challenges, we managed a final series in our Autumn season but were unable to complete a full season for Spring, we had to make do with a shortened version of one.

The last step in construction commencing on the four new courts was achieved in October this year when the Bayside City Council announced the Lloyd Group as the successful tenderer for this project. We are hoping to see construction commence in December of this year with an estimated build time of 12-18 months.

A personal highlight of this year was the introduction of "The Cage" which I know in time will become a dedicated state of the art training court for all our members to utilise. Two additional rings were installed, four shooting machines and two Tv's to enhance skill workouts. Extremely popular with our members across a broad range from NBL 1 players to our junior domestic members. In addition to this we were able to install padded seating for all our players and spectator benches on all four courts, a long overdue solution to provide a more comfortable experience in watching our members play. Our expenses were managed in accordance with our income which enabled the Cage and cushioned seating to be installed and still maintain a positive financial result for the year, even though our revenue was reduced.

I would like to take this opportunity to thank all the staff at the SBA who do a great job in getting our members on the courts every week. The Operational Team, Vicki, Sophie, Margaret, Louise, Simon, and Nathan; our doorkeepers, referees, referee supervisors and our referee advisor. Also, the Domestic Presidents and their Committees for the work they do as volunteers to ensure teams are available and manage all the logistics that comes with it. Lastly, the SBA Board who have been a tremendous support throughout

another challenging year, volunteering their time for a great Association. A special mention to all our Life Members who over the last 40+ years have contributed a great amount of time to ensure the SBA continues to grow.

Now for 2022, our Junior and senior domestic competitions back on the courts. Daytime ladies' competition continues to grow, holiday camps will be back and skills clinics for the juniors. All-abilities and their smiling faces, the Beeball and Sabre cubs running around. Walking basketball for our nanas and pops in the community, VJBL junior program, VY and the NBL1 seniors' program. Everything is back in what we all hope will be an uninterrupted 2022 and beyond.

Thank you to all our sponsors, the list continues to grow year on year, they are all an integral part to our Association and its growth.

Craig Weir

SBA Chief Executive Officer

Secretary's Report

Governance

The Board has continued to build on the progress made in 2020 regarding governance and continued to implement governance related improvements.

- Work has continued on reviewing and updating SBA policies. New policies regarding The Cage, Concussion and Covid-19 Vaccinations were developed and implemented during the year.
- A risk register was developed with strategic / board level related risks and is now a standard board meeting agenda item.
- All board and strategic actions continue to be tracked in an action register and progress is reviewed at each Board Meeting.

Board Meetings

A quorum was present at all 2021 Board Meetings. Throughout the year the board remained very stable and productive with no changes in Directors.

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 have been held throughout October and November to assess and close out actions of the current SBA strategy (2018-2021) and commence the development of the new SBA strategy 2022-2024.

Board Member	Position	2021 Board Meeting Attendance											TOTAL
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Phil McFarlane	President	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Gerrik Gratz	Vice President	n/a	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	9
Anne-Maree Nunan	Secretary	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Natalie Hughes	Treasurer	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Dean Cartwright	Director	n/a	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	9
Jason Shugg	Director	n/a	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	9
Kath Fordham-King	Director	n/a	✓	✓	X	✓	✓	X	✓	✓	✓	✓	8

Anne-Maree Nunan

SBA Secretary

3. Treasurers Report

Another year of disruption due to the coronavirus and restrictions imposed required extraordinary financial management and commitment to our people and the SBA growth vision.

SBA delivered a profit of \$110k for the year (\$183k FY20) and maintained balance sheet strength with sights set on meeting funding requirements for our FY22 new court expansion plans approved in September 2020. This is a very positive outcome in light of all the challenges experienced throughout the year.

Income was bolstered by the government job keeper subsidy and cashflow boost (total \$225k), as we navigated the rules and complexities of reopening for play and lockdown again.

Operating continuity was challenged monthly, and sometimes on a weekly basis. Such conditions are difficult in terms of financial management, and the board is proud of our CEO and leadership group for making decisions in the best interests of all.

Keeping our employees meaningfully employed and financially supported with wage security throughout the year was a commitment we once again were able to uphold in FY21.

FY22 is an exciting year of expansion for SBA, and we are pleased to be on track to meet our financial contribution of \$1m to the build of the four new courts at Tulip Street, despite a second year of materially reduced income. Our cash term deposits at year-end total \$628k and overall, we grew our cash balance during the year from \$996k to \$1.1m.

Our vision for the future is optimistic and this was supported by commitment to invest in facilities and technology during the year. The introduction of The Cage training court, the refresh of change rooms, and spectator seating improvements were important and considered financial decisions made to support and align with growth plans.

