

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

ABN: 46 108 238 074

Annual Financial Report

For the Year Ended 30 June 2022

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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 2022.

Committee

The details of each person who has been a member of State Council 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	10	10
Jenny Blair	5	5	10	10
Anne Fairbanks	5	5	9	10
Tanya Gibson	5	5	9	10
Scott Mosey	5	5	2	3
Jaxson Gazeley	3	4	1	1
Esmond Delaney	3	3	0	0
Rob Fairholme	4	5	1	1
Tony Osborne	4	5	0	0
Paula Steenson	4	5	8	9
Leanne Ruston	5	5	8	9
Dannielle Crawford	5	5	1	1
Vivienne Cantem	5	5	8	9
Julie Brooks	5	5	1	1
Sherry Fletcher	2	2	0	0
Katherine Loader	3	3	0	0
Kate Hayes-Thompson	3	3	0	0
Chelsea Walker	1	1	0	0
Indah Yildiz	1	1	0	0

Contact Officer

The Association's contact officer is Pania Turner who was appointed President of the Organisation on 22 September 2019.

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 and 2021 saw a pandemic that precluded a face-to-face Conference and continues to affect our affiliates' income. In response, WACSSO State Council significantly reduced member affiliation fees for FY21 affecting our income levels with only a modest rise to offset CPI in FY22.

Also, to improve the organisation's workforce management and address business development to assist the organisation in meeting its objectives, WACSSO State Council changed the operational structure by appointing an Executive Officer to the workforce.

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

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. No distributions were recommended, declared or paid to members during the year.

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 the 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 2022 has been received and can be found on page 6 of the financial report.

Signed:



PRESIDENT



SENIOR VICE PRESIDENT

27 July 2022

DATE

EXECUTIVE COMMITTEE'S DECLARATION

At a meeting of the Executive Committee on 27 July 2022

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 simplified disclosures financial statements for the year ended 30 June 2022 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 2022 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

27 July 2022

DATE

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

TO THE MEMBERS OF 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 2022 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 27 July 2022, Perth

**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 2022, 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 2022 and of its financial performance and cash flows for the year then ended; and
- b) Complying with Australian Accounting Standards Simplified Disclosures (SDS) 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.

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 – *Simplified Disclosures* 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 27 July 2022 Perth

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Income			
Grant funding	4	323,982	276,176
Affiliation income		483,427	333,534
Conference income		164,490	0
Covid 19 assistance received		0	138,380
Interest income		676	2,263
Other income		3,222	1,729
		975,797	752,082
Expenses			
Conference costs		221,646	16,414
Employee costs	5	615,427	414,036
Operating costs	6	274,349	156,991
Administration costs		31,886	28,723
Depreciation		7,262	8,511
Interest		0	0
		1,150,570	624,675
Surplus (Deficit) for the year		(174,773)	127,407
Other Comprehensive Income		0	0
Total Comprehensive Income (Deficit) for the year		(174,773)	127,407

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2022**

	Note	2022	2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	8	1,827,391	1,920,601
Other current assets		85,461	105,377
TOTAL CURRENT ASSETS		1,912,852	2,025,978
NON-CURRENT ASSETS			
Property, Plant and equipment	7	23,043	24,615
TOTAL NON CURRENT ASSETS		23,043	24,615
TOTAL ASSETS		1,935,895	2,050,593
CURRENT LIABILITIES			
Trade and other payables	9	127,882	87,305
Unearned Revenue	10	526,716	533,478
Current Provisions	11	86,903	65,390
TOTAL CURRENT LIABILITIES		741,501	686,173
NON-CURRENT LIABILITIES			
Non-Current Provisions	11	6,851	2,104
TOTAL NON CURRENT LIABILITES		6,851	2,104
TOTAL LIABILITIES		748,352	688,277
NET ASSETS		1,187,543	1,362,316
EQUITY			
Retained earnings		1,362,316	1,234,909
Net (loss) surplus for the year		(174,773)	127,407
TOTAL EQUITY		1,187,543	1,362,316

