2019/20
FINANCIAL REPORT

Little Athletics NSW Ltd
ABN 69 731 039 358
ACN 629 701 962
For the year ended 31st March 2020

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Contents

Little Athletics NSW Limited

Introduction
For the year ended 31 March 2020

In these unprecedented times it is a privilege to present the 2020 financial report of Little Athletics NSW Limited. Our accounts were once again audited by KPMG, and I would like to thank them for their assistance.

The year was once again a strong one for us, our financial position has continued to be in a strong state with little movement from the previous year. In terms of income and expenditure, we finalised the year with a small surplus of $3,729 which was in line with the board's expectations.

Looking forward there is no doubt the COVID-19 pandemic will play a role in the 2021 financial year. Where possible we have applied for any government support that we are eligible for and we have allocated additional funds to support our core activities and centres to deal with the pandemic.

Overall, the current financial position of Little Athletics NSW Limited remains a strong one, whilst we are yet to know the full impact of COVID-19 we are well placed to face this challenge.

On a personal note I would like to take the opportunity to thank the members of the Finance and Audit committee and our staff for all their efforts over the previous twelve months.

Glen Taylor
Director

Little Athletics NSW Limited

Directors' report

For the year ended 31 March 2020

The Directors present their report together with the financial report of Little Athletics NSW Limited ('the Company') for the financial year ended 31 March 2020 and the auditor's report thereon.

1 Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name and qualifications	Experience, special responsibilities and other directorships
Craig Scott Chair	• Qualifications in mechanical engineering and extensive background in information technology and finance • Employed in the steel industry for 40+ years • Involvement in Little Athletics since 1994 • AICD - Governance Foundations for Not-For-Profit Directors Course • Life Member - Little Athletics NSW Director since 2016, Chair since 2017 Member of Corporate Governance and Risk Committee
Melissa Chandler	• CPA qualified accountant • Over 25 years experience in finance, working in senior finance roles for the past 15 years • Involvement in Little Athletics for 8 years in coaching and centre administration roles • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2019 Chair of Finance and Audit Committee
Mavis Godber	• Former teacher and Careers Counsellor • Member of the community board at Hunter Sports Centre, Glendale • Involved in Little Athletics since1989 • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2014 Member of Finance and Audit Committee
Simon Nicola	• Over 25 years' experience as a Senior Technical Business Analyst • Head Coach and Selector - Special Olympics • Involvement in Little Athletics for 23 years • Convener - 2017 Australian Little Athletics Championships • Little Athletics NSW Volunteer of the Year - 2016 • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2018 Member of Corporate Governance and Risk Committee
Heather Mitchell	• Involved in Little Athletics for over 40 years • Australian Federation of Race Walking Clubs Inc - Vice President • IAAF Oceania Walk Judge - lecturer • Little Athletics Australia Technical Committee – member • AICD - Governance Foundations for Not-For-Profit Directors Course • Life Member - Little Athletics NSW • Life Member - Athletics NSW & Athletics Australia Director since 1990

1 Directors (continued)

Name and qualifications	Experience, special responsibilities and other directorships
Glen Taylor	• Experienced Credit Professional • Leadership role in the Finance and Credit team of a multinational • Member of the Australian Institute of Company Directors and Australian Institute of Credit Management • Involved in Little Athletics for over 30 years, as an athlete then administrator • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2017 Chair of Corporate Governance and Risk Committee Company Secretary
Brooke Collins OAM	• Over 20 years experience in sales and key account management • Councillor for The Hills Shire Council • Awarded an OAM for service to athletics, and to the community • Involvement in Little Athletics since 2002 • AICD - Company Directors Course Director appointed in May 2020, ceased in June 2020
Tim Jessup	• Over 20 years experience as a senior business manager and executive manager in government and private sectors • Qualifications in leadership, governance, policy, investigations, psychology and compliance • AICD - Governance Foundations for Not-For-Profit Directors Course • Involvement in athletics as athlete, coach and administrator Director appointed in 2017, ceased in 2020
Russell Briggs	• Over 20 years experience in property valuation and consultancy • Involved in Little Athletics for 18 years • AICD - Governance Foundations for Not-For-Profit Directors Course Director appointed in 2013, ceased in 2019
Peter Barnes Dip. Tech (Commerce)	• Retired Australian Taxation Office Manager • Over 35 years involvement in Little Athletics • AICD - Governance Foundations for Not-For-Profit Directors Course • Recipient of Australian Sports Medal • Life Member - Little Athletics NSW Director appointed in 2005, ceased in 2019

2 Company secretary

Mr Russell Briggs held the position of Company Secretary until 17 August 2019. Mr Tim Jessup was appointed to the position of Company Secretary on 17 August 2019, and held the position until 1 June 2020. Mr Glen Taylor was appointed to the position of Company Secretary on 1 June 2020.

