



# 2019 Annual Report

# 1. Presidents Report

2018/2019 has been an eventful year for the SBA and I would like to thank all of you for your support as we have transitioned and continue to transform into the basketball association of choice for our community.

This year we have seen the continued positive growth in participation across our domestic basketball programs. In addition, we have had strong and developing performances from our junior girls and boys teams in the representative (Sabres) program and the continued rise in popularity of our senior representative program. Our focus on the development of our home-grown youth coupled with a blend of player experience equates to a very positive outlook for our men's and women's Youth League and NBL1 teams.

Our CEO Craig Weir, Head Coaches Nathan Crosswell and Simon Giovannoni, and operational team have done an outstanding job for the SBA this year as they work towards achieving our vision of being a "recognised and respected sporting association that is the destination of choice for basketball in our region". Thank you all for your commitment and hard work.

Thank you also to our team of Referees and Referee Supervisors, who have really stepped up and supported the Association while we appointed a new Referee Advisor.

To all our Coaches, Team Managers, Parents and Volunteers, our Association could not survive without all your efforts and support of our programs, and we sincerely thank you for the time and contribution you make. And of course, to all our players, across domestic, representative, senior and adult competitions, you are the lifeblood of the Association and we thank you for your participation, dedication and enthusiasm.

Thank you to our 12 Domestic Club Presidents and their Committee Members, and our SBA Life Members for your passion and commitment to the SBA. The success of our Association is in large part to your contribution and we thank you for the opportunity to serve you and continue to grow and improve our Association moving forward.

I would also like to acknowledge the contributions of our past Board members and thank them for their service to the Association and welcome our new Board members. The Board remains committed to supporting our Vision and Mission and partnering with all our community stakeholders to realise our goals. On behalf of the SBA Board, I also thank and acknowledge our ongoing working relationship with Basketball Victoria and our corporate partners.

We thank Bayside City Council for all their support to date by continuing to assist us in securing the development of our new four courts and maintain our existing stadium at Tulip Street.

On that note and to finish 2019 off on a high, the Bayside City Council unanimously approved our updated funding model for the four new courts at Tulip Street. We are now through to the final stage of funding approvals.

Our focus in 2020 and beyond will be dedicated to progressing the SBA's Strategy with its five priorities of People & Culture; Governance; Participation & Pathways; Communication & Engagement; and Facilities & Infrastructure (including the four new courts).

I am excited for the year ahead and believe it will be a significant and positive year in the growth and development of our sport locally.

We are looking forward to 2020 and all the possibilities it brings.

**Phil McFarlane**

**SBA President**

## 2. CEO's Report

In 2019 we continued to be guided by the Board's strategic plan which has five key pillars:

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

### 2019 Focus & Achievements

#### 1. People & Culture

The key for our operational structure in 2019 was stability and development which I am pleased to confirm. Our Head Coaches have developed our representative program year on year along with our administration team managing the continuous growth in our domestic programs. I would like to take this opportunity to thank Nathan, Simon, Margaret, Vicki, Sophie and Louise for all of their work and support throughout the year as well as our referees and casual administration staff.

#### 2. Governance

Child safety will continue to be the focus of the SBA along with development and enjoyment for all of our junior players. The Board continues to support the legislative requirements along with our member clubs. A financial audit program has now been implemented to encompass all aspects of the Association throughout the year.

#### 3. Participation & Pathways

In 2019 the inaugural NBL1 competition was introduced by Basketball Victoria replacing the SEABL program. The SBA was successful in its application to participate and chose to promote our local content of players and not contract players from overseas. Our pathway needs to be clear for those players in our domestic and representative program to have the opportunity to play in our VY and NBL1 teams. The number of teams in our domestic programs continue to grow year on year as well our representative (Sabres) teams. Our U12.1 boys, U12.1 girls and the U16.1 girls all made it through to the National Junior Classic competition which was a great result for the Sabres program.

We continue to run the all abilities program during the day which has been very successful. Through a 50/50 grant from SBA and Bayside City Council, players were

provided with new playing singlets that were presented by the Mayor.

#### 4. Communication & Engagement

Our new website is now fully operational as well as the introduction of the Sabres App in partnership with Team App. A coaching platform has been introduced on our website to continue the development of our Domestic and Representative Coaches and Assistant Coaches. We will continue to extend our communication in the Social Media landscape of Facebook, Instagram, YouTube and Twitter.

#### 5. Facilities & Infrastructure

Work has continued with Bayside City Council in facilitating the development of the four additional courts for the Tulip Street site. The land has been acquired by Council, plans have been drawn up and we are now in the final stages of finalising the funding model. The SBA have introduced four industrial evaporative air conditioners for the 2019/20 Summer season to work in conjunction with the industrial fans that were installed in 2019.

