# Perth Netball Association (Inc)
# ABN 96 044 747 291

Financial Report

For the year ended 30 June 2022

**Contents**

*Chapell & Associates*

Greg Chapell Pty Ltd

ACCOUNTING, AUDIT, TAXATION AND BUSINESS ADVICE

ABN: 88 079 172 428

AUDITOR'S INDEPENDENCE DECLARATION
PERTH NETBALL ASSOCIATION (INC)

As audit partner of Perth Netball Association (Inc) for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements in relation to the audit; and

- any application code of professional conduct in relation to the audit.

Chapell & Associates

Greg Chapell
Principal

Dated 1/8/2022

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Chartered Accountant

## Statement of Financial Position
## For the year ended 30 June 2022

| | Note | 2022 $ | 2021 $ |
|---|---|---|---|
| Revenue | 3 | 1,201,475 | 1,477,506 |
| **Expenses** | | | |
| Equipment | | 91,893 | 100,127 |
| Food and Beverage Costs | | 120,029 | 118,013 |
| Hire Costs | | 5,336 | 1,644 |
| Merchandise Expenses | | 14,157 | 24,770 |
| Office Expenses | | 55,202 | 49,309 |
| Other Costs | | 38,793 | 25,449 |
| Repairs and Maintenance | | 114,043 | 73,425 |
| Security and Safety | | 73,258 | 41,670 |
| Staffing | | 538,207 | 577,239 |
| Utilities | | 38,237 | 38,058 |
| | | **1,089,155** | **1,049,704** |
| **Current year (loss)/profit before income tax** | | **112,320** | **427,802** |
| Income Tax Expense | | - | - |
| **Net current year (loss)/profit** | | **112,320** | **427,802** |

*The accompanying notes form part of these financial statements.*

## Statement of Financial Position
## For the year ended 30 June 2022

| | Note | 2022 $ | 2021 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | 4 | 1,270,461 | 1,421,737 |
| Trade and Other Receivables | 5 | 39,454 | 13,865 |
| Stock | 6 | 14,986 | 17,301 |
| **Total Current Assets** | | **1,324,901** | **1,452,903** |
| **NON CURRENT ASSETS** | | | |
| Fixed Assets | 7 | 1,331,683 | 1,369,966 |
| **Total Non Current Assets** | | **1,331,683** | **1,369,966** |
| **TOTAL ASSETS** | | **2,656,584** | **2,822,869** |
| **CURRENT LIABILITIES** | | | |
| Trade and Other Payables | 8 | 56,051 | 83,653 |
| Affiliation Fees Payable | | 1,305 | 257,187 |
| Deferred Revenue | | 13,911 | 18,242 |
| Provision for Employee Entitlements | 9 | 29,071 | 19,861 |
| **Total Current Liabilities** | | **100,338** | **378,943** |
| **TOTAL LIABILITIES** | | **100,338** | **378,943** |
| **NET ASSETS / (DEFICIENCY)** | | **2,556,246** | **2,443,926** |
| **EQUITY** | | | |
| Retained Earnings | | 2,556,246 | 2,443,926 |
| **TOTAL EQUITY** | | **2,556,246** | **2,443,926** |

*The accompanying notes form part of these financial statements.*

## Statement of Changes in Equity / Accumulated Funds
## For the year ended 30 June 2022

| | Retained Surplus / (Accumulated Deficit) $ | Total $ |
|---|---|---|
| Balance at 1 July 2020 | 2,016,124 | 2,016,124 |
| Surplus for the year | 427,802 | 427,802 |
| **Total Comprehensive Income for the Year** | **2,443,926** | **2,443,926** |
| **Balance at 30 June 2021** | **2,443,926** | **2,443,926** |
| Balance at 1 July 2021 | 2,443,926 | 2,443,926 |
| Surplus for the year | 112,320 | 112,320 |
| **Total Comprehensive Income for the Year** | **2,556,246** | **2,556,246** |
| **Balance at 30 June 2022** | **2,556,246** | **2,556,246** |