3 Directors' meetings

The number of Directors' meetings held (including meetings of committees of Directors) and attendance by each of the Directors of the Company during the financial year were as follows:

Director	Board Meetings		Finance and Audit		Governance and Risk	
	A	B	A	B	A	B
Craig Scott	11	11	2	2	3	3
Peter Barnes	5	5	-	-	-	-
Russell Briggs	4	5	2	2	1	1
Melissa Chandler	4	6	2	2	-	-
Mavis Godber	9	11	2	2	-	-
Tim Jessup	11	11	-	-	4	4
Heather Mitchell	8	11	-	-	-	-
Simon Nicola	10	11	-	-	3	3
Glen Taylor	10	11	4	4	1	1

A – Number of meetings attended
B – Number of meetings held during the time the Director held office during the year

4 Principal activities

Principal activities

The principal activities of the Company during the course of the financial year were the coordination and promotion of the sport of Little Athletics in New South Wales.

Objectives

The Company's over-arching principles are identified in the constitution, and are broadly identified as:

(a) to participate as a member of Little Athletics Australia (LAA) so that Little Athletics can be conducted, encouraged, promoted, advanced and administered in New South Wales;
(b) to develop the sport of athletics in conjunction with LAA and Athletics NSW (ANSW);
(c) to ensure the maintenance and enhancement of the Company, the Members and Little Athletics, its standards, quality and reputation for the benefit of the Members and Little Athletics; and
(d) to provide opportunities for children and young people in New South Wales of all abilities to participate in healthy recreation through family and community involvement in Little Athletics.

There were no significant changes in the nature of the activities of the Company during the year.

5 Operating and financial review and performance measurement

Overview of the Company

The surplus from continuing operations of the Company for the year ended 31 March 2020 was $3,729 (2019: surplus of $69,013).

Performance measurement

The Company's financial performance is continually measured against internally set Key Performance Indicators (KPIs) in core business activities, including our strategic and operational plans; and capital expenditure and operating budgets. Industry benchmarks, past performance and current economic conditions are also used when setting internal KPIs.

6 Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

7 Membership

The Company is a company limited by guarantee and without share capital. The numbers of members, both financial and unfinancial, as at 31 March 2020 and the comparison with last year is as follows:

	2020	**2019**
Ordinary Members	58,526	56,957
Life Members	23	23
	58,549	56,980

In accordance with the Constitution of the Company, every financial member of the Company undertakes to contribute an amount, limited to $1 per member, in the event of the winding up of the Company during the time that he or she is a member, or within one year after ceasing to be a member. The total amount that current and former financial members are liable as at 31 March 2020 is $51,323.

8 Likely developments

Further information about likely future developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

9 Events subsequent to reporting date

The spread of novel coronavirus (COVID-19) has led to the closure of Australian borders from March, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Company continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Company's go forward results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Company's 2021 annual financial statements. Based on currently available information, the Directors believe that the Company will remain a going concern as no significantly material adverse changes are expected.

Other than the impacts and potential impacts of COVID-19, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10 Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Directors' report (continued)
For the year ended 31 March 2020

11 Lead auditor's independence declaration

The Lead auditor's independence declaration under s307C is set out on page 8 and forms part of the Directors' report for financial year ended 31 March 2020.

This report is made in accordance with a resolution of the Directors:

Craig Scott
Chair

Glen Taylor
Director

Dated at Sydney this 8th day of July 2020.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Little Athletics NSW Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Little Athletics NSW Limited for the financial year ended 31 March 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Niraj Singh

Partner

Sydney

8 July 2020

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2020

In AUD	***Note***	**2020**	**2019***
Revenue - operating	*4*	3,072,391	2,848,745
Revenue - non-operating	*5*	99,307	65,757
		3,171,698	2,914,502
Administrative expenses		(691,586)	(763,132)
Advertising and marketing expenses		(78,561)	(36,541)
Employee benefits expenses		(1,218,303)	(984,103)
Championship expenses		(173,731)	(189,139)
Other expenses		(349,935)	(435,810)
Program and project expenses		(655,853)	(436,764)
Surplus for the year		**3,729**	**69,013**
Other comprehensive income			
Other comprehensive income of the year		-	200,000
Total comprehensive income for the year		**3,729**	**269,013**

