Little Athletics NSW Limited

ABN 69 731 039 358

ACN 629 701 962

Financial Report

For the year ended 31 March 2022

Little Athletics NSW Limited

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Little Athletics NSW Limited

Introduction

For the year ended 31 March 2022

LANSW had to navigate through a second year of COVID-19 impacting the season and registration numbers, however we were able to complete the season and allow our athletes to compete both at their clubs and at championships/gala days. Because of this the financial results were once again impacted with a net loss of $210,242.

Operating revenue was down by $152,450 (7%) vs prior year due to registration numbers being down, and less grants received (COVID-19). However, this was offset by an increase in Championships revenue (State Combined/State Championships) and Sponsorships (Kumon, RH Sports, Valour). Non-operating revenue was down by $387,506 (79%) due to JobSaver delivering a materially smaller subsidy compared to JobKeeper. If you take out the one-off income streams (Grants, JobKeeper, JobSaver) then the revenue generated from normal operations is in line with prior year.

Operating expenses were down by $371,885 (13%) vs prior year due to reduction in LAA levies (registration numbers effected), reducing admin expenses, and less COVID-19 support activities.

The current year budget has been set for the organisation to break even, and it includes an increase in registration numbers, sponsorship revenues and more events and clinics. It also includes a website upgrade and producing marketing toolkits for all centres.

The Harris Park office was sold this financial year and the proceeds were all put into a term deposit and this explains the increase in Other financial assets vs prior year. Obviously the interest rates weren't ideal and these funds have earned very little interest, and the board are looking at other opportunities to better utilise these funds. We are in a strong position from a balance sheet point of view and we want to make sure this continues and improves over the foreseeable future by ensuring normal operations pay for itself, and investing in opportunities that reduce our cost base and/or introduce new revenue streams.

I would like to thank KPMG for continuing to support us with the audit of our accounts, and also the time and effort made by the members of the Finance and Audit Committee.

Melissa Chandler
Chair

Directors' report
For the year ended 31 March 2022

The Directors present their report together with the financial report of Little Athletics NSW Limited ('the Company') for the financial year ended 31 March 2022 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
Matthew Andrews	• Involved with Little Athletics since 1978 • President Glenbrook Little Athletics for eight (8) years • Previously, Western Plains Zone Coordinator, Region 3 Coordinator, Zone Championship Officer and officiating at State Championships • Life Member of Glenbrook Little Athletics • Extensive background as a Mechanical Engineer Appointed Director since 2020, Resigned December 2021
Joe Burgess	• Bachelor of Commerce and Masters of Commerce (Finance and Economics) • Seven years at Manly Warringah Little Athletics • Two NSW Open Championships • Competed at 12 Australian Championships • Coach at Hornsby District Little Athletics • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2020 Member of the Audit and Finance Committee
Melissa Chandler (Chair)	• 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 Member of Finance and Audit Committee Chair of LANSW Board
James Kermond	• Bachelor of Sports Coaching (Strength and Conditioning) • Strength and Conditioning coach Macarthur Rams • Sports Department Georges River Grammar • Australian Team Captain 2014 - IMF World Junior Championships • Junior Life Member - Bankstown Sports Little Athletics • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2020, Resigned January 2022 Member of Corporate Governance and Risk Committee, Resigned January 2022

1 Directors (continued)

Name and qualifications	Experience, special responsibilities and other directorships
Simon Nicola	• Involvement in Little Athletics for 25 years • NWMZ and Region 6 Treasurer • Winston Hills Athletics Centre and NWMZ Life Member • Level three (3) coach and Level B track plus Photofinish operator • Special Olympics (SO) athlete coach (2010-2016) • SO NSW Head Coach South Australia Nationals 2010 and Victorian Nationals 2014 • Assistant Australian Coach - SO ASIA Pacific Games 2011 • Convener - 2017 Australian Little Athletics Championships • Little Athletics NSW Volunteer of the Year - 2016 • Company Director delivering IT Transformation programs and Software development (22 years) • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2018 Member of Corporate Governance and Risk Committee, Chair of Corporate Governance and Risk Committee since July 2021
John McFadden	• Professional experience in structural and organisational change in children's sport • Foundation athlete at Northern Suburbs Little Athletics Centre • President of Ku-ring-gai Little Athletics Centre from 2006-2021 • Committee Member at Ku-ring-gai Little Athletics Centre since 2004 • Past North East Met Zone Coordinator • NEMZ Committee Member • Region 5 Committee Member Director since 2021
Michael O'Mara	• CPA qualified accountant • Former Director of Athletics NSW (ANSW) • Life Member Athletics NSW (ANSW) • Former LANSW and ANSW Official • President of Commonwealth Games NSW Division • Life Member Western District Joggers and Harriers • Life Member Bankstown Sports Senior Athletics Director since 2020, Resigned December 2021 Chair of Finance and Audit Committee, Resigned December 2021
Sally Richardson	• Various volunteer roles in Athletics in NSW, nationally and internationally • Previously Publicity Officer, Registrar and Secretary at Northern Suburbs Little Athletics Centre (2002-2019) • LANSW Trans-Tasman Committee member, parent volunteer and Tour Secretary (2004-2020) • Member of 2011 and 2017 Australian Little Athletics Championships Organising Committees • Little Athletics and Athletics NSW Official in Administration areas since 2015 • UTS Northern Suburbs Athletics Secretary since 2019 • LANSW North Met Zone Secretary, Region Secretary and Officer for Officials Appointed in Casual Vacancy position since 2022

