

SOUTH PERTH LEARNING CENTRE INC.

SPECIAL PURPOSE FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2021**

SOUTH PERTH LEARNING CENTRE INC.

FINANCIAL REPORT

30 JUNE 2021

<u>CONTENTS</u>	<u>PAGE</u>
STATEMENT BY MEMBERS OF THE COMMITTEE	1
AUDITOR'S INDEPENDENCE DECLARATION	2
INDEPENDENT AUDITOR'S REPORT	3 - 5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10-14
INCOME AND EXPENDITURE STATEMENT - DETAIL	15-17

SOUTH PERTH LEARNING CENTRE INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that South Perth Learning Centre Inc. is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee, the financial statements as set out on pages 6 to 13 are in accordance with the requirements of the Associations Incorporation Act 2015 of WA and the Australian Charities and Not-for-profits Commission Act 2012 and:

1. comply with the Australian Accounting Standards applicable to South Perth Learning Centre Inc.;
2. gives a true and fair view of the financial position of South Perth Learning Centre Inc. as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
3. At the date of this statement, there are reasonable grounds to believe that the South Perth Learning Centre Inc. will be able to pay its debts as and when they fall due; and
4. The operations of the Association has been carried out in accordance with its Constitution.

This statement is made in accordance with a resolution of the members of the committee and is signed for and on behalf of the members of the committee by:



CLEMENTINE KOHLER
CHAIRPERSON



ALAN ABRAHAM
TREASURER

DATED THIS 6th DAY OF OCTOBER 2021


AUDITOR'S INDEPENDENCE DECLARATION

TO THE MEMBERS OF

SOUTH PERTH LEARNING CENTRE INC.

In accordance with the requirements of section 60.40 of the *Australian Charities and Not for Profits Commission Act 2012*, as lead auditor for the audit of South Perth Learning Centre Inc. for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Australian Charities and Not for 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.


MACRI PARTNERS
CHARTERED ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100


A MACRI
PARTNER

PERTH
DATED 6th DAY OF OCTOBER 2021

INDEPENDENT AUDITOR'S REPORT

TO: THE MEMBERS OF SOUTH PERTH LEARNING CENTRE INC.

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report, being a special purpose financial report, of South Perth Learning Centre Inc. ("the association"), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by members of the committee.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitations discussed in the Basis for Qualified Opinion paragraph below not existed, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2021 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Qualified 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 ethical requirements of 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.

As is common for entities of this type, it is not practicable for South Perth Learning Centre Inc. to maintain an effective system of internal control over cash received for courses and donations until their initial entry in the accounting records. Accordingly, our audit in relation to these income items was limited to amounts recorded.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the *Associations Incorporation Act 2015 of WA and the Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 2015 of WA and the Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the Committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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 the 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT (Continued)

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MACRI PARTNERS
CHARTERED ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 6th DAY OF OCTOBER 2021



SOUTH PERTH LEARNING CENTRE INC.

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

	2021	2020
	\$	\$
Income	184,766	139,833
Cost of sales	<u>(113,090)</u>	<u>(73,008)</u>
Gross profit	71,676	66,825
Other income	47,592	62,148
Employee benefits expense	(91,918)	(80,373)
Depreciation	(2,350)	(4,360)
Assets Written off	(658)	(26,297)
Other expenses	(47,805)	(41,980)
	<hr/>	<hr/>
Surplus/(deficit) for the year	(23,463)	(24,037)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income/(loss) for the year	(23,463)	(24,037)

The accompanying notes form part of this financial report.

SOUTH PERTH LEARNING CENTRE INC.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
ASSETS			
CURRENT			
Cash and Cash Equivalents	2	139,321	<u>99,170</u>
Trade and Other Receivables	3	<u>4,435</u>	<u>16,795</u>
		143,756	115,965
NON CURRENT			
Plant & Equipment	4	<u>8,588</u>	<u>11,596</u>
TOTAL ASSETS		152,344	127,561
LIABILITIES			
CURRENT			
Payables	5	59,148	14,763
Provisions	6	<u>5,111</u>	<u>1,250</u>
TOTAL LIABILITIES		64,259	16,013
NET ASSETS		<u>88,085</u>	<u>111,548</u>
EQUITY			
Member's Equity		60,683	60,683
Retained Earnings		<u>27,402</u>	<u>50,865</u>
TOTAL EQUITY		<u>88,085</u>	<u>111,548</u>

The accompanying notes form part of this financial report.

