



11 July 2022

Carolyn Grantskalns

Chief Executive

The Association of Independent Schools of South Australia

Sent via email: grantskalnsc@ais.sa.edu.au

CC: grant.martinella@williambuck.com; ShipleYG@ais.sa.edu.au

Dear Carolyn Grantskalns,

**The Association of Independent Schools of South Australia
Financial Report for the year ended 31 December 2021 – (FR2021/332)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Association of Independent Schools of South Australia. The documents were lodged with the Registered Organisations Commission (the ROC) on 16 June 2022.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 7 December 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Grant Martinella was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Grant Martinella is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via this [link](#).

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0988 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Financial Reporting Officer
Registered Organisations Commission

Association of Independent Schools of South Australia Inc.

Financial Statements - 31 December 2021

Association of Independent Schools of South Australia Inc.

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For the year ended 31 December 2021

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**Association of Independent Schools of South Australia Inc.
Certificate by Prescribed Designated Officer under S.268 Fair Work (Registered Organisations)
Act 2009
For the year ended 31 December 2021**

I, Luke Ritchie, being the Chair of the Association of Independent Schools of South Australia certify:

- that the documents lodged herewith are copies of the full report for the Association of Independent Schools of South Australia for the year ended 31 December 2021 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- that the full report was provided to members of the reporting unit on 17 May 2022; and
- that the full report was presented to a general meeting of members of the reporting unit on 15 June 2022 in accordance with Section 268 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:


.....

Name of prescribed designated officer:

Luke Ritchie

Title of prescribed designated officer:

AISSA Board Chair

Dated:

15 June 2022

Association of Independent Schools of South Australia Inc.
Report required under subsection 255(2A)
For the year ended 31 December 2021

The Board presents the expenditure report as required under subsection 255(2A) for the financial year ended 31 December 2021.

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	4,106,094	3,864,449
Advertising	4,485	12,487
Operating costs	5,189,006	2,607,132
Donations to political parties	–	–
Legal costs	13,580	11,743

Signature of prescribed designated officer: 

Name of prescribed designated officer: Luke Ritchie

Title of prescribed designated officer: AISSA Board Chair

Dated: 7 April 2022

Association of Independent Schools of South Australia Inc.

Operating report

For the year ended 31 December 2021

The Board presents the operating report on the reporting unit for the financial year ended 31 December 2021.

Board Members

Names of Board members and period positions held during the financial year:

The names of each person who has been a board member during the year and to the date of this report are:

Luke Ritchie (reappointed as Chair on 4 November 2021)
Kristian Downing (reappointed as Deputy Chair on 4 November 2021)
Rebecca Clarke
Brenton Howell
Kym Wallent
Heidi Payne
Donald Grimmett
Dominic Hopps
John Proeve
Michael Potter
Kymberley Lawrence (appointed on 27 August 2021)
Marcel Rijken (appointed on 8 October 2021)
Jason Haseldine (resigned on 23 December 2021)

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The Association of Independent Schools of South Australia (AISSA) is recognised as the peak body for the Independent school sector in South Australia. The principal activities of the Association are:

- Provision of education services to member schools
- Representation of sector to the community and governments
- Provision of governance advice
- Provision of human resource management and legal advice to members
- Provision of advice on administration to members
- Management of externally funded programs

The Association's principal activities have not changed during the year.

The surplus from activities of the Company for the financial year amounted to \$ 1,025,957 (2020: \$951,464).

Significant changes in financial affairs

No significant changes in the Association's financial affairs occurred during the financial year.

Right of members to resign

A Member may resign Membership of the Association by providing written notice to the Chief Executive.

A notice of resignation takes effect where the Member ceases to be eligible to be a Member of the Association, on the later of:

- (a) the day on which the notice is received by the Association, and
- (b) the day specified in the notice, being a day not earlier than the day on which the Member ceases to be eligible;

or in any other case, on the later of:

- (a) the expiration of 2 weeks after the notice is received by the Association, and
- (b) the day specified in the notice.

All annual subscriptions, fees for services and levies remain payable to the date on which the resignation is to take effect and any amounts outstanding are to be remitted on or before the date such resignation is to take effect.

Association of Independent Schools of South Australia Inc.
Operating report
For the year ended 31 December 2021

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the Association, is;

- (i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Number of members

The Association has 103 members.