* The Company has initially applied AASB 16 at 1 April 2019. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 13 to 29 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of financial position

As at 31 March 2020

In AUD	***Note***	**2020**	**2019***
Assets			
Cash and cash equivalents	*7*	1,359,569	561,613
Trade and other receivables	*8*	241,387	143,270
Other financial assets	*9*	1,500,000	2,334,449
Prepayments		20,286	49,758
Total current assets		3,121,242	3,089,090
Property, plant and equipment	*10*	2,252,070	2,258,942
Right-of-use assets	*11*	33,181	-
Total non-current assets		2,285,251	2,258,942
Total assets		5,406,493	5,348,032
Liabilities			
Trade and other payables	*12*	325,936	383,569
Employee benefits	*13*	231,829	165,997
Lease liabilities		12,702	-
Total current liabilities		570,467	549,566
Employee benefits	*13*	26,306	12,859
Lease liabilities		20,384	-
Total non-current liabilities		46,690	12,859
Total liabilities		617,157	562,425
Net assets		**4,789,336**	**4,785,607**
Equity			
Reserves	*14*	1,846,459	1,846,459
Retained earnings		2,942,877	2,939,148
Total equity		**4,789,336**	**4,785,607**

* The Company has initially applied AASB 16 at 1 April 2019. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 13 to 29 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of changes in equity

For the year ended 31 March 2020

In AUD	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 April 2018	2,870,135	1,646,459	4,516,594
Total comprehensive income for the year			
Surplus for the year	69,013	-	69,013
Other comprehensive income	-	200,000	200,000
Total comprehensive income for the year	69,013	200,000	269,013
Balance at 31 March 2019	2,939,148	1,846,459	4,785,607
Balance at 1 April 2019	2,939,148	1,846,459	4,785,607
Total comprehensive income for the year			
Surplus for the year	3,729	-	3,729
Other comprehensive income	-	-	-
Total comprehensive income for the year	3,729	-	3,729
Balance at 31 March 2020	2,942,877	1,846,459	4,789,336

The notes on pages 13 to 29 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of cash flows

For the year ended 31 March 2020

In AUD	***Note***	**2020**	**2019**
Cash flows from operating activities			
Receipts from grants		91,908	120,156
Receipts from members		2,882,586	2,912,975
Receipts from sponsorship		222,302	193,076
Payments to suppliers		(2,081,610)	(2,224,516)
Payments to employees		(1,139,023)	(987,154)
Cash (used in)/generated from operating activities		(23,837)	14,537
Interest received		51,091	66,871
Interest paid		(636)	-
Net cash from operating activities		26,618	81,408
Cash flows from investing activities			
Payments for property, plant and equipment		(65,515)	(11,152)
Proceeds from sale of property, plant and equipment		11,456	-
Proceeds from/(payments for) held to maturity investments		834,449	(54,596)
Net cash from/(used in) investing activities		780,390	(65,748)
Cash flows from finance activities			
Payment of lease liabilities		(9,052)	-
Net cash used in financing activities		(9,052)	-
Net increase in cash and cash equivalents		797,956	15,660
Cash and cash equivalents at beginning of year		561,613	545,953
Cash and cash equivalents at end of year	*7*	1,359,569	561,613

The notes on pages 13 to 29 are an integral part of these financial statements.

1 Reporting entity

Little Athletics NSW Limited ("the Company") is a company incorporated and domiciled in Australia. These financial statements of the Company are as at and for the year ended 31 March 2020.

The Company is a company limited by guarantee and without share capital. The Company is a not-for-profit entity.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the Directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board, and the *Corporations Act 2001*. These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements.

This is the first set of the Company's annual financial statements in which AASB 16 *Leases,* AASB 15 *Revenue from Contracts with Customers and* AASB 1058 *Income of Not-for-Profit Entities* have been applied. Changes to significant accounting policies are included in Note 2(e).

The financial statements were authorised for issue by the Board of Directors on 8 July 2020. Details of the Company's accounting policies are included in Note 3.

