

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

Financial Report

For the year ended 31 December 2019

C O N T E N T S

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THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

STATEMENT BY THE BOARD OF MANAGEMENT

In the opinion of the Board of Management of The Western Australian Naturalists' Club (Inc) ("the Club"):

- (i) The Club is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1;
- (ii) The accompanying financial report for the year ended 31 December 2019 presents a true and fair view of the financial position of the Club at 31 December 2019 and the results of its operations and cash flows for the year then ended in accordance with the accounting policies described in Note 1;
- (iii) The financial report satisfies the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
- (iv) At the date of this statement there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board of Management by:



.....
President

Dated this 29th day of May 2020

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

INCOME STATEMENT

For the year ended 31 December 2019

	2019	2018
	\$	\$
REVENUE		
Membership subscriptions	18,089	21,214
Interest	41,270	43,982
Bequests	-	1,400,422
Donations, fundraising and other income	36,712	48,192
Total revenue	<u>96,071</u>	<u>1,513,810</u>
EXPENSES		
Depreciation expense	(11,797)	(5,299)
Other expenses	(113,988)	(87,145)
Total expenses	<u>(125,785)</u>	<u>(92,444)</u>
Net (loss)/gain for the year	<u>(29,714)</u>	<u>1,421,366</u>

The accompanying notes form part of this financial report

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

BALANCE SHEET

As at 31 December 2019

	NOTE	2019	2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,996,986	2,010,735
Other receivables	4	11,200	11,860
TOTAL CURRENT ASSETS		<u>2,008,186</u>	<u>2,022,595</u>
NON CURRENT ASSETS			
Property, plant and equipment	5	36,419	48,216
TOTAL NON CURRENT ASSETS		<u>36,419</u>	<u>48,216</u>
TOTAL ASSETS		<u>2,044,605</u>	<u>2,070,811</u>
CURRENT LIABILITIES			
Trade and other payables	6	12,614	9,106
TOTAL CURRENT LIABILITIES		<u>12,614</u>	<u>9,106</u>
TOTAL LIABILITIES		<u>12,614</u>	<u>9,106</u>
NET ASSETS		<u>2,031,991</u>	<u>2,061,705</u>
MEMBERS' FUNDS			
Restricted funds	7	13,771	13,771
Unrestricted funds	9	1,998,100	2,027,814
General funds	8	20,120	20,120
		<u>2,031,991</u>	<u>2,061,705</u>

The accompanying notes form part of this financial report

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

CASH FLOW STATEMENT
As at 31 December 2019

	2019	2018
	\$	\$
Receipts from customers	54,801	1,460,741
Payments to suppliers and employees	(109,987)	(91,337)
Interest received	41,437	43,982
Net cash (used in)/provided by operating activities	<u>(13,749)</u>	<u>1,413,386</u>
Net cash movement	<u>(13,749)</u>	<u>1,413,386</u>
Opening Cash	2,010,735	597,349
Closing Cash	1,996,986	2,010,735

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

In the Board's opinion, the Club is not a reporting entity because there are no users dependent on general purpose financial statements

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations. The Board has determined that the accounting policies adopted are appropriate to meet the needs of the members.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial report has been prepared an accruals basis, in accordance with the significant accounting policies disclosed below, which are consistent with the policies adopted in the previous financial period.

Reporting basis and conventions

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

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

(a) Property, plant and equipment

The land is recognised at its acquisition value.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Club's Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the Club commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings and Jetty	25 years
Handbooks	5 years
Equipment and Air conditioning	5 years

(b) Reserves

On occasions the Club may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements disclose separately those funds which are restricted or designated and those funds which are unrestricted.

- Restricted funds are those funds presently available for use, but expendable only for purposes specified by the donor. Furthermore, if the Board of Management specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.
- Unrestricted funds are those funds presently available for use by the Club at the discretion of the Board of Management.

(c) Revenue

(i) Membership subscriptions

Membership subscription fees are recognised as revenue in the period to which they relate.

(ii) Donations and fundraising

Donations revenue is recognised when the Club receives the cash.

(iii) Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

(c) Revenue (continued)

(iv) Grant income

Grant income and other contributions received are recognised when the Club obtains control of the grant or contribution.