Bayside City Council generously funded the new roof renovations for the stadium at Tulip Street, replacing the skylight panels to enhance natural light and reduce energy usage and environmental impact. It has made a big improvement to the stadium during the day.

On a final note I would like to take this opportunity to thank all past and present volunteers and Board Members who are united in developing the SBA for all its members.

They include:

Junior Clinics (5 - 8-years old)  
Domestic Competition Juniors  
Sabres Representative Program  
Domestic Competition Seniors  
Daytime Ladies Competition  
Mixed Competition  
All Abilities Competition  
VYC  
NBL1

**Craig Weir**

**SBA Chief Executive Officer**

### 3. Treasurers Report

The 2019 financial year (ending 31 August) produced an excellent result for the Southern Basketball Association.

The SBA generated a profit of \$220k coming off a loss of \$67k in 2018. This result was greatly influenced by salaries being \$245k lower in 2019 compared to 2018 (\$572k in 2019 v \$817k in 2018). This was largely due to staff reductions at the end of 2017/18.

Overall income increased by \$72k in 2019. The main contributor was an increase in entry income due to price increases in 2019.

Some expenses were unknown at the start of financial year such as costs relating to NBL1, however NBL1 costs proved to be less than the SEABL expenses from the previous year and did not pose a problem financially for the SBA. A major factor in this is our strategy of using local players as opposed to overseas imports and having a pathway to NBL1 for our junior Sabres players.

It should be noted that legal fees of \$28k were incurred during the financial year. This was necessary to ensure our governance procedures in regard to updating our Constitution and conducting our November 2019 EGM were legally correct after some matters were called into question.

The SBA's cash position improved throughout the year. Our closing cash position was \$870k (\$437k in 2018), an increase of \$433k. The closing cash position includes \$315k on term deposit.

The increased cash has allowed the operations team to look at stadium improvements such as fans, air-conditioning and seating.

**Dean Cartwright**

**SBA Treasurer**

Appendix 1: Financial Reports

# **Southern Basketball Association Incorporated**

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## **Financial Statements**

**For the Year Ended 31 August 2019**

# Southern Basketball Association Incorporated

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# Southern Basketball Association Incorporated

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## Committee's Report 31 August 2019

The committee members submit the financial report of the Association for the financial year ended 31 August 2019.

### 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
Peter Ryan	President	Resigned 12 June 2019
Jenny Mouat		Resigned 29 January 2019
David Hopkins	Vice President	
Dean Cartwright	Treasurer	
Scott Harvey		
Paul Dear		Appointed 29 January 2019. Resigned 20 June 2019
Corey Simpson		Resigned 29 January 2019
Susan Ruddock		Appointed 29 January 2019, Resigned 11 June 2019
Paul Scagliotti		Appointed 29 January 2019, Resigned 14 June 2019
Phil McFarlane	President	Appointed 2 December 2019
Anne-Maree Nunan	Secretary	Appointed 2 December 2019
Jason Shugg		Appointed 2 December 2019
Gerrick Gratz		Appointed 2 December 2019

#### 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.

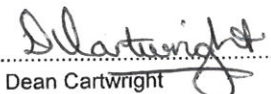
### 2. Operating results and review of operations for the year

#### Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ 220,016 (2018 loss: \$ (67,320)).

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

Committee member:   
Phil McFarlane

Committee member:   
Dean Cartwright

Dated 18 December 2019



## Southern Basketball Association Incorporated

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 August 2019

		2019	2018
	Note	\$	\$
Sales revenue	5	154,529	188,057
Basketball and other revenue	5	2,172,541	2,067,062
Cost of sales		(149,014)	(152,149)
Employee benefits expense		(664,813)	(906,403)
Depreciation and amortisation expense		(50,782)	(63,093)
Competition Costs		(875,228)	(798,844)
Other expenses		(367,217)	(401,153)
Finance costs		-	(797)
<b>Profit before income tax</b>		<b>220,016</b>	<b>(67,320)</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>220,016</b>	<b>(67,320)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>220,016</b>	<b>(67,320)</b>

The Company has initially applied AASB 15 Revenue from Contracts with Customers using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The company has not restated comparatives when initially applying AASB 9 Financial Instruments, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.