The past two years have come at cost to our basketball community, emotionally and

financially. We have pivoted through the challenges, gained renewed clarity of what's important for SBA and the people we serve, and cautiously managed spend and financial commitments.

The FY22 budget has been set and approved by the Board and reflects a return to full trading conditions by January 2022 for the SBA.

Reinvesting in the game, the experience, the facilities, and our basketball community is what we strive to accomplish. The entire SBA community will be beneficiaries of the positive financial position we achieved this year. With play now resumed and further disruptions unlikely, FY22 will be a year to reset and invest in the future.

Natalie Hughes

SBA Treasurer

Appendix 1: Financial Reports

Southern Basketball Association Incorporated

78 936 718 412

Financial Statements

For the Year Ended 31 August 2021

Southern Basketball Association Incorporated

78 936 718 412

Contents

For the Year Ended 31 August 2021

	Page
Financial Statements	
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	22
Independent Audit Report	23
Schedules	25

Southern Basketball Association Incorporated

78 936 718 412

Committee's Report 31 August 2021

The committee members submit the financial report of the Association for the financial year ended 31 August 2021.

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:

Names	Position	Appointed/Resigned
Dean Cartwright		
Scott Harvey		Resigned 30 November 2020
Phil McFarlane	President	
Anne-Maree Nunan	Secretary	
Jason Shugg		
Gerrik Gratz	Vice President	
Kath Fordham-King		
Natalie Hughes	Treasurer	

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 \$ 110,383 (2020 profit: \$ 183,057).

Southern Basketball Association Incorporated

78 936 718 412

Committee's Report

31 August 2021

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 TheCommittee, 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: 
.....
Natalie Hughes

Dated 19 November 2021

Southern Basketball Association Incorporated

78 936 718 412

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 August 2021

		2021	2020
	Note	\$	\$
Sales revenue	4	279,965	333,468
Basketball and other revenue	4	1,341,075	1,331,285
Cost of sales		(53,781)	(98,597)
Employee benefits expense		(678,938)	(648,867)
Depreciation and amortisation expense		(55,170)	(49,090)
Competition Costs		(487,574)	(416,042)
Other expenses		(234,890)	(268,521)
Finance costs		(304)	(579)
Profit before income tax		110,383	183,057
Income tax expense		-	-
Profit from continuing operations		110,383	183,057
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		110,383	183,057

The accompanying notes form part of these financial statements.

Southern Basketball Association Incorporated

78 936 718 412

Statement of Financial Position

31 August 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,120,157	996,377
Trade and other receivables	6	94,897	74,074
Inventories	7	36,199	45,164
Other assets	10	10,886	8,296
TOTAL CURRENT ASSETS		1,262,139	1,123,911
NON-CURRENT ASSETS			
Property, plant and equipment	8	433,931	375,559
Intangible assets	9	5,000	5,000
Right of use asset	11	3,398	7,475
TOTAL NON-CURRENT ASSETS		442,329	388,034
TOTAL ASSETS		1,704,468	1,511,945
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	208,607	147,946
Employee benefits	13	107,851	83,717
Lease liabilities	11	-	6,065
TOTAL CURRENT LIABILITIES		316,458	237,728
NON-CURRENT LIABILITIES			
Employee benefits	13	6,235	2,825
TOTAL NON-CURRENT LIABILITIES		6,235	2,825
TOTAL LIABILITIES		322,693	240,553
NET ASSETS		1,381,775	1,271,392
EQUITY			
Reserves		121,322	85,167
Retained earnings		1,260,453	1,186,225
TOTAL EQUITY		1,381,775	1,271,392

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 August 2021

2021

	Retained Earnings	Asset Realisation Reserve	New court Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 September 2020	1,186,225	85,167	-	1,271,392
Profit / (loss) attributable to members	110,383	-	-	110,383
Transfers from retained earnings to general reserve	(36,155)	-	36,155	-
Balance at 31 August 2021	1,260,453	85,167	36,155	1,381,775

2020

	Retained Earnings	Asset Realisation Reserve	General Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 September 2019	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)
Balance at 31 August 2020	1,186,225	85,167	-	1,271,392

The accompanying notes form part of these financial statements.