SOUTH PERTH LEARNING CENTRE INC.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Member's Equity \$	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2019	60,683	74,902	135,585
Surplus/(Deficit) for the year	<u>-</u>	<u>(24,037)</u>	<u>(24,037)</u>
Balance as at 30 June 2020	<u>60,683</u>	<u>50,865</u>	<u>111,548</u>
Surplus/(Deficit) for the year	<u>-</u>	<u>(23,463)</u>	<u>(23,463)</u>
Balance as at 30 June 2021	<u>60,683</u>	<u>27,402</u>	<u>88,085</u>

SOUTH PERTH LEARNING CENTRE INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities:			
Receipts from memberships and courses		231,610	159,988
Receipts from grants		5,000	5,000
Payments to suppliers and employees		(223,406)	(207,615)
Interest Received		1,388	746
Other Income		42,303	44,805
GST received/(paid)		(16,744)	(16,804)
Net cash provided by/(used in) operating activities	7 (b)	40,151	(13,880)
Cash flows from investing activities:			
Payments to acquire furniture, fixtures & equipment		-	-
Net cash provided by/(used in) investing activities		-	-
Net increase (decrease) in cash held		40,151	(13,880)
Cash and cash equivalents at beginning of financial year		99,170	113,050
Cash and cash equivalents at end of financial year	7 (a)	139,321	99,170

The accompanying notes form part of this financial report.

SOUTH PERTH LEARNING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Committee has prepared the financial statements on the basis that South Perth Learning Centre Inc. is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Associations Incorporation Act 2015 of WA* and the *Australian Charities and Not-for-profits Commission Act 2012*. The Council is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the requirements of the following mandatory Australian Accounting Standards and the significant accounting policies disclosed below, which the Board has determined are appropriate to meet the needs of members.

AASB 101 - Presentation of Financial Statements
AASB 107 - Statement of Cash Flows
AASB 108 - Accounting Policies, changes in Accounting Estimates and Errors
AASB 1031 - Materiality
AASB 1048 - Interpretation of Standards
AASB 1054 - Australian Additional Disclosures

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements:

(a) PROPERTY, PLANT & EQUIPMENT

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to South Perth Learning Centre Inc. commencing from the time the asset is held ready for use. The rates of depreciation range from 10% to 100%. Assets less than \$5,000 at the time of acquisition are expensed.

(b) IMPAIRMENT OF ASSETS

At the end of each reporting period, the association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the statement of comprehensive income.

SOUTH PERTH LEARNING CENTRE INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) EMPLOYEE PROVISIONS

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

(d) REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Grants received in advance are reported in the statement of financial position.

Interest revenue is recognised when earned.

All revenue is stated net of goods and services tax (GST).

(e) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) INCOME TAX

Under the provision of the current income tax legislation, the Centre is exempt from income tax.

(g) COMPARATIVE FIGURES

When necessary, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(h) ROUNDING

All figures shown in this financial report are rounded to the nearest dollar.

SOUTH PERTH LEARNING CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
2. CASH AND CASH EQUIVALENTS		
Cheque Account	58,168	19,520
Term Deposit Account	78,848	77,460
Debit Card	1,828	1,753
Cash on Hand	457	417
Petty Cash	<u>20</u>	<u>20</u>
	139,321	99,170
3. TRADE AND OTHER RECEIVABLES		
Trade Debtors	319	899
ATO Integrated Account	-	11,461
Accrued Income	2,650	-
GST Recoverable	1,065	4,060
Sundry Receivable	<u>401</u>	<u>375</u>
	4,435	16,795
4. PLANT & EQUIPMENT		
Plant & Equipment at cost	15,298	15,956
Less: Accumulated Depreciation	<u>(6,710)</u>	<u>(4,360)</u>
	8,588	11,596
5. PAYABLES		
Accounts Payable	15,236	676
Accrued Facilitator Expenses	7,851	-
Prepaid Income	25,036	2,132
PAYG Withholding Tax	2,752	4,883
Superannuation Liability	1,910	2,021
Room Hire Key Bond	265	50
Payroll Deduction	200	-
Course Credits	400	137
Grant Liability for Acquittal	1,862	763
Accrued Expenses	<u>3,636</u>	<u>4,101</u>
	59,148	14,763
6. PROVISIONS		
CURRENT		
Annual Leave Provision	<u>5,111</u>	<u>1,250</u>