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Earnings FY 2022 \$	Earnings FY 2021 \$
FOR THE YEAR ENDING 30 JUNE 2022		
Balance at 1 July	1,362,316	1,234,909
Total Comprehensive Income (Deficit) for the Year	(174,773)	127,407
Balance at 30 June	1,187,543	1,362,316

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers and grant funding		1,065,670	1,062,150
Cash payments to suppliers and employees		(1,153,866)	(685,088)
Interest received		676	2,263
Net Cash Provided By/(Used in) Operating Activities	12	(87,520)	379,325
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment.		(5,690)	(1,267)
Net Cash Used in Investing Activities		(5,690)	(1,267)
Net (Decrease) / Increase in Cash and Cash Equivalents		(93,210)	378,058
Cash and Cash Equivalents at the Beginning of the Year		1,920,601	1,542,543
Cash and Cash Equivalents at the End of the Year	8	1,827,391	1,920,601

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 – *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, *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 diminishing value 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	Diminishing value 30%
Motor Vehicles	Diminishing value 25%

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 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.

(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 2021, no errors were identified.

(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)

	2022	2021
	\$	\$
4. GRANT FUNDING		
Department of Education grant	280,319	276,176
Lotterywest grant	43,663	0
Total Grant Funding	323,982	276,176
5. EMPLOYEE RELATED EXPENSES		
Salaries	515,835	361,914
Superannuation	50,847	34,345
Other employee related expenses	48,745	17,777
Total Salaries, Benefits & Associated expenses	615,427	414,036
6. OPERATING COSTS		
Affiliate Services	167,711	70,868
Affiliate Resources	14,337	9,222
Communication and Research	23,856	15,688
State Council	68,445	61,213
Total Operating Costs	274,349	156,991
7. PROPERTY, PLANT AND EQUIPMENT		
Equipment at cost	17,929	12,240
Equipment accum depreciation	(6,665)	(3,330)
Motor vehicles at cost	37,192	37,192
Motor vehicles accum depreciation	(25,413)	(21,487)
Total Property, Plant and Equipment	23,043	24,615
8. CASH AND CASH EQUIVALENTS		
Operating Accounts	75,425	224,745
Business Online Saver	546,705	293,677
Term Deposit	1,202,825	1,402,179
Undeposited Funds	2,436	0
Total Cash and Cash equivalents	1,827,391	1,920,601
9. TRADE AND OTHER PAYABLES		
Trade payables	26,046	14,306
GST payable / (receivable)	58,198	50,535
Payroll related payables	43,638	22,464
Total Trade and other payables	127,882	87,305

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022	2021
	\$	\$
10. UNEARNED REVENUE		
Affiliation Fees for 2022-23 Year	526,716	505,010
Conference Income for 2022-23 Year	0	28,468
Total Unearned Revenue	526,716	533,478
11. PROVISIONS		
Current Provisions		
Provision staff leave	59,684	38,225
Provision for long service leave	27,219	27,165
Total Current Provisions	86,903	65,390
Non-current Provisions		
Provision for long service leave	6,851	2,104
Total Non-current Provisions	6,851	2,104
12. CASHFLOWS		
Reconciliation of cash flows from operating activities		
Profit (Loss) for the period	(174,772)	127,407
Non-Cash Flows		
Depreciation	7,262	8,511
Prior year adjustment	0	0
Operating profit (loss) before changes in working capital	(167,510)	135,918
Change in trade and other receivables	0	0
Changes in other assets	19,916	(33,399)
Change in trade & other payables	40,576	39,448
Change in unearned revenue	(6,762)	231,376
Change in provisions	26,260	5,982
Total movement in working capital	79,990	243,407
Net cash from operating activities	(87,520)	379,325

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2022	2021
		\$	\$
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13. 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	8	1,827,391	1,920,601
Total Financial Assets		1,827,391	1,920,601
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Financial Liabilities			
Financial Liabilities at Amortised Cost:			
Trade and other payables	9	127,882	87,305
Unearned Revenue	10	526,716	533,478
Total Financial Liabilities		654,598	620,783
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