



KNOX BASKETBALL INC
REG NO A0005641L

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



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Knox Basketball Inc

Reg No A0005641L

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Knox Basketball Inc

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**Statement of Comprehensive Income
For the Year Ended 31 December 2023**

		2023	2022
	Note	\$	\$
Revenue	2	5,418,013	4,572,999
Cost of sales		(792,240)	(499,021)
Employee benefits expense		(1,641,475)	(1,455,471)
Depreciation and amortisation expense		(73,161)	(314,681)
Premises costs		(1,151,127)	(803,596)
Operational costs		(325,673)	(252,292)
Cafe expenses		(40,358)	(28,563)
Other staffing costs		(12,939)	(26,748)
Basketball related costs		(996,408)	(885,358)
Administrative and other operating expenses		(244,258)	(249,128)
Finance costs		(44,277)	(36,618)
Surplus for the year		96,097	21,523
Other comprehensive income		-	-
Total comprehensive income for the year		96,097	21,523

The accompanying notes form part of these financial statements.

Knox Basketball Inc

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Statement of Financial Position

As At 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	753,158	707,757
Trade and other receivables	4	197,072	128,041
Inventories	5	59,666	36,700
Other assets	6	4,997	2,303
TOTAL CURRENT ASSETS		1,014,893	874,801
NON-CURRENT ASSETS			
Property, plant and equipment	7	884,475	931,699
TOTAL NON-CURRENT ASSETS		884,475	931,699
TOTAL ASSETS		1,899,368	1,806,500
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	441,415	456,769
Employee benefits	9	152,411	135,615
TOTAL CURRENT LIABILITIES		593,826	592,384
NON-CURRENT LIABILITIES			
Employee benefits	9	16,883	21,554
TOTAL NON-CURRENT LIABILITIES		16,883	21,554
TOTAL LIABILITIES		610,709	613,938
NET ASSETS		1,288,659	1,192,562
EQUITY			
Accumulated surplus		1,288,659	1,192,562
TOTAL EQUITY		1,288,659	1,192,562

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 31 December 2023

2023

	Accumulated Surplus	
	\$	Total
Balance at the beginning of the year	1,192,562	1,192,562
Surplus for the year	96,097	96,097
Balance at 31 December 2023	1,288,659	1,288,659

2022

	Accumulated Surplus	
	\$	Total
Balance at the beginning of the year	1,171,039	1,171,039
Surplus for the year	21,523	21,523
Balance at 31 December 2022	1,192,562	1,192,562

The accompanying notes form part of these financial statements.

Knox Basketball Inc

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Statement of Cash Flows**For the Year Ended 31 December 2023**

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	5,888,490	4,945,497
Payments to suppliers and employees	(5,771,138)	(4,601,853)
Finance costs	(44,277)	(124,323)
Net cash provided by (used in) operating activities	10 73,075	219,321
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	3,000	-
Purchase of property, plant and equipment	(30,674)	(28,158)
Net cash used by investing activities	(27,674)	(28,158)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	-	(129,413)
Net cash used by financing activities	-	(129,413)
Net increase (decrease) in cash and cash equivalents held	45,401	61,750
Cash and cash equivalents at beginning of year	707,757	646,007
Cash and cash equivalents at end of financial year	3 753,158	707,757

The accompanying notes form part of these financial statements.

Knox Basketball Inc

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Notes to the Financial Statements

For the Year Ended 31 December 2023

The financial statements cover Knox Basketball Inc as an individual entity. Knox Basketball Inc is a not-for-profit association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Associations Incorporation Reform Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Income tax

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

(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 entity and where performance obligations exist, those performance obligations have been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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 is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 Summary of Significant Accounting Policies continued

(e) Property, plant and equipment

Property, plant and equipment are carried at cost. All assets are depreciated over their useful lives to the Association.