Directors' report (continued)

For the year ended 31 March 2022

1 Directors (continued)

Name and qualifications	Experience, special responsibilities and other directorships
Craig Scott	• 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 • Life Member - Little Athletics NSW • AICD - Governance Foundations for Not-For-Profit Directors Course Director since 2016. Ceased July 2021
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. Ceased July 2021 Chair of Corporate Governance and Risk Committee until July 2021
Naomi Tancred	• Over 28 years in the legal profession • Partner at Hickson Lawyers • Previous member of ANSW Competition Advisory Committee • Member of Athletics East for over 10 years Appointed Director since April 2021. Resigned December 2021 Member of the Corporate Risk and Governance Committee. Resigned December 2021
Constantine (Costa) Zakis	• Management consultant for the past 22 years specialising in risk and crisis management, business strategy and governance • Master of Business Administration • Bachelor of Electrical Engineering • Member of the Australian Institute of Company Directors • Committee member at Katoomba Athletics Centre since 2012 • Previous President and Registrar at Katoomba Athletics Centres • Secretary for LANSW Western Ranges Zone since 2014 • LANSW Region 3 Committee Member Director since 2021 Member of the Corporate Governance and Risk Committee since July 2021

2 Company Secretary

Ms Rebecca Shaw was appointed to the position of Company Secretary on 22nd September 2021. Rebecca is also the Chief Executive Officer of the Company.

Directors' report (continued)

For the year ended 31 March 2022

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
Matthew Andrews	12	13	-	-	-	-
Joe Burgess	17	17	5	5	-	-
Melissa Chandler	17	17	5	5	-	-
James Kermond	13	14	-	-	5	8
John McFadden	12	12	-	-	-	-
Simon Nicola	16	17	-	-	8	8
Michael O'Mara	13	13	5	5	-	-
Sally Richardson	2	2	-	-	-	-
Craig Scott	4	4	-	-	-	-
Naomi Tancred	13	13	-	-	3	8
Glen Taylor	4	4	-	-	3	3
Constantine Zakis	13	13	-	-	7	7

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 deficit from continuing operations of the Company for the year ended 31 March 2022 was $210,242 (2021: $42,171 deficit).

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 2022 and the comparison with last year is as follows:

	2022	2021
Ordinary Members	45,401	48,044
Life Members	23	23
	45,424	48,067

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 2022 is $45,424.

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

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 2022

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 2022.

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

Melissa Chandler
Chair

Joe Burgess
Director

Dated at Sydney this 12th day of July 2022.

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 2022 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

Richard Drinnan

Partner

Sydney

12 July 2022

Little Athletics NSW Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2022

In AUD	***Note***	**2022**	**2021**
Revenue - operating	*4*	2,142,109	2,294,559
Revenue - non-operating	*5*	103,868	491,374
		2,245,977	2,785,933
Administrative expenses		(655,037)	(708,382)
Advertising and marketing expenses		(86,090)	(31,006)
Employee benefits expenses		(1,196,478)	(1,158,251)
Championship expenses		(110,499)	(136,667)
Other expenses		(186,067)	(451,650)
Program and project expenses		(187,846)	(342,148)
Loss on sale of fixed assets		(34,202)	-
Deficit for the year		(210,242)	(42,171)
Other comprehensive income			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	*14*	-	(260,000)
Total comprehensive loss for the year		(210,242)	(302,171)

The notes on pages 13 to 26 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of financial position

