



24 June 2021

Carolyn Grantskalns
Chief Executive
The Association of Independent Schools of South Australia

cc. Grant Martinella, Auditor;

Dear Carolyn

Re: – Financial reporting – The Association of Independent Schools of South Australia - for year ending 31 December 2020 (FR2020/345)

I refer to the financial report of The Association of Independent Schools of South Australia in respect of the year ending 31 December 2020. The documents were lodged with the Registered Organisations Commission ('ROC') on 17 June 2021.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2021 may be subject to an advanced compliance review.

You are not required to take any further action in relation to the 2020 report. However I make the following comments to assist when preparing the next report.

Committee of Management Statement - Recovery of wages disclosure

I note that the committee of management contains a declaration at item (f) in regard to revenue from recovery of wages activity. Reporting Guideline 13(e) of the current Reporting Guidelines (RGs) issued on 4 May 2018 requires disclosure of this activity category in the statement of comprehensive income, or notes, or where not elsewhere disclosed as a nil activity, in the officer's declaration statement in accordance with RG 21. Consequently, the current Reporting Guidelines (RGs) no longer require a declaration regarding revenue from recovery of wages activity to be included in the committee of management statement.¹

Please remove the item (f) declaration in relation to revenue from recovery of wages activity from future committee of management statements.

Reporting Requirements

The ROC website provides a number of fact sheets 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

¹ See RG 26 of the current Reporting Guidelines (attached) and the sample committee of management statement at page 11 of the 2020-2021 model financial statements

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](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Association of Independent Schools of South Australia

Financial Statements

For the Year Ended 31 December 2020

Association of Independent Schools of South Australia

Contents

For the Year Ended 31 December 2020

	Page
Financial Statements	
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER	1
REPORT REQUIRED UNDER SUBSECTION 255(2A)	2
OPERATING REPORT	3
BOARD STATEMENT	6
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASHFLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12
OFFICER DECLARATION STATEMENT	41
INDEPENDENT AUDIT REPORT	42

Association of Independent Schools of South Australia

S.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2020

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 2020 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 24 May 2021; and
- that the full report was presented to a general meeting of members of the reporting unit on 16 June 2021 in accordance with s.266 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: 16 June 2021

Association of Independent Schools of South Australia

REPORT REQUIRED UNDER SECTION 255(2A)

For the year ended 31 December 2020

The Board presents the expenditure report as required under subsection 255(2A) for the financial year ended 31 December 2020.

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	3,864,449	3,461,841
Advertising	12,487	1,450
Operating costs	2,607,132	1,952,827
Donations to political parties	–	–
Legal costs	11,743	13,650

Signature of prescribed designated officer: 

Name of prescribed designated officer: Luke Ritchie

Title of prescribed designated officer: AISSA Board Chair

Dated: 25 March 2021

Association of Independent Schools of South Australia

OPERATING REPORT

For the Year Ended 31 December 2020

The Board presents the operating report on the reporting unit for the financial year ended 31 December 2020.

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 profit from activities of the Company for the financial year amounted to \$ 951,464 (2019: \$ 2,365,894).

Significant changes in financial affairs

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

Association of Independent Schools of South Australia

OPERATING REPORT

For the Year Ended 31 December 2020

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.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

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 104 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 28 with the full time equivalent being 26.58.

Association of Independent Schools of South Australia

OPERATING REPORT

For the Year Ended 31 December 2020

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:

Kristian Downing (Term as Chair expired on 2 March 2021 and appointed as Deputy Chair on 2 March 2021)

Luke Ritchie (Appointed as Chair on 2 March 2021)

Rebecca Clarke (Term as Deputy Chair expired on 2 March 2021)

Brenton Howell

Kym Wallent

Heidi Payne

Donald Grimmett

Paul Rogers (Resigned on 30 August 2020)


Dominic Hopps

John Proeve

Michael Potter (Appointed on 16 December 2020)

Jason Haseldine (Appointed 16 December 2020)

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

Signature of prescribed designated officer: 

Name of prescribed designated officer: Luke Ritchie

Title of prescribed designated officer: AISSA Board Chair

Dated: 25 March 2021

Association of Independent Schools of South Australia

BOARD STATEMENT


For the year ended 31 December 2020

On the 25th day of March 2021, 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 2020:

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.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Luke Ritchie

