



Fair Work  
Commission

31 July 2024

Shannon Warren  
Chair  
The Association of Independent Schools of South Australia  
Sent via email: [office@ais.sa.edu.au](mailto:office@ais.sa.edu.au)

CC: [matthew.king@williambuck.com.au](mailto:matthew.king@williambuck.com.au)

Dear Shannon Warren

**The Association of Independent Schools of South Australia  
Financial Report for the year ended 31 December 2023 – (FR2023/267)**

I acknowledge receipt of the financial report for the year ended 31 December 2023 for The Association of Independent Schools of South Australia. The documents were lodged with the Fair Work Commission (the Commission) on 14 June 2024. I also acknowledge the receipt of amended financial report on 29 July 2024.

The initial financial report did not include the required disclosures under Australian Accounting Standard, AASB15: *Revenue from contracts with customers* and the section 253 reporting guidelines which applies to all reporting units when preparing financial reports. On 20 June 2024, the reporting unit was requested to amend the financial report to include these disclosures.

The amended financial report containing the correct disclosure was lodged with the Commission. The amended financial report was also re-audited and provided to members.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

**Reporting Requirements**

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

The Commission recommends that reporting units use these model financial statements to assist in complying with the *Fair Work (Registered Organisations) Act 2009* (RO Act), the section 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 call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

**Association of Independent Schools of South Australia  
Inc.**

**Financial Statements - 31 December 2023**

# **Association of Independent Schools of South Australia Inc.**

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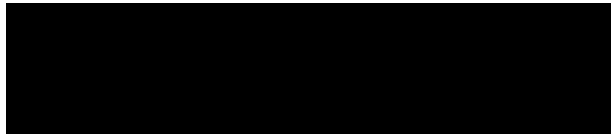
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**Association of Independent Schools of South Australia Inc.  
Certificate by Prescribed Designated Officer under S.268 Fair Work (Registered Organisations)  
Act 2009  
For the year ended 31 December 2023**

I, Shannon Warren, being the Chair of the Association of Independent Schools of South Australia Inc. certify:

- that the documents lodged herewith are copies of the full report for the Association of Independent Schools of South Australia Inc. for the year ended 31 December 2023 referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009;
- that the full (amended) report was provided to members of the reporting unit on 23 July 2024; and
- that the full (amended) report was presented to the Committee of Management of the reporting unit on 22 July 2024 in accordance with Section 268 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Shannon Warren

Title of prescribed designated officer:

AISSA Board Chair

Dated:

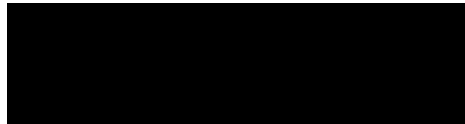
23 July 2024

**Association of Independent Schools of South Australia Inc.**  
**Report required under subsection 255(2A)**  
**For the year ended 31 December 2023**

The Board presents the expenditure report as required under subsection 255(2A) for the financial year ended 31 December 2023.

Categories of expenditures	2023 (\$)	2022 (\$)
Remuneration and other employment-related costs and expenses – employees	4,204,909	4,102,132
Advertising	4,733	7,148
Operating costs	8,378,877	4,752,001
Donations to political parties	–	–
Legal costs	25,811	22,365

Signature of prescribed designated officer:



Name of prescribed designated officer:

Shannon Warren

Title of prescribed designated officer:

AISSA Board Chair

Dated:

22 July 2024

# **Association of Independent Schools of South Australia Inc.**

## **Operating report**

### **For the year ended 31 December 2023**

The Board presents the operating report on the reporting unit for the financial year ended 31 December 2023.

#### **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:  
Shannon Warren (appointed as Deputy Chair on 7 September 2023, appointed as Chair on 26 October 2023)  
Peta St Clair (appointed as Deputy Chair on 8 November 2023)  
Helen Finlay  
Benjamin Stratton  
Kymberley Lawrence  
Michael Potter  
Marcel Rijken  
Paul Weinert  
Uncle John Lochowiak  
Nancy Johnson (appointed on 14 November 2023)  
Craig Fielke (appointed on 15 April 2023)  
John Proeve (resigned on 14 April 2023)  
Brenton Howell (term ended as Chair and Board Member on 20 June 2023)  
Kym Wallent (term ended on 20 June 2023)  
Dominic Hopps (term ended as Board Member and Deputy Chair on 20 June 2023; re-appointed as Board Member on 4 July 2023; appointed as Chair 7 September 2023; resigned as Chair and Board member on 23 October 2023)

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 Inc. ("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; and
- Management of externally funded programs.