Number of employees

The number of persons who were, at the end of the financial year to which the report relates, employees of the entity, where the number of employees includes both full time employees and part time employees was 29 with the full time equivalent being 26.42.

On behalf of the Board Members



Luke Ritchie
AISSA Board Chair

7 April 2022

Association of Independent Schools of South Australia Inc.

Board statement

For the year ended 31 December 2021

On the 7th day of April 2022 , the Board of the Association of Independent Schools of South Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2021:

The Board declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) ;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

(i) meetings of the Board were held in accordance with the rules of the organisation including the rules of a branch concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

(iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

(iv) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

(v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period This declaration is made in accordance with a resolution of the Board.

On behalf of the Board Members



Luke Ritchie
AISSA Board Chair

7 April 2022

**Auditor's Independence Declaration under Section 60-40 of
the Australian Charities and Not-For-Profits Commission
Act 2012 to the Board of
Association of Independent Schools of South Australia**

I declare that, to the best of my knowledge and belief during the year ended 31 December 2021 there have been:

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



William Buck
ABN 38 280 203 274



G.W. Martinella
Partner

Dated this 7th day of April 2022

ACCOUNTANTS & ADVISORS

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Adelaide SA 5000
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Adelaide SA 5001
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**Association of Independent Schools of South Australia Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021**

	Note	2021 \$	2020 \$
Revenue			
Membership subscription		2,867,898	2,822,473
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Interest	3	7,741	39,037
Sponsorship revenue		35,000	35,000
Other revenue		1,189,806	1,049,922
Program funding		6,992,043	3,741,612
Salary reimbursement from related entity		192,172	179,996
Total revenue		11,284,660	7,868,040
Grants or donations		-	-
Net (loss) / gains from sale of assets		(1,452)	1,238
Total other income		(1,452)	1,238
Total income		11,283,208	7,869,278
Expenses			
Employee expenses - Others	5	(4,106,094)	(3,864,449)
Employee expenses - Holders of Office	4	-	-
Capitation fees and other expense to another reporting unit		-	-
Affiliation fees		-	-
Administration expenses	6	(339,703)	(300,082)
Grants or Donations	7	(4,545)	-
Subscription expenses		(220,348)	(250,857)
Depreciation and amortisation	8	(394,705)	(392,241)
Occupancy expenses		(45,405)	(47,494)
Legal and professional fees	9	(32,739)	(44,083)
Audit fees	28	(11,875)	(11,100)
Advertising and public relations		(4,485)	(12,487)
Strategic/special projects		(1,454,347)	(887,292)
Travel and vehicle expenses		(22,596)	(21,174)
Interest expense on lease liability		(123,789)	(129,747)
Direct program expenses		(3,066,543)	(1,089,139)
Other expenses	10	-	-
Total expenses		(9,827,174)	(7,050,145)
Surplus for the year		1,456,034	819,133
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value gains / (losses) on financial assets at fair value through other comprehensive income		(430,077)	132,331
Other comprehensive income for the year		(430,077)	132,331
Total comprehensive income for the year		1,025,957	951,464

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

Association of Independent Schools of South Australia Inc.
Statement of financial position
As at 31 December 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	11	1,871,956	3,966,237
Trade and other receivables	12	82,163	83,200
Other assets	13	142,096	128,248
Total current assets		<u>2,096,215</u>	<u>4,177,685</u>
Non-current assets			
Plant and equipment	14	1,422,243	1,462,902
Investments	16	19,932,623	17,324,481
Right-of-use-assets	15	1,857,798	2,155,050
Total non-current assets		<u>23,212,664</u>	<u>20,942,433</u>
Total assets		<u>25,308,879</u>	<u>25,120,118</u>
Liabilities			
Current liabilities			
Trade and other payables	17	264,615	335,943
Lease liabilities	18	149,757	129,489
Provisions	19	926,031	744,940
Grants received in advance	20	1,855,550	2,529,085
Total current liabilities		<u>3,195,953</u>	<u>3,739,457</u>
Non-current liabilities			
Lease liabilities	18	2,255,341	2,405,099
Provisions	19	47,937	191,871
Total non-current liabilities		<u>2,303,278</u>	<u>2,596,970</u>
Total liabilities		<u>5,499,231</u>	<u>6,336,427</u>
Net assets		<u>19,809,648</u>	<u>18,783,691</u>
Equity			
Reserves	21	627,702	1,055,380
Retained earnings	22	19,181,946	17,728,311
Total equity		<u>19,809,648</u>	<u>18,783,691</u>

