

PORT MACQUARIE BASKETBALL ASSOCIATION

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PORT MACQUARIE BASKETBALL ASSOCIATION

COMMITTEE'S REPORT

Your committee members submit the financial report of the Port Macquarie Basketball Association for the financial year ended 31 December 2020.

EXECUTIVE COMMITTEE MEMBERS

The names of committee members throughout the year and at the date of this report are:

President	Gary Turnbull Jason Berry (resigned 3 April 2019) Andy Caltabiano (appointed 10 April 2019)
Vice President	Paul Gillespie (resigned 10 October 2019)
Secretary	Nicole Galea (appointed 11 February 2019)
Treasurer	Ben Davidson John Minihan (resigned 25 June 2019) Anthea Romer (appointed 6 July 2019, resigned 18 October 2019) Dean Lawler (appointed 19 November 2019)
Director/Vice President	Paul Gillespie (resigned 10 October 2019)
Director	Sue Weston
Director	Jason Berry (remained as Director 3 April 2019)
Director	Mark Newman (resigned 25 June 2019) Dean Lawler (appointed 25 June 2019, appointed treasurer 19 November 2019)

PRINCIPAL ACTIVITIES

The principal activity of the Club during the financial year was operating a basketball association in accordance with the association's objectives and for the benefit of its members.

No significant change in the nature of this activity occurred during the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant change in the nature of this activity occurred during the financial year.

OPERATING RESULTS

The loss resulting from ordinary activities amounted to \$9,433 (2019: \$9,369 profit).

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

Gary Turnbull

President

Benjamin J Davidson

Treasurer

Date:

PORT MACQUARIE BASKETBALL ASSOCIATION

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Income		
Audit Fees in Kind	960	960
Aussie Hoops	10,704	17,907
Competition Income	71,435	132,268
General Admin Income	909	2,399
Merchandise	1,250	1,631
NJL Tournaments at PM	3,042	17,780
NJL/CPL Junior Rep	17,024	53,818
Other Income	831	3,960
Referees	909	2,008
Registration	37,239	47,820
School Program	2,064	4,102
Seaside Classic	-	27,166
State League	5,303	12,632
	151,670	324,451
Expenses		
Association Days & Camps	117	-
Audit fees in Kind	960	960
Aussie hoops	14,092	11,564
Bookkeeping	6,300	7,200
Competition expenses	62,897	100,619
Depreciation	6,572	6,183
Development courses	4,497	-
Equipment	1,326	-
Merchandise	152	1,491
Miscellaneous expenditure	13,788	28,520
NJL Tournaments at PM	3,222	17,542
NJL/CPL Junior Rep	25,439	55,898
Referees	4,497	3,834
Registration expenses	14,741	38,825
School Program	1,194	8,969
Seaside Classic	-	21,730
State league	1,309	11,747
	161,103	315,082
Profit/(loss) for the year	(9,433)	9,369

PORT MACQUARIE BASKETBALL ASSOCIATION

BALANCE SHEET AS AT 31 DECEMBER 2020

	2020 \$	2019 \$
ASSETS		
Current assets		
General Account	1,561	8,808
Investment Account	78,201	79,386
Working eSaver	871	870
GST Receivable	2,233	2,779
	82,866	91,843
Non-Current assets		
Computers and IT	1,184	1,992
Uniforms	18,560	16,740
Fixtures and Fittings	285	1,753
Basketball Equipment	364	364
	20,393	20,849
Total assets	103,259	112,692
LIABILITIES		
Current liabilities	-	-
Total Liabilities	-	-
Net assets	103,259	112,692
EQUITY		
Opening retained earnings	112,692	103,323
Profit for the year	(9,433)	9,369
Total equity	103,259	112,692

PORT MACQUARIE BASKETBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the *Associations Incorporation Act 2009 (NSW)*. The committee has determined that the Club is not a reporting entity.

The financial report has been prepared on a cash basis, and is based on historic cost and does not take into account changing money values, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the presentation of this financial report.

(a) Income Tax

The Club is exempt from income tax as a sporting Club in accordance with Section 50-45 of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax is required.

(b) Inventories

Inventories are measured at cost.

(c) Property, Plant & Equipment

Plant and equipment is capitalised and depreciated using straight line depreciation. Depreciation rates are as follows:

- | | |
|------------------------------|-----|
| • Computers and IT equipment | 25% |
| • Uniforms | 25% |
| • Fixtures and fittings | 25% |

(d) Cash and cash equivalents

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

(e) Revenue

Revenue from the sale of goods or services is recognised when deposited at a financial institution.

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

Revenue from the rendering of a service is recognised upon the receipt of cash from the customer.

(f) Comparative Figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

PORT MACQUARIE BASKETBALL ASSOCIATION

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the Club is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

1. Presents a true and fair view of the financial position of Port Macquarie Basketball Association as at 31 December 2020 and the financial performance for the year then ended; and
2. At the date of this statement, there are reasonable grounds to believe that the Port Macquarie Basketball Association will be able to pay its debts as and when they fall due.

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

Gary Turnbull

President

Date:

Benjamin J Davidson

Treasurer

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PORT MACQUARIE BASKETBALL ASSOCIATION

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Port Macquarie Basketball Association (the association), which comprises the balance sheet as at 31 December 2020, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the association is in accordance with the *Associations Incorporation Act 2009 (NSW)*, including:

- a) giving a true and fair view of the association's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with accounting policies to the extent described in note 1.

Basis for Qualified Opinion

Completeness of income

Competition, registration and fundraising activities are significant sources of income for the Club. The Club has determined that it is impracticable to establish control over the collection of cash relating to these collections prior to its entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to this had to be restricted to amounts recorded in the financial records. We therefore are unable to express an opinion whether competition, registration and fundraising revenues are complete.

Existence of uniforms, computers and fixtures

During the completion of our audit procedures, we were unable to observe the counting of uniforms, computers or fixtures and fittings on hand as at 31 December 2020. In addition, we were unable to satisfy ourselves by alternative means concerning non-current assets held at balance date which is stated in the balance sheet at \$20,393. As a result, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories and the elements making up the income statement.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to provide information to Mingara Recreation Club Limited. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 2009 (NSW)* and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

The committee is responsible for overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF
Chartered Accountants

Newcastle West, NSW

Dated:

CLAYTON HICKEY
Partner