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

The surplus from activities of the Association for the financial year amounted to \$2,376,484 (2022: \$1,110,590 of deficit).

#### **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 2023**

***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 102 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 26 with the full time equivalent being 22.62.

On behalf of the Board Members



Shannon Warren  
AISSA Board Chair

22 July 2024

**Association of Independent Schools of South Australia Inc.**  
**Board Member's report**  
**For the year ended 31 December 2023**

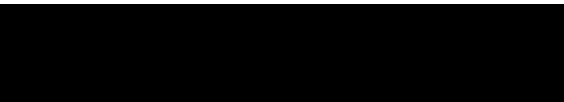
On the 22<sup>nd</sup> day of July 2024, the Board of the Association of Independent Schools of South Australia Inc. passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2023:

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
  - (v) where the Association consist of two or more reporting units, the financial record of the reporting unity have been kept, as far as practicable, in a consistent manner with each of the reporting units of the Association; 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.

This declaration is made in accordance with a resolution of the Board.

On behalf of the Board Members



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Shannon Warren  
AISSA Board Chair

22 July 2024



## Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012

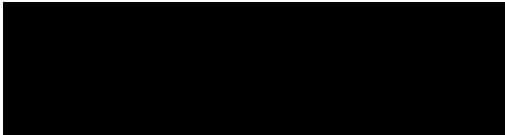
### To those charged with governance of Association of Independent Schools of South Australia Inc.

As auditor for the audit of Association of Independent Schools of South Australia Inc for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, 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

**William Buck (SA)**  
ABN 38 280 203 274



**Matthew King**  
Partner

Dated this 22<sup>nd</sup> day of July 2024.

**Association of Independent Schools of South Australia Inc.  
Statement of profit or loss and other comprehensive income  
For the year ended 31 December 2023**

	Note	2023 \$	2022 \$
<b>Revenue from contracts with customers</b>			
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Membership subscriptions		3,121,342	2,990,907
<b>Total revenue from contracts with customers</b>	3	<u>3,121,342</u>	<u>2,990,907</u>
<b>Income for furthering activities</b>			
Program funding		9,649,737	5,975,643
Grant and/or donations		-	-
Income recognised from volunteer services		-	-
<b>Total income for furthering activities</b>	4	<u>9,649,737</u>	<u>5,975,643</u>
<b>Other income</b>			
Interest	5	105,193	31,200
Net (loss) / gains from sale of assets		(17,274)	4,841
Sponsorship revenue		25,000	35,000
Salary reimbursement from related entity	30	181,980	177,199
Revenue from recovery of wages activity		-	-
Other revenue		986,552	762,707
<b>Total other income</b>		<u>1,281,451</u>	<u>1,010,947</u>
<b>Total income</b>		<u>14,052,530</u>	<u>9,977,497</u>
<b>Expenses</b>			
Employee expenses - holders of office	6	-	-
Employee expenses - others	7	(4,204,909)	(4,102,132)
Administration expenses	8	(361,727)	(440,086)
Grants or Donations	9	(10,000)	(5,000)
Depreciation and amortisation	10	(370,389)	(390,088)
Legal and professional fees	11	(70,136)	(73,280)
Other expenses	12	-	-
Audit fees	28	(13,845)	(11,865)
Capitation fees and other expense to another reporting unit		-	-
Affiliation fees		-	-
Subscription expenses		(248,125)	(231,879)
Occupancy expenses		(54,920)	(53,492)
Advertising and public relations		(4,733)	(7,148)
Strategic/special projects		(1,911,883)	(1,213,274)
Travel and vehicle expenses		(37,839)	(44,806)
Interest expense on lease liability		(105,541)	(116,854)
Direct program expenses		(5,189,737)	(2,164,229)
<b>Total expenses</b>		<u>(12,583,784)</u>	<u>(8,854,133)</u>
<b>Surplus for the year</b>		<b>1,468,746</b>	1,123,364
<b>Other comprehensive income</b>			
<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		907,738	(2,233,954)
Other comprehensive income for the year		<u>907,738</u>	<u>(2,233,954)</u>
<b>Total comprehensive income for the year</b>		<u><b>2,376,484</b></u>	<u>(1,110,590)</u>