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

Association of Independent Schools of South Australia Inc.
Statement of changes in equity
For the year ended 31 December 2021

	Financial Assets Reserves \$	Retained Earnings \$	Total equity \$
Balance at 1 January 2020	923,049	16,909,178	17,832,227
Surplus for the year	-	819,133	819,133
Other comprehensive income for the year	132,331	-	132,331
Total comprehensive income for the year	<u>132,331</u>	<u>819,133</u>	<u>951,464</u>
Balance at 31 December 2021	<u>1,055,380</u>	<u>17,728,311</u>	<u>18,783,691</u>
	Financial Assets Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 January 2021	1,055,380	17,728,311	18,783,691
Surplus for the year	-	1,456,034	1,456,034
Other comprehensive income for the year	(430,077)	-	(430,077)
Total comprehensive income for the year	<u>(430,077)</u>	<u>1,456,034</u>	<u>1,025,957</u>
Transfer realised loss to retained earnings	2,399	(2,399)	-
Balance at 31 December 2021	<u>627,702</u>	<u>19,181,946</u>	<u>19,809,648</u>

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

Association of Independent Schools of South Australia Inc.
Statement of cash flows
For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Cash received			
Receipts from other reporting units/controlled entity(s)	23	-	-
Interest received		7,781	35,871
Administration		3,645,499	3,559,625
Managed grants/programs		6,471,608	6,397,468
Cash used			
Payment to other reporting units/controlled entity(s)	23	-	-
Interest paid		(123,789)	(129,747)
Administration		(1,697,166)	(1,847,136)
Managed grants/programs		(8,043,962)	(4,670,011)
Net cash provided by operating activities	23	259,971	3,346,070
Cash flows from investing activities			
Cash received			
Proceeds on sale of managed investments		1,822,316	2,376,784
Proceeds from property, plant and equipment		20,667	20,397
Cash used			
Purchase of plant and equipment	14	(76,009)	(170,951)
Payments for managed investments		(3,991,736)	(3,174,713)
Net cash used in investing activities		(2,224,762)	(948,483)
Cash flows from financing activities			
Cash used			
Payment of principal on leased assets		(129,490)	(110,586)
Net cash used in financing activities		(129,490)	(110,586)
Net increase/(decrease) in cash and cash equivalents		(2,094,281)	2,287,001
Cash and cash equivalents at the beginning of the financial year		3,966,237	1,679,236
Cash and cash equivalents at the end of the financial year	11	1,871,956	3,966,237

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

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Association of Independent Schools of South Australia is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparative amounts

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

Taxation

The Association of Independent Schools of South Australia is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Revenue recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Revenue is recognised either at a point in time or over time, when (or as) the Association satisfies performance obligations by transferring the promised goods or services to its customers.

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 (for examples AASB 9, 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); and

- 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 Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Subscription fees

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donations

Donations and bequests are recognised as revenue when received.

Grant revenue

When grant revenue received meets the "enforceability" and "sufficiently specific" criteria in accordance with AASB 1058 and AASB 15, the grant revenue is recognised in the statement of financial position as a liability until the performance obligations have been met and delivered to the contributor.

Otherwise the grant is recognised as income in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of grant can be measured reliably.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Gains/ losses on sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Financial Instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - FVOCI
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The Association's financial assets measured at FVTPL comprise derivatives in the statement of financial position.

Financial assets at fair value through other comprehensive income

The Association has made an irrevocable election to classify equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Financial liabilities

The financial liabilities are subsequently measured at:

- amortised cost
- 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.

All other financial liabilities are subsequently measured at fair value, 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 profit or loss 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 at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Plant and equipment

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives (2021 and 2020):

Leasehold improvements (diminishing value)	6 - 20 years
Plant and equipment (diminishing value)	3- 20 years
Motor Vehicles (diminishing value)	8 years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

1. Significant accounting policies (continued)

Right-of-use assets

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Association of Independent Schools of South Australia Inc.

