# Western Australian Council of State School Organisations Incorporated (WACSSO)

**ABN: 46 108 238 074**

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**Annual Financial Report**

**For the Year Ended 30 June 2021**

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# COMMITTEE'S REPORT

The State Council of the Western Australian Council of State School Organisations Inc (WACSSO) present this report on the Association for the year ended 30 June 2021.

**Committee**
The details of each person who has been a State Councillor during the year are:

| Name | State Council Meetings Attended | State Council Meetings Entitled to Attend | Executive and Corporate Governance Meetings Attended | Executive and Corporate Governance Meetings Entitled to attend |
|---|---|---|---|---|
| Pania Turner | 5 | 5 | 11 | 11 |
| Jenny Blair | 5 | 5 | 11 | 11 |
| Anne Fairbanks | 4 | 5 | 11 | 11 |
| Tanya Gibson | 5 | 5 | 9 | 9 |
| Scott Mosey | 5 | 5 | 4 | 6 |
| Jaxson Gazeley | 5 | 5 | 2 | 2 |
| Mel Eckford | 3 | 4 | 1 | 1 |
| Esmond Delaney | 3 | 4 | 6 | 7 |
| Rob Fairholme | 4 | 5 | 1 | 1 |
| Tony Osborne | 3 | 5 | 0 | 0 |
| Paula Steenson | 3 | 5 | 2 | 2 |
| Leanne Ruston | 5 | 5 | 6 | 6 |
| Dannielle Crawford | 4 | 5 | 3 | 3 |
| Vivienne Cantem | 5 | 5 | 3 | 3 |
| Melissa Gillespie | 0 | 1 | 0 | 0 |
| Roimata McKenzie | 1 | 4 | 0 | 0 |
| Julie Brooks | 1 | 1 | 0 | 0 |

**Contact Officer**
The Association's contact officer is Pania Turner who was appointed on 22 September 2019. The previous contact officer was Kylie Catto who ceased this role on 22 September 2019. Karen Izard is the Secretary of the Association.

**Review of Operations**

***Principal Activities***
The objects of WACSSO are to:

- Endeavour by all possible means to ensure that children receive the best possible education in government schools and to this end to initiate and support moves towards the improvement or reassessment of existing education.
- Be the centralised voice of persons having an interest in and concern for the welfare and advancement of children attending government schools, with responsibility for taking action and making representations on behalf of such persons and for disseminating relevant information to them.
- Encourage and foster the formation of School Organisations at each government school.
- Assist School Organisations in the attainment of their objects and, in conjunction with the State Government, to promote by active cooperation with the Department, teachers, parents, citizens, children and the community the welfare and advancement in life of children.
- Initiate or assist in cooperation between affiliates.
- Become a member of and/or cooperate with any other group or body which has similar aims and objects to those of WACSSO.
- Be non-party political and non-sectarian.

# COMMITTEE'S REPORT (CONTINUED)

**Dividends**

The Association's rules preclude the payment of dividends. Accordingly, no dividend has been paid or declared since the commencement of the financial year.

**Significant Changes in the Association's State of Affairs**

2020 saw a pandemic that precluded a face-to-face Conference and significantly affected our affiliates ability to earn an income. In response WACSSO State Council significantly reduced member affiliation fees affecting our own levels of income. With careful management, corresponding reductions in expenses and Government grants we were able to maintain a positive cash flow outcome.

**Environmental Performance**

The Association is not subject to any particular or significant environmental regulation under a Commonwealth, State or Territory law.

**Distributions to Members During the Year**

No distributions were recommended, declared or paid to members during the year. The Association is a non-profit Association and its Constitution does not allow payments including dividends, bonuses or distributions of profit, directly or indirectly, to members, officers, servants, agents or employees other than as reasonable remuneration for services actually rendered.

**Financial Position**

WACSSO continues to maintain a strong financial position and has resolved that in their opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

**Proceedings on Behalf of the Association**

No person has applied for leave of court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any of those proceedings.

The Association was not a party to any such proceedings during the year.

**Auditors**

The Association's auditor is Armada Audit and Assurance Pty Ltd. The State Council has received a declaration of independence from its Auditor.