*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 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	2,318,179	2,073,431
Trade and other receivables	14	31,905	33,777
Other assets	17	110,337	90,200
<b>Total current assets</b>		<b>2,460,421</b>	<b>2,197,408</b>
<b>Non-current assets</b>			
Investments	15	21,498,128	19,427,300
Plant and equipment	18	1,242,612	1,309,564
Right-of-use-assets	16	1,263,294	1,560,546
<b>Total non-current assets</b>		<b>24,004,034</b>	<b>22,297,410</b>
<b>Total assets</b>		<b>26,464,455</b>	<b>24,494,818</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	209,827	182,690
Lease liabilities	20	397,840	318,183
Provisions	21	814,196	927,721
Grants received in advance	22	2,383,110	2,363,881
<b>Total current liabilities</b>		<b>3,804,973</b>	<b>3,792,475</b>
<b>Non-current liabilities</b>			
Lease liabilities	20	1,539,319	1,937,159
Provisions	21	44,621	66,126
<b>Total non-current liabilities</b>		<b>1,583,940</b>	<b>2,003,285</b>
<b>Total liabilities</b>		<b>5,388,913</b>	<b>5,795,760</b>
<b>Net assets</b>		<b>21,075,542</b>	<b>18,699,058</b>
<b>Equity</b>			
Reserves	23	412,146	(1,606,088)
Retained earnings	24	20,663,396	20,305,146
<b>Total equity</b>		<b>21,075,542</b>	<b>18,699,058</b>

*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 2023**

	<b>Financial assets reserves \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 January 2022	627,702	19,181,946	19,809,648
Surplus for the year	-	1,123,364	1,123,364
Other comprehensive income for the year	(2,233,954)	-	(2,233,954)
Total comprehensive income for the year	(2,233,954)	1,123,364	(1,110,590)
Transfer realised loss to retained earnings	164	(164)	-
Balance at 31 December 2022	<u>(1,606,088)</u>	<u>20,305,146</u>	<u>18,699,058</u>
	<b>Financial assets reserves \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 January 2023	(1,606,088)	20,305,146	18,699,058
Surplus for the year	-	1,468,746	1,468,746
Other comprehensive income for the year	907,738	-	907,738
Total comprehensive income for the year	907,738	1,468,746	2,376,484
Transfer realised loss to retained earnings	1,110,496	(1,110,496)	-
Balance at 31 December 2023	<u>412,146</u>	<u>20,663,396</u>	<u>21,075,542</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 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)		-	-
Interest received		105,193	31,228
Administration		4,117,790	3,988,985
Managed grants/programs		9,649,581	6,696,408
<b>Cash used</b>			
Payment to other reporting units/controlled entity(s)		-	-
Interest paid on leased assets		(105,541)	(116,864)
Administration		(2,126,558)	(4,851,087)
Managed grants/programs		(10,395,620)	(4,008,532)
<b>Net cash provided by operating activities</b>	33	<b><u>1,244,845</u></b>	<b><u>1,740,138</u></b>
<b>Cash flows from investing activities</b>			
<b>Cash received</b>			
Proceeds on sale of managed investments		18,633,107	28,992
Proceeds from property, plant and equipment		-	21,514
<b>Cash used</b>			
Purchase of plant and equipment	18	(23,630)	(6,511)
Payments for managed investments		(19,291,391)	(1,432,902)
<b>Net cash used in investing activities</b>		<b><u>(681,914)</u></b>	<b><u>(1,388,907)</u></b>
<b>Cash flows from financing activities</b>			
<b>Cash used</b>			
Payment of principal on leased assets		(318,183)	(149,756)
<b>Net cash used in financing activities</b>		<b><u>(318,183)</u></b>	<b><u>(149,756)</u></b>
Net increase in cash and cash equivalents		244,748	201,475
Cash and cash equivalents at the beginning of the financial year		2,073,431	1,871,956
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b><u><u>2,318,179</u></u></b>	<b><u><u>2,073,431</u></u></b>

*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 2023**

**1. Material accounting policy information**

The accounting policies that are material to the Association of Independent Schools of South Australia Inc. (the Association) are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**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, the Australian Charities and Not-for-profits Commission Act 2012 and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Association 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 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 2023**

**1. Material accounting policy information (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 2023**

**1. Material accounting policy information (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.

*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.