Southern Basketball Association Incorporated

78 936 718 412

Statement of Cash Flows

For the Year Ended 31 August 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,501,207	1,492,911
Payments to suppliers and employees	(1,493,627)	(1,557,136)
Interest received	7,207	7,072
Interest paid	(304)	(579)
Receipt from grants	224,827	212,328
Net cash provided by/(used in) operating activities	19 <u>239,310</u>	<u>154,596</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	532
Purchase of property, plant and equipment	(109,465)	(18,036)
Net cash used by investing activities	<u>(109,465)</u>	<u>(17,504)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease	(6,065)	(10,782)
Net cash used by financing activities	<u>(6,065)</u>	<u>(10,782)</u>
Net increase/(decrease) in cash and cash equivalents held	123,780	126,310
Cash and cash equivalents at beginning of year	996,377	870,067
Cash and cash equivalents at end of financial year	5 <u>1,120,157</u>	<u>996,377</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 2021

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 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).

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.

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

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 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 individual item 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 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).

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

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.

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

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

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

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

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

2 Summary of Significant Accounting Policies

(i) Leases

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.

(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 2021, 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 2021

3 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.

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Sales revenue		
- sale of goods	47,932	114,068
- Jobkeeper	186,900	165,000
- Commonwealth government & Cashflow boost	8,745	-
- Vic government & community sport grants	29,182	47,328
	<u>272,759</u>	<u>326,396</u>
Finance income		
- Bank interest received	7,207	7,072
Other revenue		
- Basketball revenue	1,341,075	1,331,285
Total Revenue	<u><u>1,621,041</u></u>	<u><u>1,664,753</u></u>

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	2,189	1,989
Short-term deposits	628,314	521,183
Other cash and cash equivalents	489,654	473,205
	<u>1,120,157</u>	<u>996,377</u>

6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	82,073	641
GST receivable	-	3,300
Other receivables	12,824	70,133
Total current trade and other receivables	<u>94,897</u>	<u>74,074</u>

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

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

7 Inventories

	2021	2020
	\$	\$
CURRENT		
At cost:		
Finished goods	36,199	45,164
	<u>36,199</u>	<u>45,164</u>

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

8 Property, plant and equipment

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	643,539	537,192
Accumulated depreciation	(399,258)	(372,067)
Total plant and equipment	<u>244,281</u>	165,125
Office equipment		
At cost	208,359	205,241
Accumulated depreciation	(155,135)	(145,551)
Total office equipment	<u>53,224</u>	59,690
Leasehold Improvements		
At cost	254,833	254,832
Accumulated amortisation	(118,407)	(104,088)
Total leasehold improvements	<u>136,426</u>	150,744
Total plant and equipment	<u>433,931</u>	375,559
Total property, plant and equipment	<u>433,931</u>	<u>375,559</u>

(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
	\$	\$	\$	\$	\$
Year ended 31 August 2021					
Balance at the beginning of year	165,125	-	59,690	150,744	375,559
Additions	106,347	-	3,118	-	109,465
Depreciation expense	(27,190)	-	(9,584)	(14,319)	(51,093)
Balance at the end of the year	<u>244,282</u>	<u>-</u>	<u>53,224</u>	<u>136,425</u>	<u>433,931</u>

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

8 Property, plant and equipment

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

	Plant and Equipment \$	Motor Vehicles \$	Other Plant & Equipment \$	Leasehold Improvements \$	Total \$
Year ended 31 August 2020					
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)
Balance at the end of the year	165,125	-	59,690	150,744	375,559

9 Intangible Assets

	2021 \$	2020 \$
B Ball Program Cost	5,000	5,000
Accumulated amortisation and impairment	-	-
Total Intangibles	5,000	5,000

10 Other Assets

	2021 \$	2020 \$
CURRENT		
Prepayments	7,605	5,015
Other asset	3,281	3,281
	10,886	8,296

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements For the Year Ended 31 August 2021

11 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 expires 31 July 2022. At the time of this report the Association is negotiating to renew for a further 15 years.

Right-of-use assets

	Buildings \$	Total \$
Year ended 31 August 2021		
Balance at beginning of year	7,475	7,475
Depreciation charge	(4,077)	(4,077)
Balance at end of year	3,398	3,398
	\$	Total \$
Year ended 31 August 2020		
Balance at beginning of year	11,552	11,552
Depreciation charge	(4,077)	(4,077)
Balance at end of year	7,475	7,475

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 \$
2021				
Lease liabilities	6,065	-	6,065	-
2020				
Lease liabilities	6,066	6,369	12,435	-

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

11 Leases

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	(304)	(579)
Depreciation of right-of-use assets	(4,077)	(4,077)
	<u>(4,381)</u>	<u>(4,656)</u>

Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	<u>6,065</u>	<u>(6,066)</u>

12 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	110,425	59,513
Deposits	850	1,000
GST payable	1,672	-
Fund raising fund	3,767	3,767
Other payables	91,893	83,666
	<u>208,607</u>	<u>147,946</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.