Notes to the financial statements

For the year ended 31 December 2021

1. Significant accounting policies (continued)

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 present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Going Concern

Association of Independent Schools of South Australia is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis. Association of Independent Schools of South Australia has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 31 December 2021. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. Interest

	2021	2020
	\$	\$
Interest on deposits	<u>7,741</u>	<u>39,037</u>

4. Employee expenses - Holders of Office

	2021	2020
	\$	\$
Wages & Salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Total employee expenses - holders of office	<u>-</u>	<u>-</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

5. Employee expenses - Others

	2021	2020
	\$	\$
Wages and salaries	3,270,761	3,005,748
Superannuation	347,674	305,343
Leave and other entitlements	413,819	500,512
Separation and redundancies	-	-
Other employee expenses	73,840	52,846
	<u>4,106,094</u>	<u>3,864,449</u>
Total employee expenses - employees other than office holders	<u>4,106,094</u>	<u>3,864,449</u>

6. Administration expenses

	2021	2020
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	68,648	16,039
Office expenses	68,541	60,571
Information communications technology	126,709	120,605
Other	75,805	102,867
	<u>339,703</u>	<u>300,082</u>
Total administration expenses	<u>339,703</u>	<u>300,082</u>

7. Grants or Donations

	2021	2020
	\$	\$
Grants - Total paid that were \$1,000 or less	-	-
Grants - Total paid that exceeded \$1,000	4,545	-
Donations - Total paid that were \$1,000 or less	-	-
Donations - Total paid that exceeded \$1,000	-	-
	<u>4,545</u>	<u>-</u>
Total grants and donations	<u>4,545</u>	<u>-</u>

8. Depreciation and amortisation

	2021	2020
	\$	\$
Leasehold improvements	28,227	26,381
Plant and equipment	69,226	68,608
Right-of-use-asset	297,252	297,252
	<u>394,705</u>	<u>392,241</u>
Total depreciation & amortisation	<u>394,705</u>	<u>392,241</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

9. Legal and professional fees

	2021	2020
	\$	\$
Legal costs by litigation	-	-
Other legal matters	13,580	11,743
Other professional fees	19,159	32,340
	<u>32,739</u>	<u>44,083</u>

10. Other expenses

	2021	2020
	\$	\$
Penalties - via RO Act or RO Regulations	<u>-</u>	<u>-</u>

11. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash on hand	119	261
Cash at bank	1,766,688	3,860,827
Cash on deposit	105,149	105,149
	<u>1,871,956</u>	<u>3,966,237</u>

Short term deposits has been pledged as security for acquiring the lease of property situated at 128 Greenhill Road.

12. Trade and other receivables

	2021	2020
	\$	\$
<i>Current assets</i>		
Trade receivables - receivables from other reporting units (net)	-	-
Other trade receivables	50,300	51,313
Total trade receivables	<u>50,300</u>	<u>51,313</u>
Other receivables - deposits	31,863	31,863
Other receivables - GST receivable	-	24
Total other receivables	<u>31,863</u>	<u>31,887</u>
	<u>82,163</u>	<u>83,200</u>

13. Other assets

	2021	2020
	\$	\$
<i>Current assets</i>		
Prepayments	69,368	55,480
Accrued revenue	72,728	72,768
	<u>142,096</u>	<u>128,248</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

14. Plant and equipment

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	1,129,091	1,129,091
Less: Accumulated depreciation	(93,733)	(65,505)
Total leasehold improvements	<u>1,035,358</u>	<u>1,063,586</u>
Motor vehicles - at cost	72,889	93,357
Less: Accumulated depreciation	(31,166)	(31,098)
Total motor vehicles	<u>41,723</u>	<u>62,259</u>
Furniture & equipment - at cost	523,604	515,807
Less: Accumulated depreciation	(178,442)	(178,750)
Total furniture and equipment	<u>345,162</u>	<u>337,057</u>
Total Plant and equipment	<u>1,422,243</u>	<u>1,462,902</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements	Motor Vehicles	Furniture & equipment	Capital works in progress	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2020	1,012,300	39,915	344,352	9,533	1,406,100
Additions	77,667	47,710	38,178	-	163,555
Disposals	-	(11,764)	-	-	(11,764)
Transfers in/(out)	-	-	9,533	(9,533)	-
Depreciation expense	(26,381)	(13,602)	(55,006)	-	(94,989)
Balance at 31 December 2021	1,063,586	62,259	337,057	-	1,462,902
Additions	-	-	76,009	-	76,009
Disposals	-	(6,257)	(12,958)	-	(19,215)
Depreciation expense	(28,228)	(14,279)	(54,946)	-	(97,453)
Balance at 31 December 2021	<u>1,035,358</u>	<u>41,723</u>	<u>345,162</u>	<u>-</u>	<u>1,422,243</u>

15. Right-of-use-assets

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Leased building	2,749,551	2,749,551
Less: Accumulated depreciation	(891,753)	(594,501)
Total Right-of-use Asset	<u>1,857,798</u>	<u>2,155,050</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

16. Investments

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Investments in equity instruments designated as at fair value through other comprehensive income	<u>19,932,623</u>	<u>17,324,481</u>

Refer to note 29 for further information on fair value measurement.