*The accompanying notes form part of these financial statements.*

## Statement of Cash Flows
## For the year ended 30 June 2022

| | Note | 2022<br>$ | 2021<br>$ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| Receipts from Customers (Inclusive of GST) | | 1,295,774 | 1,763,915 |
| Payments to Suppliers and Employees (Inclusive of GST) | | (1,426,268) | (892,687) |
| Cash Flow Boost and Jobkeeper Received | | - | 103,066 |
| Interest Received | | 185 | 157 |
| **Net Cash from Operating Activities** | **11** | **(130,309)** | **974,451** |
| **Cash Flows from Investing Activities** | | | |
| Payments for Purchase of Fixed Assets | | (21,667) | (184,910) |
| Proceeds from Sale of Fixed Assets | | 700 | - |
| **Net Cash used in Investing Activities** | | **(20,967)** | **(184,910)** |
| **Net Increase in Cash Held** | | **(151,276)** | **789,541** |
| Cash and Cash Equivalents at the Beginning of the Year | | 1,421,737 | 632,196 |
| **Cash and Cash Equivalents at the End of the Year** | **11** | **1,270,461** | **1,421,737** |

*The accompanying notes form part of these financial statements.*

**Notes to the financial statements**
**for the year ended 30 June 2022**

These are the financial statements and notes of Perth Netball Association (Inc) ("**PNA** or **the Association**"). PNA is a not-for-profit incorporated association, domiciled and incorporated in Western Australia.

The financial statements were authorised for issue on 17 August 2022 by the members of the Committee.

**Note 1. Statement of Significant Accounting Policies**

**Basis of Preparation**

These special purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting interpretations) and the requirements of the Associations Incorporation Act (WA). The Association is a not-for-profit entity for the financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets and financial assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

**Accounting Policies**

**(a) Critical accounting estimates**
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies.

**(b) Accounting Policies**
The Association has consistently applied the following account policies to all periods presented in the financial statements. The Association has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2022.

**(c) Income tax**

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**(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) Accounts Receivables and other debtors**
Accounts receivable and other debtors include amounts from member fees, donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**(f) Inventories**

Stock is recognised at cost on a weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

**(g) Fixed Assets**

Lease hold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready to use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are as follows:

| **Class of fixed asset** | **Depreciation rate** |
|---|---|
| Leasehold Improvements | 40 years |
| Plant & Equipment | 4 – 20 years |
| Low Value Pool | 5 years |

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**(h) Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, 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 amount 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.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lesser, are charged as expenses on a straight line basis over the term of the lease.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

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

**(i) Employee Benefits**

**Short-term employee benefits**
Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Contributions are made by the Association to the employee's superannuation fund and are charged as expenses when incurred.

**Other long-term employee benefits**
Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

**(j) Financial Instruments**

**Initial recognition and measurement**
Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

**Classification and subsequent measurement**
Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition for principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premium or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at ‘fair value through profit or loss’ when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purpose, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains or losses) being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is recognised.

**Note 1. Statement of Significant Accounting Policies (continued)**

*(iv) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**De-recognition**

Financial assets are de-recognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

**(k) Impairment of Assets**

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(l) Revenue Recognition**

The Association has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2021.

Revenue is recognised when it is probable that the economic benefit will flow to the Association and the revenue can be reliably measured. Revenue is measure at fair value of the consideration received or receivable.

i) Operating grants, donation and sponsorship income

The Association receives operating grants, donations and sponsorship income, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:
- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other application accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provision, revenue or contract liability arising from a contract with a customer); and

- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligation under the contract.

ii) Interest

Interest revenue is recognised using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

iv) Food and beverage income

Income from the sale of food and beverage is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer.

v) Registration fees

Registration fees are recognised in the period in which the team is registered.

vi) Capital grant income

When the Association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provision, revenue or contract liability arising from a control with a customer) recognised under other Australian Accounting Standards.

The Association recognises income in profit or loss when or as the Association satisfies its obligations under the terms of the grant.

vii) Hire income

Hire income is recognised on a straight line basis over the lease term.

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

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 1. Statement of Significant Accounting Policies (continued)**

**(m) Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable and payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**(n) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the Association has retrospectively applied an accounting policy, makes a retrospective restatement or reclassified items in its financial statements, a third statement of financial position as at the beginning of the proceeding period is presented in addition to the minimum comparative financial statements.

