

**MIDNIGHT BASKETBALL AUSTRALIA  
A.B.N. 40 108 259 749**

**FINANCIAL REPORT - 30 JUNE 2014**

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**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**FINANCIAL REPORT - 30 JUNE 2014**

**DIRECTORS' REPORT SHORT AND LONG-TERM OBJECTIVES AND STRATEGY**

The entity's short and long-term objectives are to:

- provide young people with a safe, healthy and positive environment at times when they may be vulnerable to harmful and anti-social behaviour;
- combat drug, alcohol and other physical abuse by young people;
- support the learning needs of young people and providing them with encouragement to participate in their local community and mainstream society;
- provide positive role models and reinforcing the importance of self esteem among young people; and
- divert young people in areas of need from the risk of anti-social and criminal behaviour.

The entity achieves these objectives through:

- engaging 'at risk' youth in the program; and
- fundraising to fund the programs.

**PRINCIPAL ACTIVITIES**

The principal activities of the entity throughout the financial year included:

- providing a crime reduction program achieved through a combination of life skills workshops and basketball competitions at "high crime" times of the night and during the weekend when young people are most likely to be engaged in anti social behaviour.
- fundraising through grants from Commonwealth government, corporate sponsorship, gifts, donations and philanthropic grants to enable the provision of the program.

There were no significant changes in the nature of this activity during the year.

**OPERATING RESULT**

The net profit after providing for income tax for the financial year was \$47,000 (2013: loss \$170,000). The company is a not-for-profit entity and is exempt from income tax.

**KEY PERFORMANCE MEASURES**

The entity measures performance through the establishment and monitoring of benchmarks:

- To assess the cost-effectiveness of fundraising activities.
- To assess control over the entity's administrative and other indirect costs.
- To ensure that all expenditure is for running and supporting the long and short term objectives.
- To ensure that revenue derived is effectively being directed towards the long and short term objectives.
- To ensure the tournaments approved to commence are completed in line with requirements of the program model.

The key performance indicators utilised to assess the tournament activity:

	<b>2013/14</b>	<b>2012/13</b>
Expenditure on Midnight Basketball activities	100%	100%
Expenditure on other activities	0%	0%
Tournaments run:		
Tournaments completed	25	25

**MIDNIGHT BASKETBALL AUSTRALIA  
ABN 40 108 259 749**

**FINANCIAL REPORT - 30 JUNE 2014**

**DIRECTORS' REPORT**

**MEETINGS OF DIRECTORS**

Details of the numbers of meetings of the entity's Directors held during the year ended 30 June 2014 and the numbers of meetings attended by each Director are:

	Eligible	Attended
Steven Anthony Mark	5	5
Jonathon Peter Wolfe	5	5
Patrick Joyce	1	0
Miles Jakeman	4	4
David Saunders	1	1

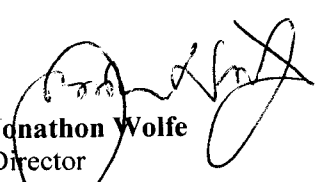
**MEMBERS GUARANTEE**

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the entity are liable to contribute if the entity is wound up is \$100 (2013: \$100).

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under s60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year end 30 June 2014 has been received and can be found on the following page, which forms part of the director's report.

Signed in accordance with the resolution of the Board of Directors:

  
**Jonathon Wolfe**  
Director

  
**Steven Mark**  
Director

24 October, 2014  
Sydney

CHARTERED ACCOUNTANTS

**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**FINANCIAL REPORT - 30 JUNE 2014**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER s60.40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS**  
**COMMISSION ACT 2012**  
**TO THE DIRECTORS OF**  
**MIDNIGHT BASKETBALL AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there has been:

- (a) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

  
**StewartBrown**  
Chartered Accountants

  
**S.J. Hutcheon**  
Partner

24 October 2014

**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue	2	654,458	545,654
Program costs		(481,735)	(522,860)
Management and administrative expenses		(125,723)	(192,794)
Profit/(Loss) before income tax expense		47,000	(170,000)
Income tax expense	1	-	-
Profit/(Loss) for the year		47,000	(170,000)
Other comprehensive income		-	-
Total comprehensive income/(loss)		47,000	(170,000)

The above statement of profit or loss and other comprehensive income should be read in conjunction  
with the accompanying notes.

**MIDNIGHT BASKETBALL AUSTRALIA**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	518,788	334,164
Trade receivables	4	3,080	1,540
Other	5	10,068	14,362
<i>Total current assets</i>		531,936	350,066
<i>Total assets</i>		531,936	350,066
 <b>CURRENT LIABILITIES</b>			
Trade and other payables	6	99,477	44,742
Provisions	7	4,028	13,045
Other liabilities	8	100,997	11,885
<i>Total current liabilities</i>		204,502	69,672
<i>Total liabilities</i>		204,502	69,672
<i>Net assets</i>		327,434	280,394
 <b>EQUITY</b>			
Retained earnings		327,434	280,394
<i>Total equity</i>		327,434	280,394

The above statement of financial position should be read in conjunction with the accompanying notes.