As at 31 March 2022

In AUD	***Note***	**2022**	**2021**
Assets			
Cash and cash equivalents	*7*	1,067,645	1,342,450
Trade and other receivables	*8*	33,505	69,815
Other financial assets	*9*	3,520,000	1,500,000
Prepayments		14,070	36,525
Total current assets		4,635,220	2,948,790
Property, plant and equipment	*10*	94,749	1,993,390
Right-of-use assets	*11*	259,308	301,331
Trade and other receivables	*8*	17,618	17,618
Total non-current assets		371,675	2,312,339
Total assets		5,006,895	5,261,129
Liabilities			
Trade and other payables	*12*	255,505	297,485
Employee benefits	*13*	181,440	157,164
Lease liabilities		74,298	74,765
Total current liabilities		511,243	529,414
Employee benefits	*13*	19,737	5,785
Lease liabilities		198,992	238,765
Total non-current liabilities		218,729	244,550
Total liabilities		729,972	773,964
Net assets		4,276,923	4,487,165
Equity			
Reserves	*14*	39,169	1,586,459
Retained earnings		4,237,754	2,900,706
Total equity		4,276,923	4,487,165

The notes on pages 13 to 26 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of changes in equity

For the year ended 31 March 2022

In AUD	Retained Earnings	Asset Revaluation Reserve	Regional Development Fund Reserve	Total
Balance at 1 April 2020	2,942,877	1,846,459	-	4,789,336
Total comprehensive loss for the year				
Deficit for the year	(42,171)	-	-	(42,171)
Other comprehensive income	-	(260,000)	-	(260,000)
Total comprehensive loss for the year	(42,171)	(260,000)		(302,171)
Balance at 31 March 2021	2,900,706	1,586,459	-	4,487,165
Balance at 1 April 2021	2,900,706	1,586,459	-	4,487,165
Total comprehensive loss for the year				
Deficit for the year	(210,242)	-	-	(210,242)
Other comprehensive income	-	-	-	-
Asset revaluation reserve transfer	1,586,459	(1,586,459)	-	-
Regional development fund transfer	(39,169)	-	39,169	-
Total comprehensive loss for the year	1,337,048	(1,586,459)	39,169	(210,242)
Balance at 31 March 2022	4,237,754	-	39,169	4,276,923

The notes on pages 13 to 26 are an integral part of these financial statements.

Little Athletics NSW Limited

Statement of cash flows

For the year ended 31 March 2022

In AUD	***Note***	**2022**	**2021**
Cash flows from operating activities			
Receipts from grants		268,428	367,461
Receipts from Government subsidies		100,440	483,524
Receipts from members		1,779,092	2,172,934
Receipts from sponsorship		103,404	124,425
Payments to suppliers		(1,101,277)	(1,861,336)
Payments to employees		(1,158,250)	(1,253,436)
Cash (used in)/from operating activities		(8,163)	33,572
Interest received		3,031	21,887
Interest paid		(10,376)	(4,905)
Net cash (used in)/from operating activities		(15,508)	50,554
Cash flows from investing activities			
Payments for property, plant and equipment		(27,120)	(45,471)
Proceeds from sale of property, plant and equipment		1,860,000	727
Increase in term deposits		(2,020,000)	-
Net cash used in investing activities		(187,120)	(44,744)
Cash flows from finance activities			
Payment of lease liabilities		(72,177)	(22,929)
Net cash used in financing activities		(72,177)	(22,929)
Net decrease in cash and cash equivalents		(274,805)	(17,119)
Cash and cash equivalents at beginning of year		1,342,450	1,359,569
Cash and cash equivalents at end of year	*7*	1,067,645	1,342,450

The notes on pages 13 to 26 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2022

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 2022.

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.

The financial statements were authorised for issue by the Board of Directors on 12 July 2022. 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:

Property, plant and equipment

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.

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.

(a) Revenue

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

AASB 15 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.

AASB 1058 Income of Not-for-Profit Entities

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*.

3 Significant accounting policies

(c) Leases

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.

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.

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.

3 Significant accounting policies

(c) Leases (continued)

As a lessee (continued)

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.

(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.

3 Significant accounting policies

(e) Property, plant and equipment (continued)

(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. Leasehold improvements 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

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.

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 on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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 amortised 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

Financial assets at FVTPL

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

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.

3 Significant accounting policies

(f) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

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.

(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.

3 Significant accounting policies

(g) Impairment of assets (continued)

(i) Non-derivative financial assets (continued)

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.

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.

3 Significant accounting policies

(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	2022	2021
Championships - ALAC	4,728	2,166
Championships - NSW	65,695	33,267
Conference fees	22,580	-
Grants	245,428	356,555
Affiliation fees	10,282	-
Projects and programs income	44,470	17,413
Registration fees	1,640,055	1,767,926
Sponsorship	108,403	117,232
Other operating revenue	468	-
	2,142,109	2,294,559

5 Revenue - non-operating

In AUD	2022	2021
Interest revenue	3,428	7,123
Other revenue	-	50,801
JobKeeper wage subsidy	-	433,450
JobSaver wage subsidy	100,440	-
	103,868	491,374

6 Related parties - key management personnel compensation

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

In AUD	2022	2021
Compensation to key management personnel of the Company	183,994	212,941