Title of prescribed designated officer: AISSA Board Chair

Dated: 25 March 2021

**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 2020 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 25th day of March 2021.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue			
Membership subscription		2,822,473	2,698,780
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Interest	4	39,037	148,605
Sponsorship revenue		35,000	30,000
Other revenue		1,049,922	308,304
Program funding		3,741,612	3,864,389
Salary reimbursement from related entity		179,996	174,946
Total revenue		7,868,040	7,225,024
Other Income			
Grants and/or donations		-	-
Net gains from sale of assets		1,238	-
Total other income		1,238	-
Total income		7,869,278	7,225,024
Expenses			
Employee expenses	5(a)	3,864,449	3,461,841
Capitation fees and other expense to another reporting unit		-	-
Affiliation fees		-	-
Administration expenses	5(b)	300,082	192,403
Grants or donations	5(c)	-	667
Subscription expenses		250,857	244,681
Depreciation and amortisation	5(d)	392,241	404,962
Occupancy expenses		47,494	51,628
Legal and professional fees	5(e)	44,083	17,850
Audit fees	21	11,100	10,550
Advertising and public relations		12,487	1,450
Strategic/special projects		887,292	204,628
Travel and vehicle expenses		21,174	58,210
Interest expense on lease liability		129,747	121,937
Direct program expenses		1,089,139	1,226,223
Other expenses	5(f)	-	-
Total expenses		7,050,145	5,997,030
Profit for the year		819,133	1,227,994
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value gains on financial assets at fair value through other comprehensive income		132,331	1,137,900
Total other comprehensive income for the year		132,331	1,137,900
Total comprehensive income for the year		951,464	2,365,894

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,966,237	1,679,236
Trade and other receivables	7	83,200	36,825
Other current assets	8	128,248	153,859
TOTAL CURRENT ASSETS		4,177,685	1,869,920
NON-CURRENT ASSETS			
Plant and equipment	9	1,462,902	1,406,100
Right-of-use assets	10	2,155,050	2,452,302
Other investments	11	17,324,481	15,626,672
TOTAL NON-CURRENT ASSETS		20,942,433	19,485,074
TOTAL ASSETS		25,120,118	21,354,994
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	12(a)	225,417	91,415
Other payables	12(b)	110,526	78,996
Short term provisions	14	744,940	457,775
Grants received in advance	15	2,529,085	26,329
Other income in advance		-	7,819
Lease liability	13	129,489	110,585
TOTAL CURRENT LIABILITIES		3,739,457	772,919
NON-CURRENT LIABILITIES			
Lease liability	13	2,405,099	2,534,589
Long term provisions	14	191,871	215,259
TOTAL NON-CURRENT LIABILITIES		2,596,970	2,749,848
TOTAL LIABILITIES		6,336,427	3,522,767
NET ASSETS		18,783,691	17,832,227
EQUITY			
Financial assets reserves	16	1,055,380	923,049
Retained earnings		17,728,311	16,909,178
TOTAL EQUITY		18,783,691	17,832,227

The accompanying notes form part of these financial statements.

Association of Independent Schools of South Australia

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2020

2020

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	16,909,178	923,049	17,832,227
Profit for the year	819,133	-	819,133
Other comprehensive income for the year	-	132,331	132,331
Balance at 31 December 2020	17,728,311	1,055,380	18,783,691

2019

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 January 2019	14,082,713	(214,851)	13,867,862
Profit for the year	1,227,994	-	1,227,994
Other comprehensive income for the year	-	1,137,900	1,137,900
Cumulative adjustment upon adoption of new accounting standard – AASB 1058	1,598,471	-	1,598,471
Balance at 31 December 2019	16,909,178	923,049	17,832,227

The accompanying notes form part of these financial statements.