**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**1. Material accounting policy information (continued)**

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.

*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 2023

#### 1. Material accounting policy information (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.

Property, plant and equipment, excluding freehold land, is depreciated on a diminishing value method over the asset's useful life of the Association, commencing when the asset is ready for use.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Leasehold improvements	6 - 20 years
Plant and equipment	3- 20 years
Motor vehicles	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 2023**

**1. Material accounting policy information (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 2023**

**1. Material accounting policy information (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**

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis. The Association 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 2023. 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 2023**

**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. Revenue from contracts with customers and income for furthering objectives**

**Disaggregation of revenue from contracts with customers and income for furthering objectives**

A disaggregation of the Association's revenue by type of arrangement is provided on the face of the Statement of Profit and Loss and Other Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><i>Type of customer</i></b>		
Members	3,121,342	2,990,907
Other reporting units	-	-
Government	-	-
Other parties	-	-
	<hr/>	<hr/>
<b>Total revenue from contracts with customers</b>	<b><u>3,121,342</u></b>	<b><u>2,990,907</u></b>

**4. Income for furthering activities**

**Disaggregation of income from furthering activities**

A disaggregation of the Association's income by type of arrangement is provided on the face of the Statement of Profit and Loss and Other Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**4. Income for furthering activities (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Choice and Affordability Fund (CAF)	2,801,922	2,688,984
Reform Support Fund (RSF)	1,454,000	1,454,500
Other Program Funding	5,393,815	1,832,159
<b>Total income for furthering activities</b>	<b><u>9,649,737</u></b>	<b><u>5,975,643</u></b>

**5. Interest**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest on deposits	<b><u>105,193</u></b>	<b><u>31,200</u></b>

**6. Employee expenses - holders of office**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Wages & Salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Total employee expenses - holders of office</b>	<b><u>-</u></b>	<b><u>-</u></b>

**7. Employee expenses - others**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	3,265,038	3,314,810
Superannuation	389,451	366,296
Leave and other entitlements	437,353	358,949
Separation and redundancies	71,487	7,797
Other employee expenses	41,580	54,280
<b>Total employee expenses - employees other than office holders</b>	<b><u>4,204,909</u></b>	<b><u>4,102,132</u></b>

**8. Administration expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	35,952	67,971
Office expenses	80,052	67,199
Information communications technology	148,415	138,209
Other	97,308	166,707
<b>Total administration expenses</b>	<b><u>361,727</u></b>	<b><u>440,086</u></b>

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**9. Grants or Donations**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Grants - Total paid that were \$1,000 or less	-	-
Grants - Total paid that exceeded \$1,000	10,000	5,000
Donations - Total paid that were \$1,000 or less	-	-
Donations - Total paid that exceeded \$1,000	-	-
	<hr/>	<hr/>
<b>Total grants and donations</b>	<b>10,000</b>	<b>5,000</b>
	<hr/> <hr/>	<hr/> <hr/>

**10. Depreciation and amortisation**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Leasehold improvements	28,227	28,227
Plant and equipment	44,910	64,609
Right-of-use-asset	297,252	297,252
	<hr/>	<hr/>
<b>Total depreciation and amortisation</b>	<b>370,389</b>	<b>390,088</b>
	<hr/> <hr/>	<hr/> <hr/>

**11. Legal and professional fees**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Other legal matters	25,811	22,365
Other professional fees	44,325	50,915
Legal costs by litigation	-	-
	<hr/>	<hr/>
<b>Total legal and professional costs</b>	<b>70,136</b>	<b>73,280</b>
	<hr/> <hr/>	<hr/> <hr/>

**12. Other expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Penalties - via RO Act or RO Regulations	-	-
	<hr/> <hr/>	<hr/> <hr/>