7 Cash and cash equivalents

In AUD	2022	2021
Cash and bank balances	1,067,384	522,565
Call deposits	261	819,885
	1,067,645	1,342,450

8 Trade and other receivables

In AUD	2022	2021
Current		
Trade receivables	33,260	36,750
GST receivable	-	10,874
Interest receivable	1,038	173
Accrued income	-	22,018
Other receivables	(793)	-
	33,505	69,815
Non-current		
Security deposits - Office lease	17,618	17,618
	17,618	17,618

9 Other financial assets

In AUD	2022	2021
Investments at amortised cost:		
Term deposits	3,520,000	1,500,000
	3,520,000	1,500,000

10 Property, plant and equipment

In AUD	2022	2021
Carrying amounts of:		
Freehold land	-	1,587,273
Buildings	-	312,727
Plant and equipment	94,749	93,390
	94,749	1,993,390

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 2021	1,900,000	497,255	2,397,255
Additions	-	27,120	27,120
Disposals	(1,900,000)	-	(1,900,000)
Revaluation decrement	-	-	-
Balance at 31 March 2022	-	524,375	524,375
Depreciation			
Balance at 1 April 2021	-	(403,865)	(403,865)
Depreciation charge for the year	(5,798)	(25,761)	(31,559)
Disposals	5,798	-	5,798
Revaluation	-	-	-
Balance at 31 March 2022	-	(429,626)	(429,626)
Carrying amounts			
At 1 April 2021	1,900,000	93,390	1,993,390
At 31 March 2022	-	94,749	94,749

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

	Useful life	Rate
Buildings	40 years	2.50%
Plant and equipment	3 to 10 years	10 to 33.33%

The Company has sold its property held at 90-92 Harris Street, which was recognised at fair value. The sale took place in November 2021 and the Company incurred a loss of $34,202.

As a result of the sale, the previous revaluation increments for the property recorded in the asset revaluation reserve have been transferred to retained earnings.

11 Leases

Leases as lessee

The Company holds two leases for office space, a lease for a photocopier and a lease for a firewall and related software.

The Company sub-lets an office in Tamworth for no commercial consideration on a year-to-year basis, thus constituting a short-term lease.

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 2021	279,075	22,256	301,331
Additions to right-of-use assets	7,503	24,434	31,937
Depreciation charge for the year	(63,103)	(10,856)	(73,960)
Balance at 31 March 2022	223,475	35,834	259,308

(b) Amounts recognised in profit or loss

	2022	2021
Interest on lease liabilities	10,376	4,905
Expenses relating to short-term leases	1,695	2,825
	12,071	7,730

(c) Amounts recognised in statement of cash flows

	2022	2021
Total cash outflow for leases	82,553	27,834

12 Trade and other payables

In AUD	2022	2021
Trade payables	79,278	68,408
Income in advance	75,833	93,725
Other payables	100,394	135,352
	255,505	297,485

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

Trade and other payables		
Current	255,505	297,485
Less: grants/income in advance	(75,833)	(93,725)
Financial liabilities as trade and other payables	179,672	203,760

13 Employee benefits

In AUD	2022	2021
Current		
Provision for annual leave	106,018	82,868
Provision for long service leave	75,422	74,296
	181,440	157,164
Non-current		
Provision for long service leave	19,737	5,785
	19,737	5,785

14 Reserves

Asset revaluation reserve *In AUD*	2022	2021
Balance at beginning of year	1,586,459	1,846,459
Decrease arising on revaluation of properties	-	(260,000)
Transfer to Retained Earnings	(1,586,459)	-
Balance at end of year	-	1,586,459

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.

Regional development fund reserve *In AUD*	2022	2021
Balance at beginning of year	-	-
Transfer from Retained Earnings	39,169	-
Balance at end of year	39,169	-

The regional development fund reserve consists of funds set aside to support regional centres in the future as required.

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:

16 Financial instruments (continued)
(a) Accounting classification and fair values

In AUD		2022	2021
Financial assets at amortised cost			
Cash and cash equivalents	7	1,067,645	1,342,450
Trade and other receivables	8	51,123	87,433
Other financial assets	9	3,520,000	1,500,000
		4,638,768	2,929,883
Financial liabilities at amortised cost			
Trade and other payables	12	179,672	203,760
		179,672	203,760

17 Subsequent events
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
Suite 1, Level 2
1 Showground Road
Sydney Olympic Park NSW 2127

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 26 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 2022 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:

Melissa Chandler
Chair

Joe Burgess
Director

Dated at Sydney this 12th day of July 2022

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 2022 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 2022
- 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
- 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.

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
- 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.

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	Richard Drinnan
	Partner
	Sydney
	12 July 2022