17. Trade and other payables

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Trade payables - other reporting units	-	-
Other trade creditors and accruals	125,709	225,417
Superannuation	18,443	17,333
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs by litigation	-	-
Other liabilities	<u>120,463</u>	<u>93,193</u>
Total trade and other payables	<u>264,615</u>	<u>335,943</u>

Refer to note 28 for further information on financial instruments.

Settlement of trade creditors is usually made within 30 days.

Other payables are expected to be settled in not more than 12 months.

18. Lease liabilities

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>149,757</u>	<u>129,489</u>
<i>Non-current liabilities</i>		
Lease liability	<u>2,255,341</u>	<u>2,405,099</u>
	<u>2,405,098</u>	<u>2,534,588</u>
	2021	2020
	\$	\$

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

<1 year	266,611	253,278
1-5 years	2,455,554	2,191,469
> 5 years	133,647	664,344
Less: interest charges	<u>(450,714)</u>	<u>(574,503)</u>
Lease liabilities included in the Statement of Financial Position	<u>2,405,098</u>	<u>2,534,588</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

18. Lease liabilities (continued)

The lease liabilities were measured at the present value of the remaining lease payments, discounted using an estimate of the Association's incremental borrowing rate. The weighted average incremental borrowing rate applied to the lease liabilities was 5%.

19. Provisions

Employees other than office holders:

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Annual leave	325,311	306,375
Long service leave	567,564	401,177
Separations and redundancies	-	-
Other	33,156	37,388
	<u>926,031</u>	<u>744,940</u>
<i>Non-current liabilities</i>		
Long service leave	47,937	191,871
Total provisions - employees other than office holders	<u><u>973,968</u></u>	<u><u>936,811</u></u>

	2021	2020
	\$	\$
Office Holders		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Total provisions - office holders	<u><u>-</u></u>	<u><u>-</u></u>

20. Grants received in advance

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Allied Health	28,517	17,706
Regional Bus Transport	-	1,000,000
Choice and Affordability Fund	1,815,615	1,502,146
Indigenous Student Mentor Program	(14,207)	(15,767)
Parents Initiative in Education	25,625	25,000
Total grants received in advance	<u><u>1,855,550</u></u>	<u><u>2,529,085</u></u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

21. Reserves

	2021	2020
	\$	\$
Financial assets at fair value through other comprehensive income reserve	<u>627,702</u>	<u>1,055,380</u>

Financial assets reserve

The financial assets reserve records the unrealised loss or gain of investments in equity instruments designated at fair value through other comprehensive income.

22. Retained earnings

Retained earnings includes \$10million (indexed each year) to act as a fund to enable a possible future purchase of equivalent existing office/multi-function space from which to conduct AISSA activities.

23. Reconciliation of surplus to net cash provided by operating activities

	2021	2020
	\$	\$
Surplus for the year	1,456,034	819,133
Adjustments for:		
Depreciation and amortisation	394,705	392,241
Gain on disposal of assets	(1,452)	(1,238)
Investment income reinvested	(868,799)	(767,549)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,037	(46,375)
(Increase)/decrease in prepayments and accrued interest	(14,375)	25,611
Increase/(decrease) in grants received in advance	(673,535)	2,502,757
Increase/(decrease) in income in advance	-	(7,819)
Increase/(decrease) in trade and other payables	(70,801)	165,532
Increase in other provisions	37,157	263,777
Net cash provided by operating activities	<u>259,971</u>	<u>3,346,070</u>
	2021	2020
	\$	\$
Cash outflows from reporting units	-	-
Cash outflows other	(9,864,917)	(6,646,894)
Total cash outflows	<u>(9,864,917)</u>	<u>(6,646,894)</u>
	2021	2020
	\$	\$
Cash inflows from reporting units	-	-
Cash inflows other	10,214,888	9,992,964
	<u>10,214,888</u>	<u>9,992,964</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

24. Contingencies

In the opinion of the management, the Association did not have any contingencies at 31 December 2021 (31 December 2020: None)