(b) Basis of accounting

The financial statements have been prepared on an accruals basis and are based on historical cost, except for land and buildings that are measured at fair value less accumulated depreciation on buildings, and any impairment losses. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about judgements and estimates made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are described below:

<u>Property, plant and equipment</u>

As described at Note 3(e), the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. Further, land and buildings are measured at fair value, with revaluations performed with sufficient regularity such that the carrying amount does not differ materially from those that would be determined using fair values at the end of each reporting period

2 Basis of preparation (continued)

(e) Changes in accounting policies

The Company has initially applied AASB 15, AASB 1058 and AASB 16 from 1 April 2019. A number of other new standards are also effective from 1 April 2019, but they do not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

AASB 15 Revenue from Contracts with Customers, and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations.

AASB 1058 introduces major changes to the income recognition by public and private sector not-for-profit (NFP) entities. Under AASB 1004 *Contributions*, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Where transactions do not meet the requirements of AASB 15 as noted above, the Company will need to assess if these transactions should be accounted for under AASB 1058. AASB 1058 establishes principles for not-for-profit entities, which will more closely reflect the economic reality of transactions that are not contracts with customers.

AASB 15 had no significant impact on the Company’s accounting policies, whilst AASB 1058 had no significant impact with respect to the Company's income that did not meet the criteria of AASB 15.

AASB 16 Leases

The Company applied AASB 16 *Leases* using the modified retrospective approach. Accordingly, the comparative information presented for the year ended 31 March 2019 is not restated - i.e. it is presented, as previously reported, under AASB 117 *Leases* and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

(i) *Definition of a lease*

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3(c).

On transition to AASB 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or charged on or after 1 April 2019.

2 Basis of preparation (continued)

(e) Changes in accounting policies (continued)

AASB 16 *Leases (continued)*

(ii) *As a lessee*

As a lessee, the Company leases many assets including property and IT equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under AASB 16, the Company recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone price.

However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating lease under AASB 117

Previously, the Company classified property leases as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company applied this approach to all leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117. In particular, the Company:

- Did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- Did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

(iii) *Impact on financial statements*

*Impact of transition**

On transition to AASB 16, the Company recognised additional right-of-use assets, including property, and additional lease liabilities. The impact on transition is summarised below.

In AUD	**1 April 2019**
Right-of-use assets - property, plant and equipment	13,905
Lease liabilities	13,905

*For the impact of AASB 16 on profit or loss for the period, see Note 11. For the details of accounting policies under AASB 16 and AASB 117, see Note 3(c).

2 Basis of preparation (continued)

(e) Changes in accounting policies (continued)

AASB 16 *Leases (continued)*

(iii) *Impact on financial statements (continued)*

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The rate applied was 3.5%.

In AUD	**1 April 2019**
Operating lease commitments at 31 March 2019 as disclosed under AASB 117 in the Company's financial statements	30,317
Discounted using the incremental borrowing rate at 1 April 2019	26,568
- Recognition exemption for leases of low-value assets	(12,663)
Lease liabilities recognised at 1 April 2019	13,905

3 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (see also Note 2(e)).

(a) Revenue

The Company has initially applied AASB 15 and AASB 1058 from 1 April 2019. Comparative information has not been restated, and details of accounting policies are disclosed separately.

Policy applicable before 31 March 2019

Revenue is measured at the fair value of the consideration received or receivable.

Contributions - Government grants and donations

A contribution occurs when the Company receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party to the transfer; that is, when there is a non-reciprocal transfer. Contributions would include donations and government grants. Contributions that are income exclude contributions by owners.

Income from contributions is recognised when all the following conditions are satisfied:

- The Company obtains control of the contribution or right to receive the contribution;
- It is probable the economic benefits comprising the contribution will flow to the Company; and
- The amount of contribution can be measured reliably.

Income arising from contributions is measured at the fair value of the contributions received or receivable.

Rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the members.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3 Significant accounting policies (continued)

(a) Revenue (continued)

Policy applicable from 1 April 2019

Revenue is measured based on the expected consideration specified in a contract with a customer.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied, in a manner that depicts the transfer to the customer of the goods or services promised. None of the revenue streams of the Company have any significant financing terms.

Grants and donations

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied. Within grant agreements there may be some performance obligations where control transfers at a point in time, and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

Revenue arising from grants which are either not enforceable or do not have sufficiently specific performance obligations are recognised in accordance with AASB 1058. Assets arising from grants within the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash.

Once the asset has been recognised, the Company recognises any related liability amounts, with income recognised for any difference between the recorded asset and liability.