**(o) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(p) Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(q) Key Estimates**

(i) Impairment - general
The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Notes to the financial statements**
**for the year ended 30 June 2022**

## Note 2. Association Details

The registered office of the Association is

| | | | |
|---|---|---|---|
| Street: | 199 Salvado Road<br>JOLIMONT WA 6014 | Postal: | PO Box 25<br>WEMBLEY WA 6913 |
| Telephone: | (08) 9387 7011 | Facsimile: | (08) 9387 8227 |

## Note 3. Revenue and Other Income

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Revenue** | | |
| Food and beverage income | 254,901 | 268,340 |
| Registration fees | 733,440 | 790,990 |
| Hire income | 108,097 | 108,604 |
| Merchandise sales | 27,575 | 33,221 |
| Interest income | 185 | 157 |
| Profit on sale of non-current assets | 700 | - |
| Cash flow boost | - | 40,066 |
| Jobkeeper income | - | 63,000 |
| Grant income | 45,305 | 120,870 |
| Sponsorship income | 20,522 | 39,398 |
| Other income | 10,750 | 12,860 |
| | **1,201,475** | **1,477,506** |

## Note 4. Cash and cash equivalents

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash at bank | 1,263,824 | 1,409,645 |
| Cash on hand | 6,637 | 12,092 |
| | **1,270,461** | **1,421,737** |

## Note 5. Trade and other receivables

| | 2022<br>$ | 2021<br>$ |
|---|---|---|
| Trade debtors | 35,704 | 11,638 |
| Sponsorship receivable | 3,750 | 2,227 |
| Jobkeeper receivable | - | - |
| Cash flow boost receivable | - | - |
| Capital grant receivable | - | - |
| | **39,454** | **13,865** |

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Credit risk**

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Association is considered to relate to the class of assets described as trade debtors.

The following table details the Association's accounts receivable and other debtor's receivable exposed to credit risk 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 member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association. All members late in paying their registration are potentially subject to a late fee.

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

| | Gross Amount | Past Due and Impaired | Past Due but Not Impaired (Days Overdue) | | | | Within Initial Trade Terms |
|---|---|---|---|---|---|---|---|
| | | | < 30 | 31–60 | 61–90 | > 90 | |
| | $ | $ | $ | $ | $ | $ | $ |
| **2022** | | | | | | | |
| Trade debtors | 35,704 | - | 32,098 | 3,426 | 180 | - | 35,704 |
| Sponsorship receivable | 3,750 | - | - | - | 3,750 | - | 3,750 |
| **Total** | **39,454** | **-** | **32,098** | **3,426** | **3,930** | **-** | **39,454** |
| **2021** | | | | | | | |
| Trade debtors | 11,638 | - | 11,371 | 267 | - | - | 11,638 |
| Sponsorship receivable | 2,227 | - | - | - | 2,227 | - | 2,227 |
| **Total** | **13,865** | **-** | **11,371** | **267** | **2,227** | **-** | **13,865** |

*Collateral held as security*

No collateral is held as security for any of the accounts receivable or other debtor balances.

**Note 6. Stock**

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Stock | **14,986** | **17,301** |

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 7. Fixed Assets**

| | 2022 $ | 2021 $ |
|---|---|---|
| Leasehold Improvements – at cost | 1,429,719 | 1,429,719 |
| Accumulated depreciation | (135,723) | (91,875) |
| | **1,293,996** | **1,337,844** |
| Plant and equipment – at cost | 91,235 | 69,568 |
| Accumulated depreciation | (55,453) | (40,494) |
| | **35,782** | **29,074** |
| Low value pool | 18,930 | 18,930 |
| Accumulated depreciation | (17,025) | (15,882) |
| | **1,905** | **3,048** |
| **Total Fixed Assets** | **1,331,683** | **1,369,966** |

**Note 8. Trade and other payables**

| | 2022 $ | 2021 $ |
|---|---|---|
| Trade creditors | 1,302 | 6,142 |
| BAS payable | 43,049 | 67,586 |
| Superannuation payable | 11,700 | 9,895 |
| Funds held on account | - | 30 |
| | **56,051** | **83,653** |

