

Little Athletics NSW Limited

ABN 69 731 039 358

General Purpose Financial Report

For the year ended 31 March 2023

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CEO Report

For the year ended 31 March 2023

Financial year 2022/23 saw a resurgence in membership of Little Athletics centres right across the state, to the extent that we saw overall membership numbers not seen since the early 2000's. Because of the overwhelming success of this membership season in many regards unexpected, we did see a large increase in our revenue against what was planned, resulting in a full year surplus of \$250,290.

Total revenue was up by \$1,084,267 (48%) largely driven by these increased registration numbers. In addition, we saw some modest increases in non-member revenue, including from sponsors and other activities.

Consequently, operating expenditure also increased by \$678,907 (28%) versus the prior year due to the increase costs associated with supporting our increased membership.

The upcoming FY24 budget has been set for the organisation to make a small loss, to reinvest a portion of the profits seen in the current financial year, back into supporting the work of centres.

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.

Directors' Report

The Directors present their report together with the financial statements of Little Athletics NSW Limited (the Company) for the financial year ended 31 March 2023 and the auditor's report thereon.

1. Directors

The directors of the Company including their experience, special responsibilities and other directorships at any time during or since the end of the financial year are:

Joe Burgess

- Bachelor of Commerce and Master 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. Ceased July 2022
- 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

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

Directors' Report

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

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
- Previous member of the Governance Chair of the Finance Committee
- Chair of the Finance and Audit Committee since July 2022

Nicola Drinkwater

- Appointed Director 2022
- Involvement with local Little Athletics Northern Suburbs for over 9 years
- Executive General Manager of Marketing at NBN Co
- Former Advisory Board member for Crisis Textline
- Former Board member for Rugby Football Union for Women
- Fellow of the Institute of Community Directors Australia
- Former Welsh junior international athlete and England senior international rugby union player
- Bachelor of Science, Sport and Exercise Science

David Murphy

- Involvement with Little Athletics for over 15 years
- President Balmain Little Athletics 2013-2022
- Inner City Zone and Region 8 committee member since 2013
- Level 3 Sprint, Hurdle & Relay coach
- Founding member of Queanbeyan Athletics Club (1985) and Balmain Athletics Club (2011)
- Physiotherapist across public and private sectors for 30 years
- LANSW Volunteer of the Year 2021
- Sport NSW Administrator of the Year finalist 2016 & 2022
- Director since 2022
- Member of the Finance & Audit Committee

Muhilan Sriravindrarah

- Appointed Director 2022
- CPA qualified accountant
- Commercially-minded executive with over 20 years experience in Finance, with a track record of delivering sustainable business outcomes in large, complex, multinational organisations for the past 10 years

Company Secretary

Ms Rebecca Shaw held the position of company secretary until 16 November 2022. Mr Constantine Zakis was appointed to the position of company secretary on 16 November 2022, and held until 22 March 2023. Mr Christopher Giles was then appointed to the position of company secretary on 22 March 2023.

Directors' Report

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
Melissa Chandler	9	10	4	4	-	-
John McFadden	10	10	-	-	5	5
Simon Nicola	9	10	-	-	5	5
Sally Richardson	10	10	-	-	-	-
Constantine Zakis	10	10	4	4	-	-
Nicola Drinkwater	7	7	-	-	5	5
David Murphy	7	7	4	4	-	-
Muhilan Sriravindrarajah	3	4	-	-	-	-
Joe Burgess	3	3	-	-	-	-

A – Number of meetings attended

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

2. Principal activities

The principal activities of the Company during 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:

- 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;
- to develop the sport of athletics in conjunction with LAA and Athletics NSW (ANSW);
- 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
- 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.

3. Review of operations and results of those operations

Overview of the Company

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

There was no impact on the amounts recognised, measured and classified in the statements of financial position, financial performance and cash flows of the Company as a result of the change in basis of preparation.

Operating results

The net surplus of the Company from operations is \$250,290 (2022: deficit of \$210,242).

Directors' Report

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.

4. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

5. 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, 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.

6. 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 2023 and the comparison with last year is as follows:

	2023	2022
Ordinary Members	64,220	45,401
Life Members	24	23
	<u>64,244</u>	<u>45,424</u>

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 2023 is \$64,244 (2022: \$45,424).

7. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the financial year ended 31 March 2023.

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



Melissa Chandler
Chair

Dated at Sydney this 22nd day of June 2023.



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 2023 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

22 June 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

		2023	2022
	Note	\$	\$
Revenue - operating	2	3,326,816	2,142,109
Revenue - non-operating	2	-	100,440
		<u>3,326,816</u>	<u>2,242,549</u>
Administrative expenses		(819,049)	(655,037)
Advertising and marketing expenses		(117,521)	(86,090)
Employee benefits expenses		(1,293,477)	(1,196,478)
Championship expenses		(233,036)	(110,499)
Other expenses		(370,059)	(175,691)
Program and project expenses		(292,401)	(187,846)
Loss on sale of fixed assets		-	(34,202)
Finance income	3	58,600	3,428
Finance costs	3	(9,583)	(10,376)
NET SURPLUS/(DEFICIT)		<u>250,290</u>	<u>(210,242)</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>250,290</u>	<u>(210,242)</u>

Statement of Financial Position

As at 31 March 2023

		2023	2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	874,488	1,067,645
Trade and other receivables	5	122,438	33,505
Other financial assets	6	4,000,000	3,520,000
Prepayments		94,640	14,070
TOTAL CURRENT ASSETS		5,091,566	4,635,220
NON-CURRENT ASSETS			
Property, plant and equipment	7	72,242	94,749
Right-of-use assets	8	185,984	259,308
Trade and other receivables	5	17,736	17,618
TOTAL NON-CURRENT ASSETS		275,962	371,675
TOTAL ASSETS		5,367,528	5,006,895
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	365,197	255,505
Employee benefits	10	226,076	181,440
Lease liabilities	8	79,843	74,298
TOTAL CURRENT LIABILITIES		671,116	511,243
NON-CURRENT LIABILITIES			
Employee benefits	10	44,001	19,737
Lease liabilities	8	125,198	198,992
TOTAL NON-CURRENT LIABILITIES		169,199	218,729
TOTAL LIABILITIES		840,315	729,972
NET ASSETS		4,527,213	4,276,923
EQUITY			
Reserves	11	39,169	39,169
Retained earnings		4,488,044	4,237,754
TOTAL EQUITY		4,527,213	4,276,923

Statement of Changes in Equity

For the year ended 31 March 2023

	Retained earnings	Asset revaluation reserve	Regional development fund reserve	Total equity
	\$	\$	\$	\$
BALANCE AT 1 APRIL 2021	2,900,706	1,586,459	-	4,487,165
COMPREHENSIVE INCOME				
Deficit for the year	(210,242)	-	-	(210,242)
Regional development fund transfer	(39,169)	-	39,169	-
TOTAL COMPREHENSIVE INCOME	(249,411)	-	39,169	(210,242)
TRANSACTIONS WITH MEMBERS OF THE COMPANY				
CONTRIBUTIONS AND DISTRIBUTIONS				
Transfer within equity	1,586,459	(1,586,459)	-	-
TOTAL TRANSACTIONS WITH MEMBERS OF THE COMPANY	1,586,459	(1,586,459)	-	-
BALANCE AT 31 MARCH 2022	4,237,754	-	39,169	4,276,923
COMPREHENSIVE INCOME				
Surplus for the year	250,290	-	-	250,290
TOTAL COMPREHENSIVE INCOME	250,290	-	-	250,290
BALANCE AT 31 MARCH 2023	4,488,044	-	39,169	4,527,213

Statement of Cash Flows

For the year ended 31 March 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants	124,208	268,428
Receipts from Government subsidies	-	100,440
Receipts from members	3,219,824	1,779,092
Receipts from sponsorship	201,400	103,404
Payments to suppliers	(1,965,345)	(1,101,277)
Payments to employees	(1,224,576)	(1,158,250)
CASH FROM/(USED IN) OPERATING ACTIVITIES	355,511	(8,163)
Interest received	22,619	3,031
Interest paid	(9,583)	(10,376)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	368,547	(15,508)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(7,374)	(27,120)
Proceeds from sale of property, plant and equipment	-	1,860,000
Payments for term deposits	(480,000)	(2,020,000)
NET CASH USED IN INVESTING ACTIVITIES	(487,374)	(187,120)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(74,330)	(72,177)
NET CASH USED IN FINANCING ACTIVITIES	(74,330)	(72,177)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(193,157)	(274,805)
Cash and cash equivalents at beginning of year	1,067,645	1,342,450
CASH AND CASH EQUIVALENTS AT END OF YEAR	874,488	1,067,645

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Notes to the Financial Statements

For the year ended 31 March 2023

Note 1 Accounting Policies

REPORTING ENTITY

Little Athletics NSW Limited (the 'Company') is domiciled in Australia. The Company's registered office is at Suite 1 Level 2, 1 Showground Road, Sydney Olympic Park, NSW, 2127.