## Southern Basketball Association Incorporated

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### Statement of Financial Position

31 August 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	870,067	436,708
Trade and other receivables	7	3,793	44,153
Inventories	8	13,956	73,295
Other assets	11	22,377	30,143
<b>TOTAL CURRENT ASSETS</b>		<b>910,193</b>	<b>584,299</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	402,536	447,613
Intangible assets	10	5,000	5,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>407,536</b>	<b>452,613</b>
<b>TOTAL ASSETS</b>		<b>1,317,729</b>	<b>1,036,912</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	140,884	91,576
Employee benefits	14	61,801	32,431
Other financial liabilities	13	20,398	39,291
<b>TOTAL CURRENT LIABILITIES</b>		<b>223,083</b>	<b>163,298</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14	1,016	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,016</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>224,099</b>	<b>163,298</b>
<b>NET ASSETS</b>		<b>1,093,630</b>	<b>873,614</b>
<b>EQUITY</b>			
Reserves		85,167	85,167
Retained earnings		1,008,463	788,447
<b>TOTAL EQUITY</b>		<b>1,093,630</b>	<b>873,614</b>

The Company has initially applied AASB 15 Revenue from Contracts with Customers using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

The company has not restated comparatives when initially applying AASB 9 Financial Instruments, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 31 August 2019

2019

	Retained Earnings	Asset Realisation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 September 2018</b>	788,447	85,167	873,614
Profit / (loss) attributable to members	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>

2018

	Retained Earnings	Asset Realisation Reserve	Total
Note	\$	\$	\$
<b>Balance at 1 September 2017</b>	855,767	85,167	940,934
Profit / (loss) attributable to members	(67,320)	-	(67,320)
<b>Balance at 31 August 2018</b>	<u>788,447</u>	<u>85,167</u>	<u>873,614</u>

## Southern Basketball Association Incorporated

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### Statement of Cash Flows

For the Year Ended 31 August 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,579,545	2,420,361
Payments to suppliers and employees	(2,142,757)	(2,476,638)
Interest received	6,253	7,964
Net cash provided by/(used in) operating activities	21 <u>443,041</u>	<u>(48,313)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	295	364
Purchase of property, plant and equipment	(9,977)	(87,330)
Net cash used by investing activities	<u>(9,682)</u>	<u>(86,966)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	-	(4,766)
Net cash used by financing activities	<u>-</u>	<u>(4,766)</u>
Net increase/(decrease) in cash and cash equivalents held	433,359	(140,045)
Cash and cash equivalents at beginning of year	<u>436,708</u>	<u>576,753</u>
Cash and cash equivalents at end of financial year	6 <u><u>870,067</u></u>	<u><u>436,708</u></u>

The accompanying notes form part of these financial statements.

# Southern Basketball Association Incorporated

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## Notes to the Financial Statements

For the Year Ended 31 August 2019

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

#### Financial Instruments - Adoption of AASB 9

The Association has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 September 2017.

As part of the adoption of AASB 9, the Association adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Association's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Association has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 September 2018.

#### Classification of financial assets

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

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).



## Southern Basketball Association Incorporated

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 2 Change in Accounting Policy

##### Financial Instruments - Adoption of AASB 9

##### Impairment of financial assets

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

##### Classification of financial assets and financial liabilities

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

	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Reclassific- ation	Re- measur- e-nts	Carrying amount under AASB 9
Note			\$	\$	\$	\$
<b>Financial assets</b>						
Trade and other receivables	Loans and receivables	Amortised cost	3,793	-	-	3,793
Cash and cash equivalents	Loans and receivables	Amortised cost	555,190	-	-	555,190
Term deposits	Held to maturity	Amortised cost	314,877	-	-	314,877
<b>Total financial assets</b>			<b>873,860</b>	<b>-</b>	<b>-</b>	<b>873,860</b>
<b>Financial liabilities</b>						
Trade payables	Other financial liabilities	Other financial liabilities	36,044	-	-	36,044

##### Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current year with a date of initial application of 1 September 2018. There were no adjustments required.

#### 3 Summary of Significant Accounting Policies

##### (a) Income Tax

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

##### (b) Leases

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

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

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 3 Summary of Significant Accounting Policies

##### (b) Leases

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

##### (c) 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.

##### (d) Borrowing costs

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

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

##### (e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and 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.

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 3 Summary of Significant Accounting Policies

**(e) Goods and services tax (GST)**

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(f) 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.

**(g) Property, plant and equipment**

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

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.

**(h) 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.



## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 3 Summary of Significant Accounting Policies

##### (h) Financial instruments

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*

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.

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 3 Summary of Significant Accounting Policies

##### (h) Financial instruments

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.