**Note 9. Provisions**

| | 2022 $ | 2021 $ |
|---|---|---|
| Provisions for staff employment benefits | **29,071** | **19,861** |

**Analysis of Employee Provisions (includes superannuation)**

| | Annual Leave | Long service |
|---|---|---|
| Opening balance at 1 July 2021 | 19,861 | - |
| Additional provisions | 21,869 | 2,785 |
| Amounts used | (15,444) | - |
| **Balance at 30 June 2022** | **26,286** | **2,785** |

**Employee Provision**

The provision for employee benefits represents amounts accrued for annual leave and long service leave. Based on past experience, the Association does not expect the full amount of leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the Association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

**Notes to the financial statements**
**for the year ended 30 June 2022**

### Note 10. Remuneration of auditors

| | 2022 $ | 2021 $ |
|---|---|---|
| Audit of the financial statements | **3,182** | **3,714** |

### Note 11. Cash Flow Information

| | 2022 $ | 2021 $ |
|---|---|---|
| **Reconciliation of cash flow from operation activities with net current year profit/(loss)** | | |
| Current year profit / (loss) | 112,320 | 427,802 |
| Non-cash flows in profit from ordinary activities: | | |
| - Depreciation | 59,950 | 47,843 |
| Changes in assets and liabilities: | | |
| - (Increase)/decrease in trade and other receivables | (25,588) | 653,519 |
| - (Increase)/decrease in inventories | 2,316 | (3,028) |
| - (Increase)/decrease in trade and other payables | (27,603) | (166,251) |
| - (Increase)/decrease in provisions | 9,210 | 8,251 |
| - (Increase)/decrease in affiliation fees payable | (255,883) | (4,177) |
| - (Increase)/decrease in deferred revenue | (4,331) | 10,492 |
| **Cash flow from operations** | **(129,609)** | **974,451** |

### Note 12. Commitments

The Association had no commitments for expenditure as at 30 June 2022.

### Note 13. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### Note 14. Contingent liabilities

The Association had no contingent liabilities as at 30 June 2022.

### Note 15. COVID-19 Impact

The outbreak of the coronavirus disease ("COVID-19") has had a significant impact globally and within Australia. The nature and extent of the effect of the outbreak on the performance of the Association remains unknown. While the Association's financial performance has not materially been affected in the short to medium term by the economic uncertainty caused by COVID-19, the potential ongoing impact is presently unknown. Further, any government or industry measures taken in response to COVID-19 may adversely impact the Association's operations and are likely to be beyond the control of the Association.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 15. COVID-19 Impact (continued)**

The Committee is closely monitoring the impact of COVID-19 and is considering the effect on the Association's business and financial performance. However, the situation is evolving daily, and the consequences are uncertain. As a result, this may further impact the Association's financial performance, however the Committee believe this will not affect the Association's ability to continue as a going concern.

**Note 16. Financial Risk Management**

The Association's treasurer is responsible for, among other issues, monitoring and maintaining financial risk of exposures of the Association. The treasurer monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the Committee of management.

The treasurer's overall risk management strategy seeks to ensure that the Association meets its financial targets, whilst minimizing potential adverse effects of cash flow shortfalls.

**Specific Financial Risk Exposures and Management**

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to the interest rate risk and equity price risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous periods.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee has otherwise cleared as being financially sound.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the Association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at note 5.

The Association has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in note 6.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 16. Financial Risk Management (continued)**

**(b) Liquidity Risk**

Liquidity Risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid registrations and receivables.

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

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

| | **Within one year** | | **1 to 5 years** | | **Total** | |
|---|---|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** |
| | **$** | **$** | **$** | **$** | **$** | **$** |
| **Financial liabilities due for payment** | | | | | | |
| Accounts payable and other payables | 56,051 | 83,653 | - | - | 56,051 | 83,653 |
| Total contractual outflows | 56,051 | 83,653 | - | - | 56,051 | 83,653 |
| **Total expected outflows** | **56,051** | **83,653** | **-** | **-** | **56,051** | **83,653** |
| **Financial assets – cash flows realisable** | | | | | | |
| Cash on hand | 1,270,461 | 1,421,737 | - | - | 1,270,461 | 1,421,737 |
| Accounts receivables and other debtors | 39,454 | 13,865 | - | - | 39,454 | 13,865 |
| Available-for-sale investments | - | - | - | - | - | - |
| Total anticipated inflows | 1,309,915 | 1,435,602 | - | - | 1,309,915 | 1,435,602 |
| **Net inflow on financial instruments** | **1,253,864** | **1,351,949** | **-** | **-** | **1,253,864** | **1,351,949** |