The Company is a not-for-profit entity limited by guarantee and without share capital and is primarily involved in the coordination and promotion of the sport of Little Athletics in New South Wales.

BASIS OF PREPARATION

a) Statement of compliance

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

These financial statements were authorised for issue by the Board of Directors on [date].

b) Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

c) Functional and presentation currency

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

d) Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates 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 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

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Notes to the Financial Statements

For the year ended 31 March 2023

SIGNIFICANT ACCOUNTING POLICIES

New and amended standards adopted by the Company

The Company has initially adopted the following standard and amendments from 1 April 2022:

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of new standards are also effective from 1 April 2022 but they do not have a material effect on the Company's financial statements.

Apart from the above, the Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

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.

Registration revenue is recognised over time. Progress is determined based on the straight-line percentage of completion of the contractual term. Similarly, the Company has determined that sponsorship revenue is recognised over time, straight-lined over the defined contractual period. For other revenue streams, control is transferred as the services are provided, at a point-in-time basis

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.

Notes to the Financial Statements

For the year ended 31 March 2023

INCOME TAX

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

PROPERTY PLANT & EQUIPMENT

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

c) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

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

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

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

LEASES

At inception of a 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 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 stand-alone prices. However, for 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.

Notes to the Financial Statements

For the year ended 31 March 2023

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 type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts 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. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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 or 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 FVTPL.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

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.

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.

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 the 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 coupon 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 or dividend 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.

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. 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.

Notes to the Financial Statements

For the year ended 31 March 2023

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.

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.

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.

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.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

IMPAIRMENT

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.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

GOODS 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.

	2023	2022
Note 2 Revenue	\$	\$
REVENUE - OPERATING		
Championships - ALAC	16,368	4,728
Championships - NSW	66,692	65,695
Conference fees	23,304	22,580
Grants	97,291	245,428
Affiliation fees	10,045	10,282
Projects and programs income	148,353	44,470
Registration fees	2,826,262	1,640,055
Sponsorship	123,008	108,403
Other operating revenue	15,493	468
TOTAL REVENUE - OPERATING	3,326,816	2,142,109
REVENUE - NON-OPERATING		
JobSaver wage subsidy	-	100,440
TOTAL REVENUE - NON-OPERATING	-	100,440

	2023	2022
Note 3 Net Finance Income/(Cost)	\$	\$
FINANCE INCOME		
Interest revenue	58,600	3,428
TOTAL FINANCE INCOME	58,600	3,428
FINANCE COSTS		
Interest expense	9,583	10,376
TOTAL FINANCE COSTS	9,583	10,376
TOTAL NET FINANCE INCOME/(COST)	49,017	6,948

Notes to the Financial Statements

For the year ended 31 March 2023

Note 4 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprises of below:

	2023	2022
	\$	\$
CASH AND CASH EQUIVALENTS		
Cash and bank balances	874,428	1,067,384
Call deposits	60	261
TOTAL CASH AND CASH EQUIVALENTS	<u>874,488</u>	<u>1,067,645</u>

Note 5 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	61,439	32,467
GST receivable	21,085	-
Interest receivable	37,019	1,038
Other receivables	2,895	-
TOTAL CURRENT	<u>122,438</u>	<u>33,505</u>
NON-CURRENT		
Security deposits - office lease	17,736	17,618
TOTAL NON-CURRENT	<u>17,736</u>	<u>17,618</u>

Note 6 Other Financial Assets

	2023	2022
	\$	\$
INVESTMENTS AT AMORTISED COST:		
Term deposits	4,000,000	3,520,000
TOTAL OTHER FINANCIAL ASSETS	<u>4,000,000</u>	<u>3,520,000</u>