##### (i) 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.

##### (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) 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

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 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

	2019	2018
	\$	\$
Sales revenue		
- sale of goods	<u>148,276</u>	180,092
Finance income		
- Bank interest received	<u>6,253</u>	7,964
Other revenue		
- Basketball revenue	<u>2,172,541</u>	2,067,062
<b>Total Revenue</b>	<u><u>2,327,070</u></u>	<u><u>2,255,118</u></u>

# Southern Basketball Association Incorporated

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## Notes to the Financial Statements For the Year Ended 31 August 2019

### 6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	1,989	1,989
Short-term deposits	314,877	307,798
Other cash and cash equivalents	553,201	126,921
	<u>870,067</u>	<u>436,708</u>

### 7 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	2,420	38,009
GST receivable	-	5,793
Other receivables	1,373	351
<b>Total current trade and other receivables</b>	<u>3,793</u>	<u>44,153</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

	2019	2018
	\$	\$
CURRENT		
At cost:		
Finished goods	13,956	73,295
	<u>13,956</u>	<u>73,295</u>

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 9 Property, plant and equipment

	2019	2018
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	519,427	511,904
Accumulated depreciation	(352,475)	(334,518)
Total plant and equipment	<u>166,952</u>	<u>177,386</u>
Office equipment		
At cost	204,970	215,794
Accumulated depreciation	(134,489)	(125,091)
Total office equipment	<u>70,481</u>	<u>90,703</u>
Leasehold Improvements		
At cost	254,832	254,832
Accumulated amortisation	(89,729)	(75,308)
Total leasehold improvements	<u>165,103</u>	<u>179,524</u>
Total plant and equipment	<u>402,536</u>	<u>447,613</u>
<b>Total property, plant and equipment</b>	<b><u>402,536</u></b>	<b><u>447,613</u></b>

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 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 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>

	Plant and Equipment	Motor Vehicles	Other Plant & Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 August 2018</b>					
Balance at the beginning of year	134,516	1,542	94,418	194,055	424,531
Additions	72,027	-	15,304	-	87,331
Disposals	-	(1,156)	-	-	(1,156)
Depreciation expense	(29,157)	(386)	(19,019)	(14,531)	(63,093)
<b>Balance at the end of the year</b>	<b>177,386</b>	<b>-</b>	<b>90,703</b>	<b>179,524</b>	<b>447,613</b>



# Southern Basketball Association Incorporated

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## Notes to the Financial Statements

For the Year Ended 31 August 2019

### 10 Intangible Assets

	2019	2018
	\$	\$
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

	2019	2018
	\$	\$
CURRENT		
Prepayments	19,096	19,362
Other asset	3,281	10,781
	<b>22,377</b>	<b>30,143</b>

### 12 Trade and Other Payables

	2019	2018
Note	\$	\$
Current		
Trade payables	36,044	37,241
Deposits	1,250	200
GST payable	35,527	-
Fund raising fund	6,286	3,803
Other payables	61,777	50,332
	<b>140,884</b>	<b>91,576</b>

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 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Amounts received in advance	20,398	39,291

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 14 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Long service leave	21,648	11,665
Annual leave	40,153	20,766
	<u>61,801</u>	<u>32,431</u>
	2019	2018
	\$	\$
Non-current liabilities		
Long service leave	1,016	-

#### 15 Capital and Leasing Commitments

##### Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	4,813	4,813
- between one year and five years	14,439	19,251
	<u>19,252</u>	<u>24,064</u>

Operating leases are in place for the rental of premises and has a 9 year term , to be renewed 1 August 2022.



## Southern Basketball Association Incorporated

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 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

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 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	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	-	-	36,044	37,241
Other short term liabilities	71,237	50,042	-	-

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

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### Notes to the Financial Statements For the Year Ended 31 August 2019

#### 16 Financial Risk Management

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)		Within initial trade terms \$
			< 30 \$	> 90 \$	
<b>2019</b>					
Trade and term receivables	2,420	-	-	-	2,420
Other receivables	3,281	-	-	-	3,281
Total	<u>5,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,701</u>
<b>2018</b>					
Trade and term receivables	38,009	-	-	-	38,009
Other receivables	12,042	-	-	-	12,042
Total	<u>50,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,051</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.