**Non-Audit Services**

The Association did not engage their auditors to perform any non-audit related services during the financial year.

**Additional Disclosures to the Financial Statements**

No additional information was necessary to provide a true and fair view of the financial position and performance of the Association.

# COMMITTEE'S REPORT (CONTINUED)

**Auditor's Independence Declaration**
The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 6 of the financial report.

Signed:

| | |
|---|---|
| PRESIDENT | SENIOR VICE PRESIDENT |

3 August 2021

DATE

# EXECUTIVE COMMITTEE'S DECLARATION

At a meeting of the Executive Committee on 3 August 2021

THE EXECUTIVE COMMITTEE RESOLVED:

1. That in their opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

2. The attached general purpose reduced disclosure (RDR) financial statements for the year ended 30 June 2021 and notes thereto satisfy the requirements of *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* as well as *Divisions 5, 6 and 7 of the Associations Incorporations Act (WA) 2015*, including giving a true and fair view of the financial position at 30 June 2021 and performance of the Association for the year then ended on that date.

Signed in accordance with a resolution of directors pursuant to Regulation 60.15 of the *ACNC Regulation 2013 and in accordance with Part 5 of the Association Incorporations Act 2015*

Signed:

____________________________
PRESIDENT

____________________________
SENIOR VICE PRESIDENT

3 August 2021
____________________________
DATE

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A 18 Sangiorgio Court Osborne Park WA 6017
P Locked Bag 4 Osborne Park DC WA 6916
E info@armada.com.au

*strength in numbers*

**AUDITOR'S INDEPENDENCE DECLARATION**
**UNDER SECTION DIVISION 60 OF *THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012***

**TO THE MEMBERS OF THE WESTERN AUSTRALIAN COUNCIL OF STATE SCHOOL ORGANISATIONS INC.**

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not Profits Commission Act 2012* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Armada Audit & Assurance

**Armada Audit & Assurance Pty Ltd**

**Nigel Dias**
**Director**

**Dated this 3 August 2021, Perth**



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## Independent Audit Report on the Financial Report
## To the members of Western Australian Council of State School Organisations Inc.

## Opinion

We have audited the financial report of Western Australian Council of State School Organisations Inc. ("the Association"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee declaration.

In our opinion, the accompanying financial report of the Western Australian Council of State School Organisations Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) Giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and cash flows for the year then ended; and

b) Complying with Australian Accounting Standards Reduced Disclosure Requirements (RDR) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the executive committee, would be in the same terms if given to the executive committee as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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ARMADA
AUDITING

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strength in numbers

## Responsibilities of the Committee for the Financial Report

The Committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. The Committee are also responsible for overseeing the financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of auditor's report.

Armada Audit & Assurance

**Armada Audit & Assurance Pty Ltd**

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**Nigel Dias**
**Director, Dated 3rd August 2021 Perth**



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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021<br>$ | 2020 (Restated)<br>$ |
|---|---|---|---|
| **Income** | | | |
| Grant funding | 1 | 276,176 | 306,762 |
| Affiliation income | | 333,534 | 385,762 |
| Conference income | | 0 | 146,037 |
| Covid 19 assistance received | | 138,380 | 86,030 |
| Interest income | | 2,263 | 5,881 |
| Other income | | 1,729 | (750) |
| | | 752,082 | 929,722 |
| **Expenses** | | | |
| Conference costs | | 16,414 | 196,544 |
| Employee costs | 2 | 414,036 | 381,037 |
| Operating costs | 3 | 156,991 | 147,531 |
| Administration costs | | 28,723 | 31,836 |
| Depreciation | 4 | 8,511 | 7,059 |
| Interest | | 0 | 582 |
| | | 624,675 | 764,589 |
| **Surplus for the year** | | 127,407 | 165,133 |
| Other Comprehensive Income | | 0 | 0 |
| **Total Comprehensive Income for the year** | | **127,407** | **165,133** |