Association of Independent Schools of South Australia

STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received			
Receipts from other reporting units/controlled entity(s)	17(b)	-	-
Interest received		35,871	151,765
Administration		3,559,625	3,339,087
Managed grants/programs		6,397,468	2,985,386
Cash used			
Payment to other reporting units/controlled entity(s)	17(b)	-	-
Interest paid		(129,747)	(123,387)
Administration		(1,847,136)	(2,181,229)
Managed grants/programs		(4,670,011)	(4,263,230)
Net cash from provided/(used in) by operating activities	17(a)	<u>3,346,070</u>	<u>(91,608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received			
Proceeds on sale of managed investments		2,376,784	-
Proceeds from property, plant and equipment		20,397	-
Cash used			
Purchase of plant and equipment		(170,951)	(15,447)
Payments for managed investments		(3,174,713)	(1,023,633)
Net cash (used in) investing activities		<u>(948,483)</u>	<u>(1,039,080)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash used			
Payment of principal on leased assets		(110,586)	(104,252)
Net cash (used in) financing activities		<u>(110,586)</u>	<u>(104,252)</u>
Net increase/(decrease) in cash held		2,287,001	(1,234,940)
Cash and cash equivalents at beginning of year		1,679,236	2,114,176
Deposits classified as / (reclassified) from short term deposits		-	800,000
Cash and cash equivalents at end of financial year	6	<u>3,966,237</u>	<u>1,679,236</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

1 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.

2 Summary of Significant Accounting Policies

(a) Comparative amounts

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

(b) Revenue and other income

Revenue from contracts with customers

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

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.

(c) 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.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(e) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) 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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

Fair value through other comprehensive income

Equity instruments

The Association has made an irrevocable election to classify these 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.

Fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

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.

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 and 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial liabilities

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.

(h) 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.

Depreciation

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 (2020 and 2019):

Fixed asset class

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Derecognition

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 and loss.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

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 of Independent Schools of South Australia were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(j) 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.

(k) 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(m) Leases

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.

(n) 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.

3 Critical Accounting Estimates and Judgements

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgements

Key estimates - impairment

The entity assesses impairment at each reporting date by evaluation of conditions and events specific to the entity that may be indicative of impairment triggers. The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally and within the entity.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

4 Income

	2020	2019
	\$	\$
Interest on deposits	39,037	148,605

5 Expenses

(a) Employee expenses

Holders of office:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-

Employee expenses holders of office

-	-
---	---

Employees other than office holders:

Wages and salaries	3,005,748	2,732,056
Superannuation	305,343	285,055
Leave and other entitlements	500,512	361,344
Separation and redundancies	-	20,097
Other employee expenses	52,846	63,289

Employee expenses employees other than office holders

3,864,449	3,461,841
-----------	-----------

(b) Administration expenses

Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	16,039	40,177
Office expenses	60,571	78,888
Information communications technology	120,605	101,740
Other	102,867	43,417
Lease incentive expenses reversed	-	(71,819)
Total administration expenses	300,082	192,403

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

5 Expenses

(c) Grants or donations

	2020	2019
	\$	\$
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	667
Total paid that exceeded \$1,000	-	-
	<hr/>	<hr/>
Total grants or donations	-	667
	<hr/> <hr/>	<hr/> <hr/>

(d) Depreciation and amortisation

Depreciation		
Buildings & improvements	26,381	26,253
Plant and equipment	68,608	81,460
Right-of-use-asset	297,252	297,249
	<hr/>	<hr/>
Total depreciation	392,241	404,962
	<hr/> <hr/>	<hr/> <hr/>

(e) Legal costs

Legal costs by litigation	-	-
Other legal matters	11,743	13,650
Other professional fees	32,340	4,200
	<hr/>	<hr/>
Total legal costs	44,083	17,850
	<hr/> <hr/>	<hr/> <hr/>

(f) Other expenses

Penalties - via RO Act or RO Regulations	-	-
	<hr/>	<hr/>
Total other expenses	-	-
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	3,860,827	773,703
Cash on hand	261	384
Short term deposits	105,149	905,149
Total cash and cash equivalents	3,966,237	1,679,236

An amount of \$105,129 (2019: \$105,129) from the short term deposits has been pledged as security for acquiring the lease of property situated at 128 Greenhill Road.

7 Trade and Other Receivables

Trade receivables

Receivable from other reporting units (net)	-	-
Other trade receivables	51,313	3,931
Total trade receivables	51,313	3,931

Other receivables

Deposits	31,863	31,863
GST receivable	24	1,031
Total other receivables	31,887	32,894
Total trade and other receivables	83,200	36,825

8 Other Assets

CURRENT

Prepayments	55,480	77,665
Accrued income	72,768	76,194
	128,248	153,859

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

9 Plant & equipment

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	-	9,533
Furniture and equipment		
At cost	515,807	468,096
Accumulated depreciation	(178,750)	(123,744)
Total furniture and equipment	<u>337,057</u>	344,352
Motor vehicles		
At cost	93,357	75,319
Accumulated depreciation	(31,098)	(35,404)
Total motor vehicles	<u>62,259</u>	39,915
Leasehold Improvements		
At cost	1,129,091	1,051,425
Accumulated amortisation	(65,505)	(39,125)
Total leasehold improvements	<u>1,063,586</u>	1,012,300
Total plant and equipment	<u><u>1,462,902</u></u>	<u>1,406,100</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