**13. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash on hand	119	119
Cash at bank	2,212,911	1,968,163
Cash on deposit	105,149	105,149
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>2,318,179</b>	<b>2,073,431</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**14. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables - receivables from other reporting units (net)	-	-
Other trade receivables	42	1,914
Total trade receivables	<u>42</u>	<u>1,914</u>
Other receivables - deposits	<u>31,863</u>	<u>31,863</u>
<b>Total trade and other receivables</b>	<b><u>31,905</u></b>	<b><u>33,777</u></b>

**15. Investments**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Investments in equity instruments designated as at fair value through other comprehensive income	<u>21,498,128</u>	<u>19,427,300</u>

Refer to note 26 for further information on fair value measurement.

**16. Right-of-use-assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leased building	2,749,551	2,749,551
Less: Accumulated depreciation	<u>(1,486,257)</u>	<u>(1,189,005)</u>
<b>Total Right-of-use Asset</b>	<b><u>1,263,294</u></b>	<b><u>1,560,546</u></b>

**17. Other assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Accrued revenue	32,751	13,366
Prepayments	<u>77,586</u>	<u>76,834</u>
<b>Total Other assets</b>	<b><u>110,337</u></b>	<b><u>90,200</u></b>



**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**18. Plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	1,129,091	1,129,091
Less: Accumulated depreciation	<u>(150,187)</u>	<u>(121,960)</u>
Total leasehold improvements	<u>978,904</u>	<u>1,007,131</u>
Motor vehicles - at cost	25,179	25,179
Less: Accumulated depreciation	<u>(19,597)</u>	<u>(17,736)</u>
Total motor vehicles	<u>5,582</u>	<u>7,443</u>
Furniture & equipment - at cost	473,823	508,435
Less: Accumulated depreciation	<u>(215,697)</u>	<u>(213,445)</u>
Total furniture and equipment	<u>258,126</u>	<u>294,990</u>
<b>Total Plant and equipment</b>	<b><u>1,242,612</u></b>	<b><u>1,309,564</u></b>

*Reconciliations*

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

	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Furniture &amp; equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 January 2022	1,035,358	41,723	345,162	1,422,243
Additions	-	-	6,511	6,511
Disposals	-	(24,219)	(2,135)	(26,354)
Depreciation expense	<u>(28,227)</u>	<u>(10,061)</u>	<u>(54,548)</u>	<u>(92,836)</u>
Balance at 31 December 2022	1,007,131	7,443	294,990	1,309,564
Additions	-	-	23,630	23,630
Disposals	-	-	(17,445)	(17,445)
Depreciation expense	<u>(28,227)</u>	<u>(1,861)</u>	<u>(43,049)</u>	<u>(73,137)</u>
Balance at 31 December 2023	<u>978,904</u>	<u>5,582</u>	<u>258,126</u>	<u>1,242,612</u>

**19. Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables - other reporting units	-	-
Other trade creditors and accruals	111,264	59,468
Superannuation	17,430	20,504
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs by litigation	-	-
Other liabilities	<u>81,133</u>	<u>102,718</u>
<b>Total trade and other payables</b>	<b><u>209,827</u></b>	<b><u>182,690</u></b>

Refer to note 25 for further information on financial instruments.

Settlement of trade creditors is usually made within 30 days.

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**19. Trade and other payables (continued)**

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

**20. Lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability	397,840	318,183
<i>Non-current liabilities</i>		
Lease liability	1,539,319	1,937,159
	<b>1,937,159</b>	<b>2,255,342</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:		
1 year	485,662	423,724
1-5 years	1,679,815	2,165,477
Less: interest charges	(228,318)	(333,859)
<b>Lease liabilities included in the Statement of Financial Position</b>	<b>1,937,159</b>	<b>2,255,342</b>

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%.