**MIDNIGHT BASKETBALL AUSTRALIA**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Retained Earnings \$	Total \$
<b>Balance at 1 July 2012</b>	450,394	450,394
Profit/ (Loss) for the year	(170,000)	(170,000)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(170,000)</u>	<u>(170,000)</u>
<b>Balance at 30 June 2013</b>	<u>280,394</u>	<u>280,394</u>
Profit/ (Loss) for the year	47,000	47,000
Other comprehensive income	-	-
Total comprehensive income for the year	<u>47,000</u>	<u>47,000</u>
<b>Balance at 30 June 2014</b>	<u>327,394</u>	<u>327,394</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



**MIDNIGHT BASKETBALL AUSTRALIA  
ABN 40 108 259 749**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from donors/government		684,737	577,021
Payments to suppliers/employees		(508,949)	(705,482)
Interest received		8,836	14,199
<i>Net cash flows from operating activities</i>		184,624	(114,262)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		184,624	(114,262)
<b>Cash and cash equivalents at the beginning of year</b>		334,164	448,426
<b>Cash and cash equivalents at the end of year</b>	1, 3	518,788	334,164

The above statement of cash flows should be read in conjunction with the accompanying notes.

**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The financial report includes the financial statements and notes of Midnight Basketball Australia. Midnight Basketball Australia is a reporting entity regulated under the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

The financial statements were approved by the Board of Directors on 24 October 2014.

**Basis of preparation**

Midnight Basketball Australia applied Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

**Historical cost convention**

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

**New and revised standards that are effective for these financial statements**

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below.

*AASB 13: Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

**MIDNIGHT BASKETBALL AUSTRALIA  
ABN 40 108 259 749**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New and revised standards that are effective for these financial statements (continued)**

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

*Amendments to AASB 119: Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- a) eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- b) change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- c) enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

These amendments have had no significant impact on the Company.

**Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Comparatives**

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

Where the entity has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**MIDNIGHT BASKETBALL AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax**

Midnight Basketball Australia is a Charitable Institution and it is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

**Goods and Services Tax (GST)**

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

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

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

**Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

*(i) Donations*

Revenue from donations is recognised as revenue when received. All donations received are banked in Midnight Basketball Australia's Public Fund bank account – the Midnight Basketball Fund. Details of these donations are reported annually to the Register of Harm Prevention Charities. In 2014 \$431,250 was utilised from the Midnight Basketball Fund to pay for the harm prevention activities undertaken by Midnight Basketball Australia.

*(ii) Grants*

Income arising from the contribution of an asset (including cash) to the entity shall be recognised when the following conditions have been satisfied:

- (a) the entity obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the entity;
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

**MIDNIGHT BASKETBALL AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (continued)**

*(iii) Sponsorship*

Revenue from sponsorship is recognised as revenue on an accruals basis.

*(iv) Interest received*

Revenue from interest received is recognised on an accruals basis.

*(v) Fundraising revenue*

Revenue from fundraising is recognised on a cash basis.

**Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**Trade receivables**

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

**MIDNIGHT BASKETBALL AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Trade receivables (continued)**

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

**Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the entity commits itself to either purchase or sells the asset.

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

**Classification and subsequent measurement**

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

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

**Non-derivative financial assets**

The entity classifies its non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its non-derivative financial assets at initial recognition and re-evaluates this designation at each reporting date.

**Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The entity only holds financial instruments that are traded in an active market. The fair value of financial instruments traded in active markets (such as publicly traded securities, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

**Impairment**

At the end of each reporting period, the directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

**MIDNIGHT BASKETBALL AUSTRALIA  
ABN 40 108 259 749**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Derecognition**

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

**Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

**Income received in advance**

Income, other than government contract income, that is received before the service is provided to which the payment relates, is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

**Critical accounting estimates and judgements**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

**Key estimates**

*Impairment*

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



**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component investing and financing activities, which are disclosed as operating cash flows.

**Provisions**

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

**MIDNIGHT BASKETBALL AUSTRALIA  
ABN 40 108 259 749**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b><u>NOTE 2 -REVENUE</u></b>		
Donations received – Public Fund	513,496	481,571
Sponsorship income	4,545	-
Grant income	112,000	-
Miscellaneous income	15,581	49,885
Interest income	8,836	14,198
	654,458	545,654
<b><u>NOTE 3 - CASH AND CASH EQUIVALENTS</u></b>		
Cash at bank	518,656	333,818
Cash in hand	132	346
	518,788	334,164
<b><u>NOTE 4 - TRADE RECEIVABLES</u></b>		
Trade debtors	3,080	1,540
	3,080	1,540
<b><u>NOTE 5- OTHER</u></b>		
Prepaid expenses - insurance	-	4,108
Due from third party	220	294
ATO – GST recoverable	9,848	9,960
	10,068	14,362
<b><u>NOTE 6 - TRADE AND OTHER PAYABLES</u></b>		
Trade creditors	46,914	44,742
Other creditor	36,363	-
Accruals	16,200	-
	99,477	44,742

**MIDNIGHT BASKETBALL AUSTRALIA**  
**ABN 40 108 259 749**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
<b><u>NOTE 7 – PROVISIONS</u></b>		
Provisions for holiday leave and staff bonus	4,028	13,045
	<u>4,028</u>	<u>13,045</u>

**NOTE 8 - OTHER LIABILITIES**

Amounts held for third parties	8,396	8,396
Superannuation payable	1,601	3,489
Deferred income	91,000	-
	<u>100,997</u>	<u>11,885</u>

**NOTE 9 – EVENTS OCCURRING AFTER BALANCE DATE**

There have been no material events subsequent to balance date.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year, Maxiem Pty Ltd provided management services for \$108,000. This represents the total amount of remuneration paid to Key Management Personal. Jonathon Wolfe is a director and shareholder of Maxiem and also a director of Midnight Basketball Australia.