Notes to the Financial Statements

For the year ended 31 March 2023

Note 7 Property, Plant and Equipment

	Furniture & fittings	Plant and equipment	Motor vehicles	Total
Cost	\$	\$	\$	\$
Balance at 1 April 2022	216,873	166,064	141,438	524,375
Additions	-	7,374	-	7,374
Disposals	-	-	-	-
BALANCE AT 31 MARCH 2023	216,873	173,438	141,438	531,749
Depreciation				
Balance at 1 April 2022	(211,697)	(143,538)	(74,391)	(429,626)
Depreciation charge for the year	(1,027)	(10,067)	(18,787)	(29,881)
Disposals	-	-	-	-
BALANCE AT 31 MARCH 2023	(212,724)	(153,605)	(93,178)	(459,507)
Carrying Amounts				
AT 1 APRIL 2022	5,176	22,526	67,047	94,749
AT 31 MARCH 2023	4,149	19,833	48,260	72,242

Note 8 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.

i. Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

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

	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance at 1 April 2022	223,474	35,834	259,308
Additions to right-of-use assets	6,084	-	6,084
Depreciation charge for the year	(68,552)	(10,856)	(79,408)
BALANCE AT 31 MARCH 2023	161,006	24,978	185,984

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
	\$	\$
ii. Amounts recognised in profit or loss		
Interest on lease liabilities	8,769	10,376
Expenses relating to short-term leases	-	1,695
	<u>8,769</u>	<u>12,071</u>

iii. Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	2023	2022
	\$	\$
iv. Amounts recognised in statement of cash flows		
Total cash outflow for leases	83,099	82,553

v. Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2023	2022
	\$	\$
Less than one year	85,975	83,503
One to five years	128,982	208,571
More than five years	-	-
	<u>214,957</u>	<u>292,074</u>

Notes to the Financial Statements

For the year ended 31 March 2023

	2023	2022
Note 9 Trade and Other Payables	\$	\$
<hr/>		
TRADE AND OTHER PAYABLES		
Trade payables	114,303	79,278
Income in advance	132,400	75,833
Other payables	118,494	100,394
TOTAL TRADE AND OTHER PAYABLES	365,197	255,505

	2023	2022
Note 10 Employee Benefits	\$	\$
<hr/>		

CURRENT		
Provision for annual leave	131,114	106,018
Provision for long service leave	94,962	75,422
TOTAL CURRENT	226,076	181,440
NON-CURRENT		
Provision for long service leave	44,001	19,737
TOTAL NON-CURRENT	44,001	19,737

	2023	2022
Note 11 Reserves	\$	\$
<hr/>		

ASSET REVALUATION RESERVE		
Balance at beginning of year	-	1,586,459
Transfer to retained earnings	-	(1,586,459)
BALANCE AT END OF YEAR	-	-

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.

Notes to the Financial Statements

For the year ended 31 March 2023

Note 12 Financial Instruments

Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities:

	Note	2023 \$	2022 \$
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	4	874,488	1,067,645
Trade and other receivables	5	140,174	51,123
Other financial assets	6	4,000,000	3,520,000
		<u>5,014,662</u>	<u>4,638,768</u>
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade and other payables*	9	232,797	179,672
		<u>232,797</u>	<u>179,672</u>

*Other payables that are not financial instruments (income in advance) are not included.

Note 13 Commitments

There are no capital commitments as at 31 March 2023 (2022: nil).

Note 14 Related Parties

a) Transactions with key management personnel

Key management personnel compensation

	2023 \$	2022 \$
Total key management personnel compensation	177,689	183,994

Note 15 Contingencies

The Company recognised a contingent liability of \$17,637 in respect of a security deposit guarantee (2022: \$17,637).

	2023 \$	2022 \$
Note 16 Auditor's Remuneration		
Audit of financial statements	31,000	26,500
Assistance in compilation of financial statements	5,000	4,500
	<u>36,000</u>	<u>31,000</u>

Notes to the Financial Statements

For the year ended 31 March 2023

Note 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, 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.

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 as 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 2023 and of its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*.
- 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:

Dated at Sydney this 22nd day of June 2023.



Melissa Chandler
Chair



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 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards- Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 March 2023
- 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 these requirements.



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 - Simplified Disclosures* 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

22 June 2023