25. Related party transactions

The related parties of the Association are:

1. The members of the Board and their related entities.
2. SA Independent Schools Block Grant Authority Inc. due to contractual and constitutional relationships.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2021, the Association of Independent Schools of South Australia has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

26. Key management personnel disclosures

The totals of remuneration paid to the key management personnel of Association of Independent Schools of South Australia during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits (including annual leave accrued)	317,894	309,603
Post-employment benefits	25,951	24,921
Long-term benefits	8,061	7,863
	<u>351,906</u>	<u>342,387</u>

27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Association:

	2021	2020
	\$	\$
<i>Audit services - William Buck</i>		
Audit of the financial statements	<u>11,875</u>	<u>11,100</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

28. Financial instruments

Financial risk management objectives

The Association's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Association's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Association. The Association uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Categories of Financial Instruments

The Association's financial instruments consist mainly of deposits with banks, short-term and long-term investments, and accounts receivable and payable.

The totals of each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial assets		
Investments – financial assets at amortised cost:		
- Cash and cash equivalents	1,871,956	3,966,237
- Trade receivables	50,300	51,313
- Other receivables	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	19,932,623	17,324,481
	<u>21,886,742</u>	<u>21,373,894</u>
Categories of Financial assets		
	2021	2020
	\$	\$
Financial liabilities		
- Trade and other payables	264,615	335,943

The net income from financial assets at fair value from profit and loss is \$878,799 (2020: \$779,921)

	2021	2020
	\$	\$
Cash and cash equivalents		
Interest revenue - short term deposits	621	1,292
Interest revenue - other	7,120	558
Net gain from cash and cash equivalents	<u>7,741</u>	<u>1,850</u>
Interest revenue - long term deposits		
Other investments at amortised costs	-	14,809
Net gain from long term deposits	<u>-</u>	<u>14,809</u>
Investments in equity instruments designated as at fair value through other comprehensive income		
Interest revenue – cash management fund	-	22,373
Investment revenue	937,320	803,880
Fees and expenses	(58,521)	(46,332)
Net gain from investments in equity instrument designated as fair value through other comprehensive income	<u>878,799</u>	<u>779,921</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

28. Financial instruments (continued)

Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows. A combination of fixed and floating rate term deposits are maintained to manage interest rate risk. In 2021 management considered that the change in risk variable of 1% is reasonably possible.

Sensitivity analysis of the risk that the entity is exposed to is provided below:

	2021	2021	2020	2020
	1% increase	1 % decrease	1% increase	1 % decrease
Profit or loss	33,734	(33,734)	72,803	(72,803)
Equity	33,734	(33,734)	72,803	(72,803)

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the entity. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as being financially sound.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2021	2020
	\$	\$
Financial assets		
Investments – financial assets at amortised cost:		
- Cash and cash equivalents	1,871,956	3,966,237
- Trade receivables	50,300	51,313
- Other receivables	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	<u>19,932,623</u>	<u>17,324,481</u>
Total	<u>21,886,742</u>	<u>21,373,894</u>
	2021	2020
	\$	\$
Financial liabilities		
- Trade and other payables	264,615	335,943
	<u>-</u>	<u>-</u>
Total	<u>264,615</u>	<u>335,943</u>

Credit quality of financial instruments not past due or individually determined as impaired.

	Not Past Due	Past due or	Not Past Due	Past due or
	Nor Impaired	impaired	Nor Impaired	impaired
	2021	2021	2020	2020
	\$	\$	\$	\$
Trade receivables	<u>50,300</u>	<u>-</u>	<u>51,313</u>	<u>-</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

28. Financial instruments (continued)

Days	Not past due	Past Due But Not Impaired	Past Due But Not Impaired	Past Due But Not Impaired	Total
	0-30	31-60	61-90	90+	
	\$	\$	\$	\$	\$
Ageing of financial assets for 2021					
Trade receivables	<u>48,520</u>	<u>1,780</u>	-	-	<u>50,300</u>
Days	Not past due	Past Due But Not Impaired	Past Due But Not Impaired	Past Due But Not Impaired	Total
	0-30	31-60	61-90	90+	
	\$	\$	\$	\$	\$
Ageing of financial assets for 2020					
Trade receivables	<u>51,313</u>	-	-	-	<u>51,313</u>

Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through only investing surplus cash with major financial institutions.