**21. Provisions**

**Employees other than office holders:**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	279,837	341,964
Long service leave	463,683	550,448
Separations and redundancies	-	-
Other	70,676	35,309
	814,196	927,721
<i>Non-current liabilities</i>		
Long service leave	44,621	66,126
<b>Total provisions - employees other than office holders</b>	<b>858,817</b>	<b>993,847</b>

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**21. Provisions (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Office Holders</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<hr/>	<hr/>
<b>Total provisions - office holders</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>

**22. Grants received in advance**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Allied Health	4,402	19,843
Choice and Affordability Fund	2,341,786	2,317,772
Parent Initiatives in Education	26,922	26,266
Australian Early Development Census	10,000	-
	<hr/>	<hr/>
<b>Total grants received in advance</b>	<b>2,383,110</b>	<b>2,363,881</b>
	<hr/> <hr/>	<hr/> <hr/>

**23. Reserves**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through other comprehensive income reserve	<hr/> <b>412,146</b> <hr/>	<hr/> <b>(1,606,088)</b> <hr/>

**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.

**24. Retained earnings**

Retained earnings includes \$11,150,000 (indexed each year) to act as a building fund to enable a possible future purchase of equivalent existing office/multi-function space from which to conduct the Association's activities.

**25. 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**

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**25. Financial instruments (continued)**

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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Investments – financial assets at amortised cost:		
- Cash and cash equivalents	2,318,179	2,073,431
- Trade receivables	42	1,914
- Other receivables	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	21,498,128	19,427,300
<b>Categories of financial assets</b>	<b><u>23,848,212</u></b>	<b><u>21,534,508</u></b>

The net income from financial assets at fair value from profit and loss is \$641,795 (2022: \$324,722)

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial liabilities</b>		
- Trade and other payables	<b><u>209,827</u></b>	<b><u>182,690</u></b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash and cash equivalents</b>		
Interest revenue - short term deposits	41,145	10,605
Interest revenue - other	64,047	20,595
<b>Net gain from cash and cash equivalents</b>	<b><u>105,192</u></b>	<b><u>31,200</u></b>

<b>Investments in equity instruments designated as at fair value through other comprehensive income</b>		
Investment revenue	573,301	387,849
Fees and expenses	68,494	(63,127)
<b>Net gain from investments in equity instrument designated as fair value through other comprehensive income</b>	<b><u>641,795</u></b>	<b><u>324,722</u></b>

**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 2023 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:

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>1% increase</b>	<b>1 % decrease</b>	<b>1% increase</b>	<b>1 % decrease</b>
Profit or loss	36,068	(36,068)	35,676	(35,676)
Equity	36,068	(36,068)	35,676	(35,676)

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**25. Financial instruments (continued)**

**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 Association's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2023 \$	2022 \$
<b>Financial assets</b>		
Investments – financial assets at amortised cost:		
- Cash and cash equivalents	2,318,179	2,073,431
- Trade receivables	42	1,914
- Other receivables	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	<u>21,498,128</u>	<u>19,427,300</u>
<b>Total</b>	<b><u>23,848,212</u></b>	<b><u>21,534,508</u></b>
	<b>2023 \$</b>	<b>2022 \$</b>
<b>Financial liabilities</b>		
- Trade and other payables	<u>209,827</u>	<u>182,690</u>

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

	Not Past Due Nor Impaired 2023 \$	Past due or impaired 2023 \$	Not Past Due Nor Impaired 2022 \$	Past due or impaired 2022 \$
Trade receivables	<u>42</u>	-	<u>1,914</u>	-

Days	Not past due 0-30 \$	Past Due But Not Impaired 31-60 \$	Past Due But Not Impaired 61-90 \$	Past Due But Not Impaired 90+ \$	Total \$
	Ageing of financial assets for 2023 Trade receivables	<u>42</u>	-	-	

Days	Not past due 0-30 \$	Past Due But Not Impaired 31-60 \$	Past Due But Not Impaired 61-90 \$	Past Due But Not Impaired 90+ \$	Total \$
	Ageing of financial assets for 2022 Trade receivables	<u>1,826</u>	<u>88</u>	-	

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**25. Financial instruments (continued)**

**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 2023	On demand 2022	1 to 3 months 2023	1 to 3 months 2022	3 months to 1 year 2023	3 months to 1 year 2022	1 to 5 years 2023	1 to 5 years 2022
Trade and other payables	-	-	<b>209,827</b>	182,690	-	-	-	-