Interest income

Interest income is recognised using the effective interest method. In calculating interest income, the effective interest rate is applied, which exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to its gross carrying amount.

(b) Taxation

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

(c) Leases

The Company has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB Interpretation 4. The details of accounting policies under AASB 117 and AASB Interpretation 4 are disclosed separately.

3 Significant accounting policies (continued)

(c) Leases (continued)

Policy applicable before 31 March 2019

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to their fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(ii) Lease payments

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2019

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

As a lessee

At commencement or on modification or a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term, or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3 Significant accounting policies (continued)

(c) Leases (continued)

Policy applicable from 1 April 2019 (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

(i) Short-term employee benefits

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(ii) Other long-term employee benefits

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

3 Significant accounting policies (continued)

(e) Property, plant and equipment

(i) Recognition and measurement

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from those that would be determined using fair values at the end of each reporting period.

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(ii) Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Class of fixed asset	*Useful life*
Buildings	40 years
Plant and equipment	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit and loss.

3 Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise to specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 are measured at amortised cost. Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to collect contractual cash flows are classified as measured at amortised cost.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding, during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets - Subsequent measurement and gains and losses

<u>*Financial assets at FVTPL*</u>

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in profit or loss.

3 Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets - Subsequent measurement and gains and losses (continued)

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (continued)

(g) Impairment of assets

(i) Non-derivative financial assets

At each reporting period, the Company assesses whether financial assets are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company recognises loss allowances under the ECL model, equal to either the lifetime or 12 months expected credit losses. Lifetime expected credit losses are those which result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion which result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

In its assessment, the Company may use historical information on the timing of recoveries and the amount of loss incurred, and make adjustments if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3 Significant accounting policies (continued)

(g) Impairment of assets (continued)

(ii) Non-financial assets (continued)

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Good and Services Tax (GST)

Revenues, 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 Authority (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and if it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 Revenue - operating

In AUD	**2020**	**2019**
Championships - ALAC	33,115	26,090
Championships - NSW	47,342	58,571
Championships - Trans Tasman tour	264,183	25,613
Conference fees	17,034	24,615
Grants	107,803	111,482
Affiliation fees	10,255	8,539
Projects and programs income	71,122	106,595
Registration fees	2,247,664	2,150,281
Sponsorship	207,058	172,509
Other operating revenue	66,814	164,450
	3,072,391	2,848,745

5 Revenue - non-operating

In AUD	**2020**	**2019**
Interest revenue	37,926	65,757
Other revenue	61,381	-
	99,307	65,757

6 Related parties - key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below:

In AUD	**2020**	**2019**
Compensation to key management personnel of the Company	153,560	110,754

7 Cash and cash equivalents

In AUD	**2020**	**2019**
Cash and bank balances	141,528	53,863
Call deposits	1,218,041	507,750
	1,359,569	561,613

8 Trade and other receivables

In AUD	**2020**	**2019**
Trade receivables	151,966	112,522
Interest receivable	14,939	28,104
Other receivables	74,482	2,644
	241,387	143,270

9 Other financial assets

In AUD	**2020**	**2019**
Investments at amortised cost:		
Term deposits	1,500,000	2,334,449

10 Property, plant and equipment

In AUD	2020	2019
Carrying amounts of:		
Freehold land	1,800,000	1,800,000
Buildings	370,000	380,000
Plant and equipment	82,070	78,942
	2,252,070	2,258,942

Movement in carrying amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

In AUD	Land and buildings	Plant and equipment	Total
Cost			
Balance at 1 April 2019	2,200,000	534,491	2,734,491
Additions	-	65,515	65,515
Disposals	-	(96,227)	(96,227)
Balance at 31 March 2020	2,200,000	503,778	2,703,778
Depreciation			
Balance at 1 April 2019	(20,000)	(455,549)	(475,549)
Depreciation charge for the year	(10,000)	(62,387)	(72,387)
Disposals	-	96,227	96,227
Balance at 31 March 2020	(30,000)	(421,709)	(451,709)
Carrying amounts			
At 1 April 2019	2,180,000	78,942	2,258,942
At 31 March 2020	2,170,000	82,069	2,252,069

The following useful lives are used in the calculation of depreciation.