(v) Bequest Revenue

Is recognised when the Club receives the cash.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

2. INCOME TAX

The Club is a charitable institution and is exempt from income tax under the provisions of Section 50-B of the *Income Tax Assessment Act 1997*, as amended.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	2019	2018
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash at Bank	197,373	1,598,577
Term Deposits	1,798,860	410,460
Petty Cash	753	1,698
	<u>1,996,986</u>	<u>2,010,735</u>
4. OTHER RECEIVABLES		
GST receivable	-	492
Accrued Interest and Other Receivable	11,200	11,367
	<u>11,200</u>	<u>11,859</u>

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

5.	PROPERTY, PLANT AND EQUIPMENT	2019	2018
		\$	\$
	Strata titled land and building		
	Cost	44,000	44,000
	Accumulated depreciation	(10,560)	(8,800)
		<u>33,440</u>	<u>35,200</u>
	Library		
	Cost	8,540	8,540
	Accumulated depreciation	(8,540)	(1,702)
		<u>-</u>	<u>6,838</u>
	Air Conditioning		
	Cost	11,900	11,900
	Accumulated depreciation	(11,374)	(8,994)
		<u>526</u>	<u>2,906</u>
	Equipment		
	Cost	9,969	9,969
	Accumulated depreciation	(7,516)	(6,697)
		<u>2,453</u>	<u>3,272</u>
	Hand Books		
	Cost	9,375	9,375
	Accumulated depreciation	(9,375)	(9,375)
		<u>-</u>	<u>-</u>
	Buildings and Jetty		
	Cost	23,564	23,564
	Accumulated depreciation	(23,564)	(23,564)
		<u>-</u>	<u>-</u>
		<u>36,419</u>	<u>48,216</u>
6.	TRADE AND OTHER PAYABLES	2019	2018
		\$	\$
	Other Creditors	795	2,000
	GST Payable	1,256	-
	Float – Orchid Books	457	457
	Accrued Fees	8,500	5,000
	Subscriptions paid in advance	1,500	1,500
	Superannuation payable	106	148
		<u>12,614</u>	<u>9,105</u>

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	NOTE	2019	2018
		\$	\$
7. RESTRICTED FUNDS			
Yunderup Fund		(2,579)	(2,579)
Serventy Memorial		15,169	15,169
Fungal Studies Group		1,181	1,181
		<u>13,771</u>	<u>13,771</u>

Restricted funds are those accounted for in accordance with the accounting policy disclosed in Note 1 (b) and represent the funds received from donors' expendable only for purposes specified by the donor.

	2019	2018
	\$	\$
8. GENERAL FUNDS		
Darling Range Branch	4,427	4,427
Kwinana Rockingham Mandurah Branch	12,008	12,008
Northern Suburbs Branch	3,685	3,685
	<u>20,120</u>	<u>20,120</u>

General Funds are funds that are set aside for the branches.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	2019	2018
	\$	\$
9. RECONCILIATION OF UNRESTRICTED FUNDS		
Opening Members' Funds	2,027,814	606,448
Gain/(Loss) for the Year	<u>(29,714)</u>	<u>1,421,366</u>
Closing Members Funds	<u>1,998,100</u>	<u>2,027,814</u>

10. SUBSEQUENT EVENTS

COVID-19 was declared a Pandemic by the World Health Organisation on 11 March 2020. The situation has been and continues to evolve very quickly. Significant economic damage has been seen globally and locally in Australia and Western Australia. The final financial impact of this Pandemic is unknown but may be significant to the operations of the Club.

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Club has no contingent liabilities and commitments as at 31 December 2019 and 31 December 2018.

12. BOARD OF MANAGEMENT

Members of the Board of Management serve in a voluntary capacity and are not remunerated.

13. CLUB INFORMATION

The Club is an incorporated body under the provisions of the *Western Australian Associations Incorporation Act 2015*.

The principal place of business of the Club is:

Room 3, First Floor
82 Beaufort Street
Perth WA 6000



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

Postal Address:

PO Box 229, JOONDALUP DC WA 6919

P: 1300 284 330

E: reception@amwaudit.com.au

ABN 59 125 425 274

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AUDITOR'S INDEPENDENCE DECLARATION

To: the board members of Western Australian Naturalists' Club Inc.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2019 there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 3th day of June 2020

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE

Chartered Accountants

BILLY-JOE THOMAS

Principal



Anderson Munro & Wyllie

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTERN AUSTRALIAN NATURALISTS' CLUB INC.

Qualified Opinion

We have audited the accompanying financial report of Western Australian Naturalists' Club Inc. ("the Club") which comprises the balance sheet as at 31 December 2019, income statement cashflow statement for the year then ended and notes to the financial statements including a summary of significant accounting policies, other explanatory notes and the statement by the Board of Management.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying special purpose financial report of Western Australian Naturalists' Club Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the club's financial position as at 31 December 2019 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Cash receipts are a significant source of revenue for the Club. The Club has determined that it is impracticable to establish control over the collection of cash receipts prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash receipts had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash receipts of the club are complete.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free of material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility* section of our report. We are independent of the club in accordance with the *Australian Charities and Not-for-profits commission Act 2012* 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.



Emphasis of Matter- Basis of Accounting

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

Board's responsibility for the financial report

The board of management of the club is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.



- Conclude on the appropriateness of the board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board 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.

ANDERSON MUNRO & WYLLIE

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

BILLY-JOE THOMAS

Principal & Registered Company Auditor

Dated at Perth, Western Australia this 3th day of June 2020