SOUTH PERTH LEARNING CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
7. CASH FLOWS INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the statement of financial position as follows:		
Cash and cash equivalents	<u>139,321</u>	<u>99,170</u>
(b) Reconciliation of cash flows from operations with surplus from ordinary activities		
Surplus /(Deficit) from ordinary activities	(23,463)	(24,037)
Non-cash flows in profit from ordinary activities:		
Depreciation	2,350	4,360
Assets written off	658	26,297
Changes in assets and liabilities:		
(Increase)/decrease in receivables	9,365	(12,360)
Increase/(decrease) in GST payable	2,995	(2,434)
Increase/(decrease) in trade and other payables	44,385	(6,005)
Increase/(decrease) in provisions	<u>3,861</u>	<u>299</u>
Cash flows provided by operations	<u>40,151</u>	<u>(13,880)</u>

8. CONTINGENT LIABILITIES

There was no contingent liability existent as at the reporting date.

9. EVENTS AFTER THE REPORTING DATE

There was no event between the reporting date and the date of signing this report, which would otherwise have materially affected the reporting figures.

SOUTH PERTH LEARNING CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2021
\$

2020
\$

10. ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Lower Level
Below South Perth Civic Centre
Cnr South Terrace & Sandgate Street
South Perth WA 6151

SOUTH PERTH LEARNING CENTRE INC.

**INCOME AND EXPENDITURE STATEMENT - DETAIL
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
INCOME		
MEMBERSHIP		
Full Annual membership	15,414	9,345
Concessional Annual Membership	-	2,582
Full Term Membership	3,520	3,160
COURSES		
Arts & Creative Pursuits	44,089	30,724
Club Activities	21,859	18,314
Talks and Lifestyle	9,949	1,756
Languages	76,744	66,408
Gardening Income	445	59
Kitchen Demonstrations	282	1,805
Computing	1,536	432
Health & Wellness	<u>10,927</u>	<u>5,248</u>
TOTAL INCOME	184,765	139,833
COST OF SALES		
Arts & Creative Pursuits	31,910	18,399
Club Activities	5,335	3,690
Talks and Lifestyles	4,144	1,360
Languages	62,210	43,971
Kitchen Demonstrations	710	918
Computing	913	1,190
Health & Wellness	6,690	3,480
Gardening	240	-
Course Materials	<u>939</u>	<u>-</u>
TOTAL COST OF SALES	113,091	73,008
GROSS PROFIT	71,674	66,825

SOUTH PERTH LEARNING CENTRE INC.

**INCOME AND EXPENDITURE STATEMENT - DETAIL
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
GROSS PROFIT	71,674	66,825
OVERHEAD EXPENSES		
Accounting and Audit Fees	1,800	1,827
Advertising	1,611	320
Annual Leave Provision expense	3,861	299
Asset Acquisitions Under \$5,000	7,440	6,203
Bad Debts	230	90
Bank Charges	30	10
Cleaning	3,399	3,328
Computer Expenses	491	48
Conferences & Training	77	71
Consulting	-	605
Council Garbage Collection	448	-
Depreciation	2,350	4,360
Internet Expenses	763	429
EFTPOS Merchant Fees	3,330	2,395
Gardening	20	-
Kitchen Supplies	1,524	1,531
Insurance	3,738	3,628
Professional Subscriptions	171	100
Postage	258	247
Software	6,693	7,513
Stationery Supplies & Printing	3,022	3,300
Repairs & Maintenance	3,767	-
Superannuation	8,133	6,865
Wages & Salaries	83,785	73,508
Website hosting	108	88
Volunteer Expenses	350	-
Telephone Costs	1,137	3,031
Utilities	<u>1,936</u>	<u>2,115</u>
TOTAL EXPENSES	140,472	121,911
OPERATING PROFIT/(DEFICIT)	(68,798)	(55,086)

SOUTH PERTH LEARNING CENTRE INC.

**INCOME AND EXPENDITURE STATEMENT - DETAIL
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
OPERATING PROFIT/(DEFICIT)	(68,798)	(55,086)
OTHER INCOME		
COVID-19 Jobkeeper Wage Subsidy	10,500	6,000
COVID-19 Cash Flow Boost	5,113	14,887
Donations	-	4,032
Room Hire	26,271	32,085
Grants	3,901	4,237
Miscellaneous Other Income	419	161
Interest Received	<u>1,388</u>	<u>746</u>
TOTAL OTHER INCOME	47,592	62,148
OTHER EXPENSES		
Assets written off	658	26,297
Events	650	284
Miscellaneous Expenses	<u>949</u>	<u>4,518</u>
TOTAL OTHER EXPENSES	2,257	31,099
NET INCOME/(DEFICIT)	<u><u>(23,463)</u></u>	<u><u>(24,037)</u></u>