9 Plant & equipment

(a) Movements in carrying amounts of non-current assets

Movement in the carrying amounts for each class of non-current assets between the beginning and the end of the current financial year:

2020

	Furniture and equipment	Motor vehicles	Leasehold Improvement s	Capital works in progress	Total
	\$	\$	\$	\$	\$
Opening balance	344,352	39,915	1,012,300	9,533	1,406,100
Additions	38,178	47,710	77,667	-	163,555
Disposals	-	(11,764)	-	-	(11,764)
Transfers	9,533	-	-	(9,533)	-
Depreciation expense	(55,006)	(13,602)	(26,381)	-	(94,989)
Net book value 31 December	337,057	62,259	1,063,586	-	1,462,902

2019

Year ended 31 December 2019					
Opening balance	412,094	53,220	1,033,052	-	1,498,366
Additions	413	-	5,501	9,533	-
Depreciation expense	(68,155)	(13,305)	(26,253)	-	(107,713)
Net book value 31 December	344,352	39,915	1,012,300	9,533	1,390,653

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

10 Leases

The Association's lease portfolio includes buildings. These leases have an average of 10 years as their lease term.

Options to Extend or Terminate

The options to extend or terminate are contained in the property lease of the Association. This clause provides the Association opportunities to manage leases in order to align with its strategies.

All of the extension or termination options are only exercisable by the Association. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

(a) Right-of-use-assets

	2020	2019
	\$	\$
Right-of-use-Assets		
Leased Building	2,749,551	2,749,551
Accumulated depreciation	(594,501)	(297,249)
Total Right-of-use Asset	<u>2,155,050</u>	<u>2,452,302</u>

(b) Lease liabilities

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

	<1 year		1 - 5 years		> 5 years
	2020	2019	2020	2019	2020
	\$	\$	\$	\$	\$
Lease liabilities	253,278	240,333	2,191,469	1,929,508	664,344
	Total undiscounted lease liabilities			Lease liabilities included in this Statement Of Financial Position	
	> 5 years	2020	2019	2020	2019
	2019	\$	\$	\$	\$
Lease liabilities	1,179,583	3,109,091	3,349,423	2,534,588	2,645,174

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

11 Investments

	2020	2019
	\$	\$
Long term deposits	-	445,219
Investments in equity instruments designated as at fair value through other comprehensive income	17,324,481	15,181,453
Total investments	17,324,481	15,626,672

12 Trade and Other Payables

(a) Trade payables

Trade creditors - other reporting units	-	-
Other trade creditors and accruals	225,417	91,415
Total trade payables	225,417	91,415

Settlement is usually made within 30 days.

(b) Other payables

Superannuation	17,333	30,410
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs by litigation	-	-
Other liabilities	93,193	48,586
Total other payables	110,526	78,996

Total other payables are expected to be settled in:

Not more than 12 months	110,526	78,996
More than 12 months	-	-
Total other payables	110,526	78,996

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

13 Lease Liability

	2020	2019
	\$	\$
CURRENT		
Lease liability	129,489	110,585
Total current lease liability	<u>129,489</u>	<u>110,585</u>
NON-CURRENT		
Lease liability	2,405,099	2,534,589
Total non-current lease liability	<u>2,405,099</u>	<u>2,534,589</u>
Total lease liability	<u>2,534,588</u>	<u>2,645,174</u>

(a) Lease liabilities

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%.

14 Provisions

(a) Employee Provisions

Office Holders

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Total employee provisions - office holders	<u>-</u>	<u>-</u>

Employees other than office holders:

Annual leave	306,375	240,381
Long service leave	593,048	396,062
Separations and redundancies	-	-
Other	37,388	36,591
Total employee provisions - employees other than office holders	<u>936,811</u>	<u>673,034</u>

(b) Provisions

Current	744,940	457,775
Non-current	191,871	215,259
Total provisions	<u>936,811</u>	<u>673,034</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

15 Grants received in advance

	2020	2019
	\$	\$
Allied Health	17,706	(6,720)
Regional Bus Transport	1,000,000	-
Choice & Affordability Fund	1,502,146	-
Indigenous Student Mentor Program	(15,767)	8,049
Parents Initiative in Education	25,000	25,000
Total Grants received in advance	2,529,085	26,329