Contractual maturities for financial liabilities have been presented as under:

	On demand	On demand	1 to 3 months	1 to 3 months	3 months to 1 year	3 months to 1 year	1 to 5 years	1 to 5 years
	2021	2020	2021	2020	2021	2020	2021	2020
Trade and other payables	<u>-</u>	<u>-</u>	<u>264,615</u>	<u>335,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

29. Fair value measurement

Fair value hierarchy

The following tables detail the Association's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets measured at fair value</i>				
Investments in equity instruments designated as at fair value through other comprehensive income	<u>19,932,623</u>	-	-	<u>19,932,623</u>
Total assets	<u>19,932,623</u>	-	-	<u>19,932,623</u>

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
For the year ended 31 December 2021

29. Fair value measurement (continued)

2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets measured at fair value</i>				
Investments in equity instruments designated as at fair value through other comprehensive income	17,324,481	-	-	17,324,481
Total assets	<u>17,324,481</u>	<u>-</u>	<u>-</u>	<u>17,324,481</u>

There were no transfers between levels during the financial year.

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables and other current liabilities are assumed to approximate their fair values due to their short-term nature.

The following table contains the carrying amounts and related fair values for the Association's financial assets and liabilities:

	Carrying amount 2021 \$	Fair Value 2021 \$	Carrying amount 2020 \$	Fair Value 2020 \$
Financial assets				
Investments – financial assets at amortised cost:				
- Cash and cash equivalents	1,871,956	1,871,956	3,966,237	3,966,237
- Trade receivables	50,300	50,300	51,313	51,313
- Other receivables	31,863	31,863	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	<u>19,932,623</u>	<u>19,932,623</u>	<u>17,324,481</u>	<u>17,324,481</u>
	<u>21,886,742</u>	<u>21,886,742</u>	<u>21,373,894</u>	<u>21,373,894</u>
	Carrying amount 2021 \$	Fair Value 2021 \$	Carrying amount 2020 \$	Fair Value 2020 \$
Financial Liabilities				
Trade and other payables	<u>264,615</u>	<u>264,615</u>	<u>335,943</u>	<u>335,943</u>

30. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

31. Business combinations

The reporting unit has not acquired an asset or a liability during the financial year as a result of:

(1) An amalgamation under Part 2 of Chapter 3, of the Fair Work (Registered Organisations) Act 2009 in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or

(2) A restructure of the branches of the organisation; or

(3) A determination by the General Manager under subsection 245(1) of the Fair Work (Registered Organisations) Act 2009 of an alternative reporting structure for the organisation; or

(4) A revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009 of a certificate issued to an organisation under subsection 245(1).

Association of Independent Schools of South Australia Inc.
Notes to the financial statements
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32. Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

33. Financial Support

Association of Independent Schools of South Australia does not receive financial support from another reporting unit.

Association of Independent Schools of South Australia Inc.
Officer declaration statement
For the year ended 31 December 2021

I, Luke Ritchie, being the Chair of the Association of Independent Schools of South Australia, declare that the following activities did not occur during the reporting period ending 31 December 2021.

The reporting unit did not:

- have another entity administer the financial affairs of the reporting unit;
- make a payment to a former related party of the reporting unit.

Signature of prescribed designated officer:



.....

Name of prescribed designated officer:

Luke Ritchie

Title of prescribed designated officer:

AISSA Board Chair

Dated:

7 April 2022

Association of Independent Schools of South Australia

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Association of Independent Schools of South Australia (the Association), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, board statement and report required under section 255(2A) of Fair Work (Registered Organisations) Act 2009 and the officer declaration statement.

In our opinion the financial report of Association of Independent Schools of South Australia has been prepared 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 31 December 2021 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

I declare that management's use of the going concern basis in the preparation of the financial statements of the Association is appropriate.

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 (ACNC Act) and 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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Association's operating report for the year ended 31 December 2021 but does not include the financial report and the auditor's report thereon.

ACCOUNTANTS & ADVISORS

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Adelaide SA 5000

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Adelaide SA 5001

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williambuck.com

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board members for the Financial Report

The members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009, the Fair Work (Registered Organisations) Regulations 2009 and the Australian Charities and Not-for-profits Commission Act 2012. The Board's responsibility also includes such internal control as the board 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 board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

We also provide the members with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

I declare that I am an auditor registered under the RO Act.



William Buck

ABN 38 280 203 274



Grant Martinella

Partner

Registration Number AA2019/6

Dated this 7th day of April 2022.