*The accompanying notes form part of these financial statements*

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2021

| | Note | 2021<br>$ | 2020 (Restated)<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | 5 | 1,920,601 | 1,542,543 |
| Other current assets | | 105,377 | 71,978 |
| **TOTAL CURRENT ASSETS** | | **2,025,978** | **1,614,521** |
| **NON-CURRENT ASSETS** | | | |
| Property, Plant and equipment | 4 | 24,615 | 31,858 |
| **TOTAL NON CURRENT ASSETS** | | **24,615** | **31,858** |
| **TOTAL ASSETS** | | **2,050,593** | **1,646,379** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 6 | 87,305 | 47,858 |
| Unearned Revenue | 7 | 533,478 | 302,100 |
| Current Provisions | 8 | 65,390 | 40,229 |
| **TOTAL CURRENT LIABILITIES** | | **686,173** | **390,187** |
| **NON-CURRENT LIABILITIES** | | | |
| Non-Current Provisions | 8 | 2,104 | 21,283 |
| **TOTAL NON CURRENT LIABILITES** | | **2,104** | **21,283** |
| **TOTAL LIABILITIES** | | **688,277** | **411,470** |
| **NET ASSETS** | | **1,362,316** | **1,234,909** |
| **EQUITY** | | | |
| Retained earnings | | 1,234,909 | 1,069,776 |
| Net surplus for the year | | 127,407 | 165,133 |
| **TOTAL EQUITY** | | **1,362,316** | **1,234,909** |

*The accompanying notes form part of these financial statements*

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDING 30 JUNE 2021

| | Restated Earnings<br>$ |
|---|---|
| Previous reported retained earnings at 1 July 2019 | 1,073,439 |
| Correction of prior period errors (Note 3 (j)) | (3,663) |
| Restated retained earnings at 1 July 2019 | **1,069,776** |
| Previous reported surplus | 135,516 |
| Correction of prior period errors (Note 3 (j)) | 29,617 |
| Total Restated Comprehensive Income for the Year | **165,133** |
| Restated Retained Earnings Balance at 30 June 2020 | **1,234,909** |
| Balance at 1 July 2020 | **1,234,909** |
| Total Comprehensive Income for the Year | 127,407 |
| Balance at 30 June 2021 | **1,362,316** |

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDING 30 JUNE 2021

| | Note | 2021<br>$ | 2020 restated<br>$ |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Cash receipts from customers and grant funding | | 1,062,150 | 896,925 |
| Cash payments to suppliers and employees | | (685,088) | (908,490) |
| Interest received | | 2,263 | 5,881 |
| **Net Cash Provided By/(Used in) Operating Activities** | 9 | **379,325** | **(5,684)** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant & equipment. | | (1,267) | (10,973) |
| **Net Cash Used in Investing Activities** | | **(1,267)** | **(10,973)** |
| Net (Decrease) / Increase in Cash and Cash Equivalents | | 378,058 | (16,657) |
| Cash and Cash Equivalents at the Beginning of the Year | | 1,542,543 | 1,559,200 |
| **Cash and Cash Equivalents at the End of the Year** | 5 | **1,920,601** | **1,542,543** |

*The accompanying notes form part of these financial statements*

# NOTES TO THE FINANCIAL STATEMENTS
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## 1) Basis of Preparation

The WACSSO financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations), adopted by the Australian Accounting Standards Board, *The Associations Incorporations Act 2015* and the *Australian Charities and Not-for-profits Commission Act 2012.* The financial statements are prepared on an accrual 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. They are presented in Australian dollars ($AUD) and are rounded to the nearest dollar.

This annual financial report was authorised for issue by the Executive Committee on the date that the Declaration was signed.

**Basis of Measurement**
The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**Use of Estimates and Judgement**
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## 2) Financial Position

The Association's primary source of funding comprises grants from State agencies with whom the Association enters into funding agreements for three years and membership fees from affiliated P&Cs. The Committee is confident that the existing funding agreements will be renewed when they expire or be replaced by other grant funding agreements.

## 3) Significant Accounting Policies, Estimates and Assumptions

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed below in Note 3(e)(i). The amount of these provisions would change should any of these factors change in the next 12 months

The following accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**

**(a) Financial Instruments**

(i) Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15 paragraph 63.