**26. 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

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 2023 \$	Fair Value 2023 \$	Carrying amount 2022 \$	Fair Value 2022 \$
<b>Financial assets</b>				
Investments – financial assets at amortised cost:				
- Cash and cash equivalents	2,318,179	2,318,179	2,073,431	2,073,431
- Trade receivables	42	42	1,914	1,914
- Other receivables	31,863	31,863	31,863	31,863
Investments in equity instruments designated as at fair value through other comprehensive income	21,498,128	21,498,128	19,427,300	19,427,300
	<b>23,848,212</b>	<b>23,848,212</b>	<b>21,534,508</b>	<b>21,534,508</b>
	Carrying amount 2023 \$	Fair Value 2023 \$	Carrying amount 2022 \$	Fair Value 2022 \$
<b>Financial Liabilities</b>				
Trade and other payables	<b>209,827</b>	<b>209,827</b>	182,690	182,690

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**27. Key management personnel disclosures**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits (including annual leave accrued)	434,298	323,460
Post-employment benefits	38,191	27,499
Long-term benefits	8,736	12,728
	<u><b>481,225</b></u>	<u><b>363,687</b></u>

**28. 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:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - William Buck</i>		
Audit of the financial statements	<u><b>13,845</b></u>	<u><b>11,865</b></u>

Apart from the above, there were no other services provided by William Buck as the auditor, to the Association.

**29. Contingencies**

In the opinion of the management, the Association did not have any contingencies at 31 December 2023 (31 December 2022: None).

**30. 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 2023, the Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: \$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 27.

**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**30. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	2023 \$	2022 \$
Sale of goods and services:		
Management fees received from related party	55,660	53,780
Other income:		
Salary reimbursement from related party	126,320	123,419
Payment for other expenses:		
Salaries paid on behalf of related party	126,320	123,419

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**31. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2023 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.

**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).



**Association of Independent Schools of South Australia Inc.**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**33. Reconciliation of surplus to net cash provided by operating activities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	1,468,746	1,123,364
Adjustments for:		
Depreciation and amortisation	370,389	390,088
Loss / (Gain) on disposal of assets	17,445	4,841
Investment income reinvested	(504,806)	(324,722)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,872	48,386
(Increase)/decrease in prepayments and accrued interest	(20,137)	52,423
Increase in grants received in advance	19,229	508,331
Increase/(decrease) in trade and other payables	27,137	(82,452)
Increase/(decrease) in other provisions	(135,030)	19,879
Net cash provided by operating activities	<b><u>1,244,845</u></b>	<b><u>1,740,138</u></b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash outflows from reporting units:</b>		
Cash outflows other	(12,627,718)	(8,976,483)
Total cash outflows	<b><u>(12,627,718)</u></b>	<b><u>(8,976,483)</u></b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash inflows from reporting units:</b>		
Cash inflows other	13,872,564	10,716,621
Total cash inflows	<b><u>13,872,564</u></b>	<b><u>10,716,621</u></b>

**Association of Independent Schools of South Australia Inc.**  
**Officer declaration statement**  
**For the year ended 31 December 2023**

I, Shannon Warren, being the Chair of the Association of Independent Schools of South Australia Inc., declare that the following activities did not occur during the reporting period ending 31 December 2023.

The reporting unit did not:

- have another entity administer the financial affairs of the reporting unit;
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
- receive revenue from undertaking recovery of wages activity;
- have a fund or account operating in respect of compulsory levies raised or voluntary contributions collected or that is required by the rules of a branch of the organisation.
- make a payment to a former related party of the reporting unit.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Shannon Warren

Title of prescribed designated officer:

AISSA Board Chair

Dated:

22 July 2024

## Independent auditor's report to the members of Association of Independent Schools of South Australia Inc.

### Report on the audit of the financial report



#### Our opinion on the financial report

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:

- Giving a true and fair view of the Association's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022 and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

#### What was audited?

We have audited the financial report of the Association, which comprises:

- the statement of financial position as at 31 December 2023,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the Board Statement,
- report required under section 255(2A) of Fair Work (Registered Organisations) Act 2009, and
- officer declaration statement

#### 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 annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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 and fair presentation of the financial report 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, and for such internal control as the Board determines is necessary to enable the preparation of the 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our 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

**William Buck (SA)**  
ABN 38 280 203 274



**Matthew King**  
Partner

Dated this 22<sup>nd</sup> day of July 2024.  
Registration number: AA2022/23