

MEN'S SHEDS of WA (INC.)

Financial Statements For the year ended 30 June 2021

**Ray Woolley Pty Ltd
6 Tees Court
Mindarie
WA 6030**

MEN'S SHEDS of WA (INC.)
INCOME & EXPENDITURE STATEMENT
For the year ended 30 June 2021

	30/06/2021	30/06/2020
Income		
Dept. of Communities Grant Received	150,626.25	150,000.00
Linkwest	5,560.00	0.00
LotteryWest Grant Received	132,000.00	100,000.00
Road Safety Grant	10,999.00	0.00
Contact Liabilities Brought Forward	58,790.19	12,036.25
Less Contract Liabilities Carried Forward	<u>-40,842.31</u>	<u>-58,790.19</u>
	317,133.13	203,246.06
Interest Received	753.51	2,722.69
Other Income	25,852.71	31,000.54
Jobkeeper Payments	24,000.00	21,000.00
Cash Flow Boost Payments	5,000.00	15,000.00
Total Income	<u>372,739.35</u>	<u>272,969.29</u>
Expenditure		
Administration Expenses	33,387.99	25,518.15
Organisational Development	10,038.24	4,593.27
Personnel Costs	190,574.92	86,443.64
Information Technology	20,949.13	0.00
Contractors	0.00	103,610.50
Travel Expenses	22,014.07	19,932.92
Research & Evaluation Expenses	44,400.00	5,000.00
Program Expenses	14,250.32	22,265.99
Total Expenditure	<u>335,614.67</u>	<u>267,364.47</u>
Surplus for the Year	<u><u>\$37,124.68</u></u>	<u><u>\$5,604.82</u></u>

The accompanying notes form part of these financial statements.

MEN'S SHEDS of WA (INC.)
BALANCE SHEET
As at 30 June 2021

	30/06/2021	30/06/2020
Current Assets		
Cash at Bank	72,969.60	29,629.75
Term Deposit	154,552.63	153,799.12
Sundry Debtors & Accrued Income	0.00	30,000.00
Prepayments	1,744.49	848.15
Total Current Assets	229,266.72	214,277.02
Current Liabilities		
Trade Creditors	4,786.82	1,442.18
GST Payable	-2,761.84	20,724.02
Sundry Creditors	550.66	0.00
Membership in Advance	613.09	0.00
Contract Liabilities	40,842.31	58,790.19
Payroll Liabilities	29,298.26	14,507.89
Total Current Liabilities	73,329.30	95,464.28
Total Net Assets	\$155,937.42	\$118,812.74
Members' Funds		
Retained Surplus Brought Forward	118,812.74	113,207.92
Surplus for the Year	37,124.68	5,604.82
Total Members' Funds	\$155,937.42	\$118,812.74

The accompanying notes form part of these financial statements.

MEN'S SHEDS of WA (INC.)
STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	30/06/2021	30/06/2020
	\$	\$
Cash Flows from operating activities		
Receipts from Customers	384,651.05	281,896.17
Interest Received	753.51	2,722.69
Payment to suppliers and employees	-341,311.20	-243,546.68
Net cash provided by operating activities	<u>44,093.36</u>	<u>41,072.18</u>
Cash at beginning of the year	183,428.87	142,356.69
Cash at the end of the year	<u>\$227,522.23</u>	<u>\$183,428.87</u>
Surplus for the year	37,124.68	5,604.82
Changes in Assets and Liabilities		
Sundry Debtors & Accrued Income	30,000.00	-29750
Prepayments	-896.34	-228.37
Trade Creditors	3,344.64	1442.18
GST Payable	-23,485.86	12,146.09
Sundry Creditors	550.66	-4,050.00
Membership in Advance	613.09	-5,354.37
Contract Liabilities	-17,947.88	58,790.19
Grants in Advance - Veterans Inclusion	0.00	-12,036.25
Payroll Liabilities	14,790.37	14,507.89
Cashflows used in operating activities	<u>\$44,093.36</u>	<u>\$41,072.18</u>

MEN'S SHEDS of WA (INC.)
STATEMENT OF CHANGES IN EQUITY
As at 30 June 2021

RESERVES	\$
Balance as at 30 June 2019	113,207.92
Surplus for the year	5,604.82
Balance as at 30 June 2020	118,812.74
Surplus for the year	37,124.68
Balance as at 30 June 2021	<u>\$155,937.42</u>

MEN'S SHEDS OF WA (INC.)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the of the Associations Incorporation Act of WA. and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012). The board has determined that the association is not a reporting entity as the users of the financial statements are able to obtain additional information to meet their needs.

Statement of Compliance

The financial report has been prepared in accordance with Associations Incorporation Act of WA. and the ACNC Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

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.

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. **Income Tax**

The association is exempt from Income Tax.

b. **Provisions**

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

c. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

d. **Employee Benefits**

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 benefits have been measured at the amounts expected to be paid when the liability is settled.

MEN'S SHEDS OF WA (INC.)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Operating Grants, Donations and Bequests

When the association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Incorporation:

- identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Incorporation recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

f. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

g. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

MEN'S SHEDS OF WA (INC.)

STATEMENT BY MEMBERS OF THE BOARD FOR THE YEAR ENDED 30 JUNE 2021

The board has determined that the association 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 board the attached financial report:

1. Presents a true and fair view of the financial position of Men's Sheds of WA (Inc.) as at 30 June 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Men's Sheds of WA (Inc.) will be able to pay its debts as and when they fall due.

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

President

Treasurer

Dated this day of October 2021.

MEN'S SHEDS OF WA (INC.)

AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEN'S SHEDS OF WA (INC.)

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Men's Sheds of WA (Inc.) (the association), which comprises the board's report, the balance sheet and statement of changes to equity as at 30 June 2021, the income statement and the cash flow statement for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Board.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Men's Sheds of WA (Inc.) 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, and the requirements of the Associations Incorporation Act of WA, and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012).

Basis of 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.

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 of WA and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC 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.

Board's Responsibility for the Financial Report

The board of Men's Sheds of WA (Inc.) is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act of WA and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012) and is appropriate to meet the needs of the members. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board 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 board 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.

MEN'S SHEDS OF WA (INC.)

AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 board.
- Conclude on the appropriateness of the board'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.

We communicate with the board 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.



Ray Woolley Pty Ltd
Raymond Woolley
Registered Company Auditor No 16396
6 Tees Court
Mindarie WA 6030
11 October 2021