16 Reserves

(a) Financial asset reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

17 Cash Flow Information

(a) Reconciliation of profit to net cash from operating activities:

	2020	2019
	\$	\$
Profit for the year	957,993	2,365,894
Non-cash flows in profit:		
- depreciation/amortisation	392,241	404,962
- unrealised increase in investments	(132,331)	(1,137,900)
- gain on disposal of assets	(1,238)	-
- investment income reinvested	(767,549)	(165,344)
- lease incentive reversed	-	(71,819)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(46,375)	12,012
- (increase)/decrease in prepayments and accrued interest	19,082	6,358
- increase/(decrease) in trade and other payables	165,532	(522,711)
- increase/(decrease) in grants received in advance	2,502,757	(1,032,402)
- increase/(decrease) in provisions	263,777	41,523
- increase/(decrease) in income in advance	(7,819)	7,819
Cashflows from operations	<u>3,346,070</u>	<u>(91,608)</u>

(b) Cash flow information

Cash inflows from reporting units	-	-
Cash inflows other	12,390,145	6,476,237
Total cash inflows	<u>12,390,145</u>	<u>6,476,237</u>
Cash outflows from reporting units	-	-
Cash outflows other	(10,103,144)	(7,711,179)
Total cash outflows	<u>(10,103,144)</u>	<u>(7,711,179)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

18 Contingencies

In the opinion of the management, the Association did not have any contingencies at 31 December 2020 (31 December 2019:None).

19 Related Parties

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.

Key management personnel - refer to Note 20.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

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 2020, 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 (2019: \$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.

20 Key Management Personnel Remuneration

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

	2020	2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	287,508	286,082
Annual leave accrued	22,095	21,653
Total short-term employee benefits	309,603	307,735
Post-employment benefits:		
Superannuation	24,921	24,930
Total post-employment benefits	24,921	24,930
Other long-term benefits:		
Long service leave	7,863	7,706
Total other long-term benefits	7,863	7,706
Total	342,387	340,371

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

21 Remuneration of Auditors

	2020	2019
	\$	\$
Value of the services provided		
- Financial statement audit services	11,100	10,550
Total remuneration of auditors	11,100	10,550

22 Financial Instruments

(a) 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:

Financial Assets

Financial assets at amortised cost

- cash and cash equivalents	3,966,237	1,679,236
- trade and other receivables	83,200	36,825
- long term deposits	-	445,219

Investments in equity instruments designated as at fair value through other comprehensive income

17,324,481	15,181,453
------------	------------

Carrying amount of financial assets

21,373,918	17,342,733
-------------------	-------------------

Financial Liabilities

Trade and other payables

335,943	170,411
---------	---------

Lease liabilities

2,534,588	2,645,174
-----------	-----------

Carrying amount of financial liabilities

2,870,531	2,815,585
------------------	------------------

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

22 Financial Instruments

(b) Net Income and Expense from Financial Assets

The net income/expense from financial assets at fair value from profit and loss is \$779,921 (2019: \$225,254).

	2020	2019
	\$	\$
Cash and cash equivalents		
Interest revenue - short term deposits	1,292	22,999
Interest revenue - other	558	19,562
Net gain/(loss) cash and cash equivalents	<u>1,850</u>	<u>42,561</u>
Interest revenue - long term deposits		
Other investments at amortised costs	14,809	40,447
Net gain/(loss) from long term deposits	<u>14,809</u>	<u>40,447</u>
Loans and receivables		
Interest revenue	-	-
Net gain/(loss) from loans and receivables	<u>-</u>	<u>-</u>
Investments in equity instruments designated as at fair value through other comprehensive income		
Interest revenue – cash management fund	22,373	65,597
Investment revenue	803,880	200,341
Fees and expenses	(46,332)	(40,684)
Net gain/(loss) from Investments in equity instruments designated as at fair value through other comprehensive income	<u>779,921</u>	<u>225,254</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

22 Financial Instruments

(c) 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.