**NOTE 11 – IN KIND CONTRIBUTIONS**

Resources received in the form of intangible income such as donated office facilities and internet facilities, the value of which cannot be accurately quantified, are not included in the financial statements. Donated services, such as community-service radio, television announcements and press advertisements, the value of which cannot be accurately quantified are not included in the financial statements.

**NOTE 12 - LIMITATION OF MEMBERS' LIABILITY**

The company is limited by guarantee. If the company is wound up, the Constitution states that the member's liability is limited to a maximum of \$20 per member. At 30 June 2014 the number of members was 5 (2013: 5).

**MIDNIGHT BASKETBALL AUSTRALIA  
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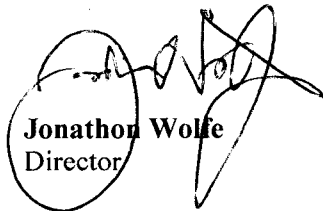
**FINANCIAL REPORT - 30 JUNE 2014**

**DIRECTORS' DECLARATION**

The Directors of the company declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

  
**Jonathon Wolfe**  
Director

  
**Steven Mark**  
Director

24 October, 2014  
Sydney

**MIDNIGHT BASKETBALL AUSTRALIA  
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**FINANCIAL REPORT - 30 JUNE 2014**

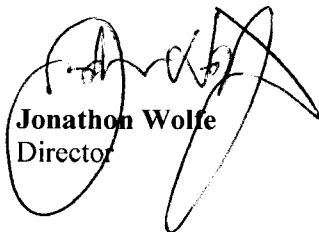
**DIRECTORS' DECLARATION**

**UNDER THE CHARITABLE FUNDRAISING ACT 1991**

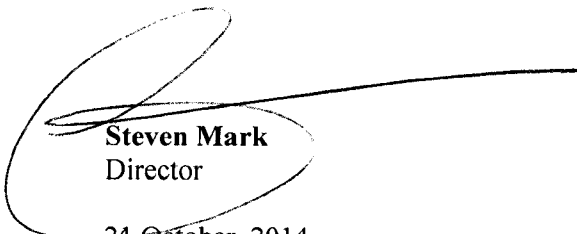
In the opinion of the director's of Midnight Basketball Australia Limited:

- (i) The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2014; and
- (ii) The statement of financial position gives a true and fair view of the state of affairs of the entity with respect to fundraising appeals; and
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with; and
- (iv) The internal controls exercised by the entity are appropriate and effective in accounting for all income received.

Signed in accordance with a resolution of the Board of Directors:



**Jonathon Wolfe**  
Director



**Steven Mark**  
Director

24 October, 2014  
Sydney

## **MIDNIGHT BASKETBALL AUSTRALIA**

### **FINANCIAL REPORT - 30 JUNE 2014**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDNIGHT BASKETBALL AUSTRALIA**

##### **Report on the Financial Report**

We have audited the accompanying financial report of Midnight Basketball Australia, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

##### **Director's Responsibility for the Financial Report**

The directors of the entity are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

##### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

##### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

**MIDNIGHT BASKETBALL AUSTRALIA**

**FINANCIAL REPORT - 30 JUNE 2014**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MIDNIGHT BASKETBALL AUSTRALIA**

**Auditor's Opinion**

In our opinion the financial report of Midnight Basketball Australia is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Report on Other Legal and Regulatory Requirements**

In addition, our audit report has also been prepared for the members of the entity in accordance with section 24(2) of the *Charitable Fundraising (NSW) Act 1991*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising (NSW) Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising (NSW) Act 1991* has been formed on the above basis.

**MIDNIGHT BASKETBALL AUSTRALIA**

**FINANCIAL REPORT - 30 JUNE 2014**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MIDNIGHT BASKETBALL AUSTRALIA**

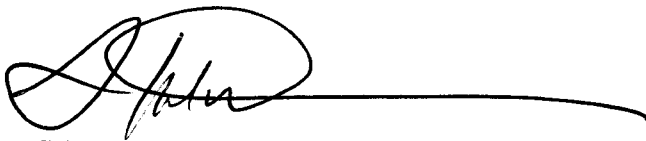
**Auditor's opinion**

Pursuant to the requirements of Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* we report that, in our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2014; and
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2013 to 30 June 2014, in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations; and
- c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2013 to 30 June 2014 has been properly accounted for and applied in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



**StewartBrown**  
Chartered Accountants



**S.J. Hutcheon**  
Partner

24 October, 2014  
Sydney