(ii) Classification and Subsequent Measurement

Financial Liabilities:

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

The Association does not measure any financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the Statement of Profit or Loss and Other Comprehensive Income over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

Financial Assets:

Under AASB 9 Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income (debt instruments);
- fair value through other comprehensive income (equity – no recycling); or
- fair value through profit or loss,

based on the two primary criteria, being:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**

**(a) Financial Instruments (Continued)**

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Association only has financial assets that are measured at amortised cost including trade and other receivables and cash at bank (including term deposits).

(iii) De-recognition

Financial Liabilities:

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Financial Assets:

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

(iv) Impairment

The Association recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The Association uses the simplified approach to impairment, as applicable under AASB 9.

**(b) Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount. Cost includes all expenditure that is directly attributable to the acquisition of the asset. The cost of self-purchased software that is integral to the function of the related equipment is capitalised as part of the equipment. 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

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**

**(b) Property, Plant and Equipment (continued)**

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” in profit or loss.

**(i) Subsequent Costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**(ii) Depreciation**

Depreciation is recognised in profit and loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the short of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative period are as follows:

| | |
|---|---|
| IT Equipment | 3 years |
| Motor Vehicles | 4 years |

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

**(c) Leases**

The Association, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. 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. If the contract is assessed to be, or contains, a lease, the Association will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

**Initial Measurement and Subsequent Measurement:**

**(i) Measurement of 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, and the Company's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**

**(c) Leases (continued)**

**(ii) Measurement of Right-of-Use Asset:**

The Right of Use Asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

**Recognition exemption - Short-term leases and leases of low-value assets**

The Association has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Association will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

**(d) Impairment**

**Non-financial Assets**

The carrying amounts of the Association's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(e) Employee Benefits**

**(i) Other Long-term Employee Benefits**

The Association's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Association's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**
**(e) Employee Benefits (continued)**

**(ii) Short-term Benefits**
Liabilities for employee benefits for wages, salaries, annual leave expected to be taken within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Association as the benefits are taken by the employees.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(f) Provisions**

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(g) Revenue**

***Revenue recognition***
To determine whether and when to recognise revenue, the Association follows a 5-step process:
(1) Identifying the contract with a customer;
(2) Identifying the performance obligations;
(3) Determining the transaction price;
(4) Allocating the transaction price to the performance obligations; and
(5) Recognising revenue when/as the performance obligation(s) are satisfied.

The Association's main revenue sources and accounting policies are listed below:

**Grant Revenue Contracts: Federal and State Grants**
Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the new accounting standard *AASB 15 Revenue from Contracts with Customers.* If revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that as are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than *AASB 1058 Income for Not-For-Profit Entities*. Government grants are recognised in the period in which the sufficiently specific criteria are met. If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with *AASB 1058 Income for Not for Profit Entities*.

Furthermore, if the contract contains a requirement to return unspent funds such amounts are recognised as a provision in accordance with AASB 137 *Provisions, Contingent Asset and Liabilities.*

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**
**(g) Revenue (Continued)**

**Affiliation Fees**
Affiliation Fees are recognised as revenue over the membership service period.

**Job Keeper and Cash Flow Boost**

Job Keeper income is recognised in profit and loss in accordance with either AASB 1058 Income for not-for-profit entities. The Association is entitled to accrue Job Keeper receipts under AASB 1058 for eligible wages paid or accrued at 30 June 2021. Cash Flow Boost income is recognised when the eligibility requirements are met, and the entity has a right to receive the grant in accordance with AASB 1058.

**(h) Subsequent Events**
There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Executive Committee of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in future years.