	2020	2019
	\$	\$
Financial assets		
Investments – financial assets at amortised cost:		
- Cash and cash equivalents	3,966,237	1,679,236
- Long term deposits	-	445,219
- Trade receivables	51,313	3,931
- Other receivables	31,863	31,863
- Investments in equity instruments designated as at fair value through other comprehensive income	17,324,481	15,181,453
Total	21,373,894	17,341,702
Financial liabilities		
- Trade and other payables	335,943	170,411
Total	335,943	170,411

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2020	2020	2019	2019
	\$	\$	\$	\$
Trade receivables	51,313	-	1,080	2,851

Ageing of financial assets for 2020.

	Not past due	Past Due But Not Impaired	Past Due But Not Impaired	Past Due But Not Impaired	Total
Days	0-30	31-60	61-90	90+	
	\$	\$	\$	\$	\$
Trade receivables	51,313	-	-	-	51,313

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

22 Financial Instruments

Ageing of financial assets for 2019

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+	
	\$	\$	\$	\$	\$
Trade receivables	1,060	20	-	2,851	3,931

None of the listed assets have been individually assessed as impaired.

(d) 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 2020:

	On demand		1 to 3 months		3 months to 1 year	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Trade and other payables	335,943	170,411	-	-	-	-
					1 to 5 years	
					2020	2019
					\$	\$
Trade and other payables					-	-

(e) 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 2020 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:

	2020		2019	
	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$
Profit or loss	72,803	(72,803)	48,540	(48,540)
Equity	72,803	(72,803)	48,540	(48,540)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

23 Retrospective restatement

The Association has reassessed the lease terms under AASB 16 and have made a retrospective adjustment to align with the current assessment undertaken.

The aggregate effect on the annual financial statements for the year ended 31 December 2020 is as follows:

	Previously stated	31 December 2019 Adjustments	Restated
	\$	\$	\$
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Depreciation on right-of-use-assets	205,873	91,376	297,249
Interest on leased assets	83,951	37,986	121,937
Total	<u>289,824</u>	<u>129,362</u>	<u>419,186</u>
STATEMENT OF FINANCIAL POSITION			
Right-of-use-assets	1,698,457	753,845	2,452,302
Leased liabilities	(1,761,967)	(883,207)	(2,645,174)
Retained earnings	(17,038,540)	129,362	(16,909,178)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

24 Fair Value Measurement

(a) Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

The following table contains the carrying amounts and related fair values for the Association of Independent Schools of South Australia's financial assets and liabilities:

	Carrying amount 2020 \$	Fair Value 2020 \$	Carrying amount 2019 \$	Fair Value 2019 \$
Financial Assets				
Investments – financial assets at amortised cost:				
- Cash and cash equivalents	3,966,237	3,966,237	1,679,236	1,679,236
- Long term deposits	-	-	445,219	445,219
- Trade receivables	51,313	51,313	3,931	3,931
Investments in equity instruments designated as at fair value through other comprehensive income	17,324,481	17,324,481	15,181,453	15,181,453
Total	21,342,031	21,342,031	17,309,839	17,309,839
Financial Liabilities				
Trade and other payables	335,943	335,943	170,411	170,411
Lease liabilities	2,534,588	2,534,588	2,645,174	2,645,174
Total	2,870,531	2,870,531	2,815,585	2,815,585

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

24 Fair Value Measurement

(b) Fair Value Hierarchy

The table below shows the assigned level for each asset and liability held at fair value by the association:

Fair Value Hierarchy

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2020				
Assets measured at fair value				
Investments in equity instruments designated as at fair value through other comprehensive income (valuation date 31/12/2020)	17,324,481	-	-	17,324,481
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2019				
Assets measured at fair value				
Investments in equity instruments designated as at fair value through other comprehensive income (valuation date 31/12/2019)	15,181,453	-	-	15,181,453

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 March 2021 by the Board.

The post year end escalation of the Covid-19 pandemic has caused significant volatility in the financial markets. The investment portfolio held by the Association is for long-term purposes and any mark to market fluctuations since year end have not been adjusted for on the basis of that long-term strategy remaining.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

26 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).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

27 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).

28 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


OFFICER DECLARATION STATEMENT

For the year ended 31 December 2020

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 2020.

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: 25 March 2021

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 2020, 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, committee of management statement and the subsection 255(2A) 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:

- a) Giving a true and fair view of the Association's financial position as at 31 December 2020 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 2020 but does not include the financial report and the 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.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

williambuck.com

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 Committee of Management for the Financial Report

The members of the Committee of Management 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 committee of management's responsibility also includes such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management 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 committee of management either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The committee of management 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 25th day of March 2021.