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated amortisation.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10-33%
Furniture, Fixtures and Fittings	2.5-4%
Motor Vehicles	18-25%
Office Equipment	10-66%
Canteen Improvements	20%
Leasehold improvements	2.5-6.7%

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

(f) Impairment of assets

At the end of each reporting period, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(g) 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 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 twelve months 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Notes to the Financial Statements

For the Year Ended 31 December 2023

1 Summary of Significant Accounting Policies continued

(h) Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost, less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

	2023	2022
	\$	\$
2 Revenue and Other Income		
- Basketball Income	3,178,769	2,923,835
- Sales	1,276,506	819,659
- Hospitality	87,044	131,665
- Rental income	544,352	445,653
- Sponsorship and grants	202,915	153,880
- Other revenue	128,427	98,307
Total Revenue	<u>5,418,013</u>	<u>4,572,999</u>
3 Cash and Cash Equivalents		
Cash on hand	5,980	7,799
Cash at bank	747,178	699,958
	<u>753,158</u>	<u>707,757</u>
4 Trade and Other Receivables		
CURRENT		
Trade receivables	197,072	128,041
	<u>197,072</u>	<u>128,041</u>
<p>The average credit period on outstanding receivable is 30 days. No interest is charged on trade receivables.</p>		
5 Inventories		
CURRENT		
At cost:		
Basketball equipment and other apparel	59,666	36,700
	<u>59,666</u>	<u>36,700</u>
6 Other Assets		
CURRENT		
Prepayments	4,997	2,303
	<u>4,997</u>	<u>2,303</u>
7 Property, Plant and Equipment		
Plant and equipment		
At cost	266,807	260,677
Accumulated depreciation	(215,395)	(201,235)
Total plant and equipment	<u>51,412</u>	<u>59,442</u>

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**Notes to the Financial Statements
For the Year Ended 31 December 2023**

	2023	2022
	\$	\$
7 Property, Plant and Equipment continued		
Furniture, fixture and fittings		
At cost	149,112	149,112
Accumulated depreciation	(55,283)	(51,753)
Total furniture, fixture and fittings	<u>93,829</u>	<u>97,359</u>
Motor vehicles		
At cost	10,709	10,709
Accumulated depreciation	(6,857)	(5,574)
Total motor vehicles	<u>3,852</u>	<u>5,135</u>
Office equipment		
At cost	205,785	196,891
Accumulated depreciation	(164,814)	(155,530)
Total office equipment	<u>40,971</u>	<u>41,361</u>
Improvements		
At cost	199,292	199,292
Accumulated amortisation	(67,920)	(63,688)
Total improvements	<u>131,372</u>	<u>135,604</u>
Canteen equipment		
At cost	97,214	87,014
Accumulated depreciation	(81,666)	(77,779)
Total canteen equipment	<u>15,548</u>	<u>9,235</u>
SBC		
At cost	600,000	600,000
Accumulated amortisation	(600,000)	(600,000)
Total SBC	<u>-</u>	<u>-</u>
Fairhills		
At cost	999,595	999,595
Accumulated amortisation	(452,104)	(416,032)
Total Fairhills	<u>547,491</u>	<u>583,563</u>
Total property, plant and equipment	<u><u>884,475</u></u>	<u><u>931,699</u></u>

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Notes to the Financial Statements

For the Year Ended 31 December 2023

2023
\$

2022
\$

7 Property, Plant and Equipment continued

(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 \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Leasehold improvements \$
Year ended 31 December 2023					
Balance at the beginning of year	59,442	97,359	5,135	41,361	135,604
Additions	6,130	-	5,450	8,894	-
Disposals - written down value	-	-	(4,737)	-	-
Depreciation expense	(14,160)	(3,530)	(1,996)	(9,284)	(4,232)
Balance at the end of the year	51,412	93,829	3,852	40,971	131,372

	Canteen \$	Fairhills \$	Total \$
Year ended 31 December 2023			
Balance at the beginning of year	9,235	583,563	931,699
Additions	10,200	-	30,674
Disposals - written down value	-	-	(4,737)
Depreciation expense	(3,887)	(36,072)	(73,161)
Balance at the end of the year	15,548	547,491	884,475

8 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade payables

Bonds held

Sundry payables and accrued expenses

Trade payables	183,839	165,913
Bonds held	85,546	75,296
Sundry payables and accrued expenses	172,030	215,560
	441,415	456,769

The average credit period on purchases is 30 days. The Association has financial risk management policies in place to ensure that all trade payables are paid within these terms.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