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 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:

	2019	2018
	\$	\$
Short-term employee benefits	123,080	114,659
Post-employment benefits	-	6,837
Termination benefits	-	27,000
	<u>123,080</u>	<u>148,496</u>

#### 18 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor Alan Tudor, for:		
- auditing or reviewing the financial statements	7,000	7,000
- other services	6,750	4,000
<b>Total</b>	<u>13,750</u>	<u>11,000</u>

#### 19 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 August 2019 (31 August 2018:None).

#### 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.

## Southern Basketball Association Incorporated

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### Notes to the Financial Statements

For the Year Ended 31 August 2019

#### 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:

	2019	2018
	\$	\$
Profit / (loss) for the year	220,016	(67,320)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	50,782	63,093
- net gain on disposal of property, plant and equipment	3,978	792
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	42,067	(17,948)
- (increase)/decrease in prepayments	266	4,421
- (increase)/decrease in inventories	59,339	5,033
- increase/(decrease) in trade and other payables	36,208	(17,475)
- increase/(decrease) in employee benefits	30,385	(18,909)
Cashflows from operations	<u>443,041</u>	<u>(48,313)</u>

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

During the financial year members questioned whether or not the constitution was being interpreted correctly in regard to the process undertaken to call an EGM. This necessitated obtaining legal advice to resolve the issue. To 31 August 2019 the legal costs incurred amounted to \$ 28,715 and additional costs subsequent to 31 August 2019 amounted to \$16,089. The additional costs will be brought to account in the 2020 financial year.

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**

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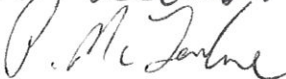
**Certificate by Members of Committee**

**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 2019.

Dated

18 December 2019  


.....  
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 2019, 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 2019 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 Accountants

Dated this ..... 18 ..... day of *December* ..... 2019



**Southern Basketball Association Incorporated**

78 936 718 412

**For the Year Ended 31 August 2019**

**Disclaimer**

The additional financial data presented on 27 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 2019. 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

*A. T. Tudor*  
.....

Alan T Tudor

Moorabbin

18 December 2019

## Southern Basketball Association Incorporated

78 936 718 412

For the Year Ended 31 August 2019

### Profit and Loss Account

	2019	2018
	\$	\$
<b>Income</b>		
Sale of goods	148,276	180,092
Interest income	6,253	7,964
Registration income	112,364	151,705
Scoresheet income	950,927	938,992
Sponsorship	41,168	35,141
Outreach programs	179,068	191,003
Other income	2,182	1,697
SBA entry and membership	380,331	321,993
Jnr rep championship Inc.	344,365	264,425
Events income	5,182	-
Other basketball revenue	156,954	162,105
<b>Total income</b>	<b>2,327,070</b>	<b>2,255,117</b>
<b>Less: Expenses</b>		
Advertising and promotions	11,620	18,026
Auditors remuneration	15,750	13,500
Bad debts	773	9,797
Bank charges	5,145	4,478
Cleaning / rubbish removal	68,733	76,268
Computer expenses	20,790	20,597
Consulting and professional fees	40,715	65,985
Depreciation	50,782	63,093
Domestic competition expenses	396,370	311,762
Finance costs - interest paid	-	797
Filing fees	299	588
Fines and penalties	734	-
Hire / rent of plant & equipment	12,403	12,828
Insurance	8,941	11,030
Internet expenses	11,498	9,556
IT expenses	2,160	2,205
Annual leave	19,387	(24,284)
Long service leave	10,998	5,375
Motor vehicle expenses	(176)	(237)
Other employee costs	782	20,526
Outreach expenses	68,955	73,969
Office supplies	1,219	5,314
Payroll tax	-	12,172
Postage	1,199	79
Printing and stationery	5,244	5,420
Rent & outgoings	100,093	97,033
Repairs and maintenance	9,427	7,750
Retail- selling expenses	5,799	4,113
Salaries	572,252	816,775
Security costs	1,563	1,211
SBA scholarship fund	29	1,500

## Southern Basketball Association Incorporated

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For the Year Ended 31 August 2019

### Profit and Loss Account

	2019	2018
	\$	\$
Staff training	4,763	1,700
Staff amenities	2,612	1,920
Storage costs	4,795	8,615
Subscriptions	10,748	10,632
Sundry expenses	5,680	1,874
Superannuation contributions	50,741	65,570
Telephone and fax	10,875	8,153
Travel - domestic	4,570	2,124
Workers compensation insurance	5,891	8,569
Cost of sales	149,014	152,149
Sponsorship & event expenses	18,714	25,575
NBL 1 expenses	229,552	256,631
Jnr Rep Championship expenses	118,336	104,446
Big V expenses	43,301	26,461
<b>Total Expenses</b>	<b>2,103,076</b>	<b>2,321,645</b>
<b>Other items:</b>		
Profit / (Loss) on disposal of assets	(3,978)	(792)
<b>Profit before income tax</b>	<b>220,016</b>	<b>(67,320)</b>