**(i) New or Amended Accounting Standards and Interpretations Adopted**

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

**(j) Correction of Prior Period Errors**
Management examined the key account balances and class of transactions for 30 June 2020. A number of errors were identified. The errors have been corrected by restating the prior period balances in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The impact of the restatement is disclosed below

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**

**(j) Correction of Prior Period Errors (continued)**

**Impact on the statement of financial position**

| Account Balance | 2020 Previously Reported | Restated 2020 | Adjustment | Reason for Adjustment |
|---|---|---|---|---|
| Cash and Cash Equivalents | 1,546,543 | 1,542,543 | (4,000) | A processing error was identified in the prior period requiring the balance sheet to be restated. |
| Other Current Assets (Prepayments and Deposits Paid) | 40,546 | 71,978 | 31,432 | Due to processing errors identified. |
| Accounts Receivable | 31,028 | 0 | (31,028) | In the prior period accounts receivables were not recognised in accordance with AASB 9 *Financial Instruments* hence the prior period balance sheet was restated. |
| Unearned Revenue | 331,782 | 302,100 | 29,682 | In the prior period unearned revenue was not recognised in accordance with AASB 15 *Revenue from Contracts* with Customers hence the prior balance sheet was restated to this effect. |
| Trade and Other Payables | 46,268 | 47,858 | (1,590) | Due to processing errors the prior period balance sheet was corrected |
| Provisions Current | 51,011 | 40,229 | 10,782 | Correcting the prior period provisions as required by AASB 119 *Employee Benefits* |
| Provisions Non-Current | 11,959 | 21,283 | (9,324) | Correcting the prior period provisions as required by AASB 119 *Employee Benefits* |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**
**(j) Correction of Prior Period Errors (continued)**

| Net Assets at 30 June 2020 Previously Reported | Restated 2020 | Adjustments |
|---|---|---|
| 1,208,955 | 1,234,909 | 25,954 |

**The impact on the statement of changes in equity is as follows**

| Details | $ |
|---|---|
| Retained Earnings 1 July 2019 | **1,073,439** |
| Correction to retained earnings on 1 July 2019 | (3,663) |
| Restated Net Profit at 30 June 2020 | 165,133 |
| Closing Retained Earnings 30 June 2020 (Restated) | **1,234,909** |

**The impact on the statement of profit or loss and other comprehensive income is as follows**

| Account Balance | 2020 Previously Reported | Restated 2020 | Adjustment | Reason for Adjustments |
|---|---|---|---|---|
| Affiliation Fees | 386,859 | 385,762 | (1,097) | Adjusting membership fees as required by AASB 15. |
| Conference Cost | 206,655 | 196,544 | 10,111 | Refund for Conference costs paid recognised as a reduction in expenses in the period received. |
| Employee Expenses | 382,495 | 381,037 | 1,458 | Correcting the prior period provisions as required by AASB 119 Employee Benefits |
| COVID 19 Income | 64,708 | 86,030 | 21,322 | Adjusting COVID 19 as required by AASB 1058. |
| Other expenses | 184,831 | 187,008 | (2,177) | Due to processing errors identified. |

| Net Surplus 2020 Previously Reported | Restated 2020 | Adjustment |
|---|---|---|
| 135,516 | 165,133 | 29,617 |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**3) Significant Accounting Policies, Estimates and Assumptions (continued)**
**(k) New Standards Not Yet Effective**

*AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

Other than the above management assessment indicates that there are no other new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Association's financial report in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | 2021 $ | 2020 Restated $ |
|---|---|---|
| **1. GRANT FUNDING** | | |
| DoE grant | 276,176 | 272,095 |
| Lotterywest grant | 0 | 34,667 |
| **Total Grant Funding** | **276,176** | **306,762** |
| **2. EMPLOYEE RELATED EXPENSES** | | |
| Salaries | 361,914 | 330,526 |
| Superannuation | 34,345 | 31,707 |
| Other employee related expenses | 17,777 | 18,804 |
| **Total Salaries, Benefits & Associated expenses** | **414,036** | **381,037** |
| **3. OPERATING COSTS** | | |
| Affiliate Services | 70,868 | 47,975 |
| Affiliate Resources | 9,222 | 23,542 |
| Communication and Research | 15,688 | 15,547 |
| State Council | 61,213 | 60,467 |
| **Total Operating Costs** | **156,991** | **147,531** |
| **4. PROPERTY, PLANT AND EQUIPMENT** | | |
| Equipment at cost | 12,240 | 10,972 |
| Equipment accum depreciation | (3,330) | (54) |
| Motor vehicles at cost | 37,192 | 37,192 |
| Motor vehicles accum depreciation | (21,487) | (16,252) |
| **Total Property, Plant and Equipment** | **24,615** | **31,858** |
| **5. CASH AND CASH EQUIVALENTS** | | |
| Operating Accounts | 224,745 | 93,923 |
| Business Online Saver | 293,677 | 0 |
| Cash Management Account | 0 | 1,448,620 |
| Term Deposit | 1,402,179 | 0 |
| **Total Cash and Cash equivalents** | **1,920,601** | **1,542,543** |
| **6. TRADE AND OTHER PAYABLES** | | |
| Trade payables | 14,306 | 2,716 |
| GST payable / (receivable) | 50,535 | 38,819 |
| Payroll related payables | 22,464 | 6,323 |
| **Total Trade and other payables** | **87,305** | **47,858** |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | 2021 $ | 2020 Restated $ |
|---|---|---|
| **7. UNEARNED REVENUE** | | |
| Affiliation Fees for 2021-22 Year | 505,010 | 302,100 |
| Conference Income for 2021-22 Year | 28,468 | 0 |
| **Total Unearned Revenue** | **533,478** | **302,100** |
| **8. PROVISIONS** | | |
| **Current Provisions** | | |
| Provision annual leave | 32,739 | 24,600 |
| Current leave loading payable | 2,495 | 0 |
| Current TOIL payable | 2,991 | 0 |
| Provision for long service leave | 27,165 | 15,629 |
| **Total Current Provisions** | **65,390** | **40,229** |
| **Non-current Provisions** | | |
| Provision for long service leave | 2,104 | 21,283 |
| **Total Non-current Provisions** | **2,104** | **21,283** |
| **Movement in Provisions** | | |
| **Annual Leave** | | |
| Opening balance | 24,600 | 14,516 |
| Amounts accrued during the year | 30,074 | 25,605 |
| Amount used during the year | (21,935) | (15,521) |
| **Closing balance of provision** | **32,739** | **24,600** |
| **Long Service Leave** | | |
| Opening balance | 36,912 | 40,762 |
| Amounts accrued during the year | (916) | 9,268 |
| Amount used during the year | (6,727) | (13,118) |
| **Closing balance of provision** | **29,269** | **36,912** |
| **9. CASHFLOWS** | | |
| **Reconciliation of cash flows from operating activities** | | |
| Profit for the period | 127,407 | 165,133 |
| **Non-Cash Flows** | | |
| Depreciation | 8,511 | 7,059 |
| Prior year adjustment | 0 | (3,663) |
| **Operating profit before changes in working capital** | **135,918** | **168,529** |
| Change in trade and other receivables | 0 | 180,309 |
| Changes in other assets | (33,399) | (65,135) |
| Change in trade & other payables | 39,448 | (25,604) |
| Change in unearned revenue | 231,376 | (267,185) |
| Change in provisions | 5,982 | 3,402 |
| Total movement in working capital | **243,407** | **(174,213)** |
| **Net cash from operating activities** | **379,325** | **(5,684)** |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | | 2021<br>$ | 2020 Restated<br>$ |
|---|---|---|---|
| **10. RELATED PARTIES AND KEY MANGEMENT PERSONNEL** | | | |
| Compensation paid | | **0** | **0** |

Key Management Personnel are the Executive Committee of WACSSO, all are volunteers so are unpaid and do not accrue any annual or long service leave.

| | | | |
|---|---|---|---|
| Accrued Annual and Long Service Leave for KMP | | **0** | **0** |

**11. FINANCIAL INSTRUMENTS**

The totals for each category of financial instrument, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows. The Association only has financial instruments at amortised cost. The carrying value of the financial instruments equates the fair value at the reporting period.

| | | | |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and cash equivalents | 5 | 1,920,601 | 1,542,543 |
| **Total Financial Assets** | | **1,920,601** | **1,542,543** |
| | | | |
| **Financial Liabilities** | | | |
| Financial Liabilities at Amortised Cost: | | | |
| Unearned Revenue | 7 | 533,478 | 302,100 |
| Trade and other payables | 6 | 87,305 | 47,858 |
| **Total Financial Liabilities** | | **620,783** | **349,958** |