	2023	2022
	\$	\$
9 Employee Benefits		
CURRENT		
Provision for long service leave	84,253	69,924
Provision for annual leave	68,158	65,691
	152,411	135,615
NON-CURRENT		
Provision for long service leave	16,883	21,554
10 Cash Flow Information		
Net result for the year	96,097	21,523
Non-cash flows in net result:		
- depreciation and amortisation	73,161	314,681
- net loss on disposal of property, plant and equipment	1,737	1,902
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(69,031)	(79,010)
- (increase)/decrease in prepayments	(2,694)	697
- (increase)/decrease in inventories	(22,966)	15,652
- increase/(decrease) in trade and other payables	(15,354)	(69,466)
- increase/(decrease) in provisions	12,125	13,342
Cashflows from operations	73,075	219,321

11 Financial Risk Management

The main risks Knox Basketball Inc is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. The Association's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The Association does not have any derivative financial instruments at 31 December 2023.

The Association's committee monitors risks and believes that the Association is not exposed to any significant risks associated with credit risk, liquidity risk and interest rate risk. The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

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Notes to the Financial Statements

For the Year Ended 31 December 2023

		2023	2022
		\$	\$
11 Financial Risk Management continued			
11 Financial Risk Management continued			
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents	3	753,158	707,757
Trade and other receivables (cost)	4	197,072	128,041
Total financial assets		<u>950,230</u>	<u>835,798</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables (i)		324,251	366,920
Total financial liabilities		<u>324,251</u>	<u>366,920</u>

Note: (i) The amounts disclosed here exclude statutory amounts (e.g. GST payable and other tax payables).

Fair Values

For financial assets and liabilities, the net fair value approximates their carrying values. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

12 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Association is \$ 419,773 (2022: \$ 428,784).

13 Contingencies

In the opinion of the Committee, the Association did not have any contingencies at 31 December 2023 (31 December 2022:None).

14 Events Occurring After the Reporting Date

No 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.

15 Association Details

The registered office of the association is:
Knox Basketball Inc
291 George Street
Wantirna South VIC 3152

Knox Basketball Inc

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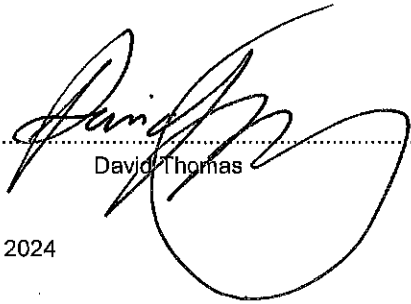
Statement by Members of the Committee

In accordance with a resolution of the committee of Knox Basketball Inc, the members of the committee declare that the financial statements and notes as set out on pages 1 to 12:

1. Presents fairly the financial position of Knox Basketball Inc as at 31 December 2023 and its performance for the year ended on that date in accordance with *Australian Accounting Standards - Simplified Disclosures* and the Associations Incorporation Reform Act 2012.
2. At the date of this statement, there are reasonable grounds to believe that Knox Basketball Inc will be able to pay its debts as and when they fall due.

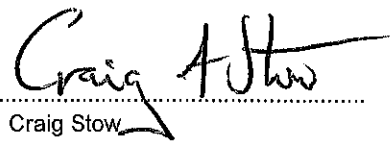
This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chairperson



David Thomas

Financial Director



Craig Stow

Dated 30 April 2024

Knox Basketball Inc

Independent Audit Report to the members of Knox Basketball Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Knox Basketball Inc (the Association), which comprises the statement of financial position as at 31 December 2023, the statement of 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 material accounting policy information, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association is in accordance with the Associations Incorporation Reform Act 2012, including:

- (i) giving a true and fair view of the Association's financial position as at 31 December 2023 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and the Associations Incorporation Reform Act 2012.

Basis for Opinion

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 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 (including Independence Standards)* (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.

Responsibilities of Management and the Committee

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with 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, 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 management either intends to liquidate the Association or to cease operations, or has 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

Knox Basketball Inc

Independent Audit Report to the members of Knox Basketball Inc

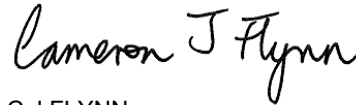
override of internal control.

- 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 management.
- Conclude on the appropriateness of the 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 reporter, 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.
- 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



C J FLYNN
Director

30 April 2024