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

**Notes to the financial statements**
**for the year ended 30 June 2022**

**Note 16. Financial Risk Management (continued)**

**(c) Market risk**

*(i) Interest risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Association to interest rate risk are limited to cash on hand.

Interest rate risk is managed using a mix of fixed and floating rate cash. At 30 June 2022, approximately 100% of the Association's cash is fixed. It is the policy of the Association to keep between 50% and 100% of cash on fixed interest rates.

The Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

**Net Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

| | | **2022** | | **2021** | |
|---|---|---|---|---|---|
| | **Note** | **Carrying Amount** | **Fair Value** | **Carrying Amount** | **Fair Value** |
| | | **$** | **$** | **$** | **$** |
| **Financial assets** | | | | | |
| Cash on hand (i) | 5 | 1,270,461 | 1,270,461 | 1,421,737 | 1,421,737 |
| Accounts receivable and other debtors (i) | 6 | 39,454 | 39,454 | 13,865 | 13,865 |
| **Total financial assets** | | **1,309,915** | **1,309,915** | **1,435,602** | **1,435,602** |
| **Financial liabilities** | | | | | |
| Accounts payable and other payables (i) | 9 | 56,051 | 56,051 | 83,653 | 83,653 |
| **Total financial liabilities** | | **56,051** | **56,051** | **83,653** | **83,653** |

The fair values disclosed in the above table have been determined based on the following methodologies

(i) Cash on hand, accounts receivable and other debtors, accounts payable and other payables and lease liabilities are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

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

The Committee members declare that:

1. The financial statements and notes, as set out on pages 2 to 23 are in accordance with the *Associations Incorporations Act 2015 (WA)* and:

    a) comply with Accounting Standards as described in Note 1 to the financial statements; and

    b) present fairly the Association's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the Committee members opinion's, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee members and is signed by:

**BRITTANY WHITEHEAD**
President

**LYNDAL GORDON**
Treasurer

Dated this 27th August 2022

# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF PERTH NETBALL ASSOCIATION (INC)

## Report on the Financial Statements

### Opinion

We have audited the financial statements of Perth Netball Association (Inc) ("Association") comprising the statement of financial position as at 30 June 2022, the statement of profit or loss, statement of changes in accumulated funds and statement of cash flows for the year ended 30 June 2022, notes comprising a summary of significant accounting policies and the Committee's declaration.

In our opinion, the financial statements of Perth Netball Association (Inc) present fairly, in all material respects, the financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and comply with Australian Accounting Standards to the extent described in Note 1(a) and the Associations Incorporation Act 2015 (WA).

### Basis of Accounting

Without modifying our opinion, we draw attention to note 1(a) of the financial statements, which describes the basis of accounting. The financial statements have been prepared to assist the members of Perth Netball Association (Inc) to meet the requirements of the Associations Incorporation Act 2015 (WA). As a result, the financial statements may not be suitable for another purpose.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

### Independence

We are independent of the Association in accordance with 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 our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Chartered Accountant

**Committee's Responsibility**

The Association's Committee is responsible for the preparation of the financial statements in accordance with Australian Accounting Standards to the extent described in Note 1(a) and has determined the accounting policies used are consistent with its financial reporting requirements, and have determined that the basis of preparation is appropriate to meet the requirements of the Associations Incorporation Act 2015 (WA).

The Committee's responsibility also includes such internal control as the Committee determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit, in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial statements.

We 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 statements 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. We evaluate the overall presentation, structure and content of

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Chartered Accountant

the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We obtain sufficient appropriate audit evidence regarding the financial information or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Greg Chapell
Principal
Greg Chapell Pty Ltd
ABN 88 079 172 428

Dated 1 August 2022