13 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	30,168	24,056
Annual leave	77,683	59,661
	<u>107,851</u>	<u>83,717</u>
	2021	2020
	\$	\$
Non-current liabilities		
Long service leave	6,235	2,825

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

14 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 2021

14 Financial Risk Management

Liquidity risk

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

	Within 1 Month		1 to 3 Months	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables	-	-	110,425	59,513
Other short term liabilities	93,509	83,650	-	-

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 2021

14 Financial Risk Management

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)		Within initial trade terms
			< 30	> 90	
	\$	\$	\$	\$	\$
2021					
Trade and term receivables	82,073	-	-	-	82,073
Other receivables	16,096	-	-	-	16,096
Total	<u>98,169</u>	-	-	-	<u>98,169</u>
2020					
Trade and term receivables	641	-	-	-	641
Other receivables	73,609	-	-	-	73,609
Total	<u>74,250</u>	-	-	-	<u>74,250</u>

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.

15 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:

	2021	2020
	\$	\$
Short-term employee benefits	142,923	136,940

16 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor Alan Tudor, for:		
- auditing or reviewing the financial statements	7,000	7,000
- other services	4,400	7,000
Total	<u>11,400</u>	<u>14,000</u>

17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 August 2021 (31 August 2020:None).

Southern Basketball Association Incorporated

78 936 718 412

Notes to the Financial Statements

For the Year Ended 31 August 2021

18 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.

19 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:

	2021	2020
	\$	\$
Profit / (loss) for the year	110,383	183,057
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	55,170	49,090
- net gain on disposal of property, plant and equipment	-	(532)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(24,123)	(66,981)
- (increase)/decrease in prepayments	(2,590)	14,081
- (increase)/decrease in inventories	8,965	(31,208)
- increase/(decrease) in trade and other payables	63,961	(16,636)
- increase/(decrease) in employee benefits	27,544	23,725
Cashflows from operations	<u>239,310</u>	<u>154,596</u>

20 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.

21 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 Natalie Hughes, 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 2021.

Dated 19 November 2021



Phil McFarlane (Committee Member)



Natalie Hughes (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 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 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 2021 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 entry 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 19 day of November 2021

Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2021

Disclaimer

The additional financial data presented on page 26 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 2021. 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

19 November 2021
Moorabbin

Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2021

Profit and Loss Account

	2021	2020
	\$	\$
Income		
Sale of goods	47,932	114,068
Interest income	7,207	7,072
Registration income	77,587	102,833
Scoresheet income	479,821	471,599
Covid cashflow boost & grants	224,827	212,328
Sponsorship	15,500	21,048
Outreach programs	175,426	101,161
Other income	36,155	1,745
SBA entry and membership	223,592	249,086
Jnr rep championship Inc.	233,520	279,892
Events income	-	610
Other basketball revenue	99,473	102,778
Total income	1,621,040	1,664,220
Less: Expenses		
Advertising and promotions	150	300
Amortisation	4,077	4,077
Auditors remuneration	11,625	14,000
Bad debts	-	1,622
Bank charges	4,599	4,979
Cleaning / rubbish removal	47,710	45,638
Computer expenses	15,023	16,923
Consulting and professional fees	6,500	35,187
Depreciation	51,093	45,013
Domestic competition expenses	184,906	236,617
Finance costs - interest paid	304	579
Filing fees	422	405
Fines and penalties	-	(237)
Hire / rent of plant & equipment	15,264	14,724
Insurance	14,330	13,616
Internet expenses	17,105	12,843
IT expenses	2,160	3,030
Annual leave	18,022	19,508
Long service leave	9,522	4,217
Other employee costs	3,884	134
Outreach expenses	30,253	29,385
Office supplies	3,731	3,740
Postage	178	148
Printing and stationery	1,906	2,851
Rent & outgoing	45,314	51,331
Repairs and maintenance	22,136	18,264
Retail- selling expenses	2,616	1,535
Salaries	585,120	569,201
Security costs	2,034	1,135
Staff training	6,264	1,653

Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2021

Profit and Loss Account

	2021	2020
	\$	\$
Staff amenities	797	2,135
Storage costs	-	(334)
Subscriptions	11,009	8,702
Sundry expenses	452	1,076
Superannuation contributions	48,924	47,554
Telephone and fax	7,806	11,471
Travel - domestic	2,023	3,436
Workers compensation insurance	7,202	6,600
Cost of sales	53,781	98,597
Sponsorship & event expenses	19,184	34,644
NBL 1 expenses	108,058	10,955
Jnr Rep Championship expenses	94,067	85,056
Big V expenses	51,106	19,385
Total Expenses	1,510,657	1,481,695
Other items:		
Profit / (Loss) on disposal of assets	-	532
Profit before income tax	110,383	183,057