Buildings	2.50%
Plant and equipment	10 to 33.33%

The freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The determination of fair value has been based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the properties. The fair value measurement for freehold land and buildings has been categorised as a level 2 fair value based on the inputs to the valuation technique used. Level 2 relies on inputs other than quoted prices that are observable for the asset, either directly (as prices) or indirectly (derived from prices). The valuation was prepared with an effective date as at 31 March 2019. The Directors have performed an internal valuation as at 31 March 2020, and confirm that these valuations are still relevant, and as such the carrying amount of land and buildings as at 31 March 2020 are not materially different from the fair values disclosed as at 31 March 2019. The revaluation surplus, being the asset revaluation reserve, is disclosed in Note 14.

11 Leases

Leases as lessee

The Company leases property and a photocopier under an operating lease. The leases typically run for a period of 5 years, with no option to renew the lease after that date. Previously, these leases was classified as operating leases under AASB 117.

The Company leases equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognised right-of-use assets and lease liabilities for these leases.

Information about leases for which the Company is a lessee is presented below.

(a) Right-of-use assets

Right-of-use assets are presented separately in the statement of financial position.

	Land and buildings	Plant and equipment	Total
Balance at 1 April 2019	-	13,905	13,905
Additions to right-of-use assets	28,232	-	28,232
Depreciation charge for the year	(1,917)	(7,039)	(8,956)
Balance at 31 March 2020	26,315	6,866	33,181

(b) Amounts recognised in profit or loss

2020 - Leases under AASB 16	
Interest on lease liabilities	636
Expenses relating to short-term leases	2,591
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	6,293
2019 - Operating leases under AASB 117	
Lease expense	13,481

(c) Amounts recognised in statement of cash flows

	2020
Total cash outflow for leases	9,688

12 Trade and other payables

In AUD	**2020**	**2019**
Trade payables	144,459	28,585
Income in advance	122,526	173,382
Other payables	58,951	181,602
	325,936	383,569

(a) Financial liabilities at amortised cost classified as trade payable and other payables

Trade and other payables		
Current	325,936	383,569
Less: grants/income in advance	(122,526)	(173,382)
Financial liabilities as trade and other payables	203,410	210,187

13 Employee benefits

In AUD	2020	2019
Current		
Provision for annual leave	78,624	49,444
Provision for long service leave	153,205	116,553
	231,829	165,997
Non-current		
Provision for long service leave	26,306	12,859
	26,306	12,859

14 Reserves

Asset revaluation reserve *In AUD*	2020	2019
Balance at beginning of year	1,846,459	1,646,459
Increase arising on revaluation of properties	-	200,000
Balance at end of year	1,846,459	1,846,459

The asset revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

15 Contingent liabilities

Little Athletics NSW Limited had no contingent liabilities at the end of the reporting period.

16 Financial instruments

The Company's financial instruments consist mainly of deposits with banks, short-term investments, trade receivables and trade payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

(a) Accounting classification and fair values

In AUD		2020	2019
Financial assets at amortised cost			
Cash and cash equivalents	7	1,359,569	561,613
Trade and other receivables	8	241,387	143,270
Other financial assets	9	1,500,000	2,334,449
		3,100,956	3,039,332
Financial liabilities at amortised cost			
Trade and other payables	12	203,410	210,187
		203,410	210,187

17 Subsequent events

The spread of novel coronavirus (COVID-19) has led to the closure of Australian borders from March, an increasing level of restrictions on corporate Australia’s ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The Company continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Company's go forward results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Company's 2021 annual financial statements. Based on currently available information, the Directors believe that the Company will remain a going concern as no significantly material adverse changes are expected.

Other than the impacts and potential impacts of COVID-19, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

18 Company details

The registered office of the Company is:
Little Athletics NSW Limited
90-92 Harris Street
Harris Park NSW 2150

Little Athletics NSW Limited

Directors' declaration

In the opinion of the Directors of Little Athletics NSW Limited ('the Company'):

(a) the Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 9 to 29 are in accordance with the *Corporations Act 2001* , including:

  (i) giving a true and fair view of the Company's financial position as at 31 March 2020 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001* ; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Craig Scott
Chair

Glen Taylor
Director

Dated at Sydney this 8th day of July 2020

Independent Auditor's Report

To the members of Little Athletics NSW Limited

Opinion

We have audited the ***Financial Report*** of Little Athletics NSW Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 March 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 31 March 2020;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Company in accordance with *the Corporations Act 2001* and 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 fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report (continued)

Other Information

Other Information is financial and non-financial information in Little Athletics NSW Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

• preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001;*

• implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

• assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Niraj Singh

Partner

Sydney

8 July 2020

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