

WorldSkills Australia

ABN 43 147 075 714

Financial Statements

For the Year Ended 30 June 2016

WorldSkills Australia

ABN 43 147 075 714

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For the Year Ended 30 June 2016

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WorldSkills Australia

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Directors' Report

30 June 2016

The directors present their report on WorldSkills Australia ("the Company") for the financial year ended 30 June 2016.

Directors

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

Jeanette Allen

Jack Hanrahan

Jarrad Langdon

Brian Wexham

Douglas Wright

Martin Baird

Kevin Harris

Wayne Collyer

Coralie Morrissey

Kathryn MacDonald(Resigned 27 January 2016)

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

Operating results

The surplus of the Company amounted to \$737,028(2015: deficit of \$809,809; 2014: surplus of \$1,697,736).

Principal activities

The principal activity of WorldSkills Australia during the financial year was the organisation and promotion of regional, national and international rounds of trade skills competitions.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- raise awareness of the opportunities that exist in vocational education and training using the competitive process as a vehicle to do so.

Long term objectives

The Company's long term objectives are to:

- contribute to sustainable economic prosperity through the development, recognition and promotion of excellence in skills.

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Directors' Report

30 June 2016

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- be recognised as a critical participant and advocate in the development and promotion of skills excellence in Australia;
- extend the participation and engagement in skill based competitions;
- develop and implement an engagement strategy for volunteers that ensures the attraction, retention and succession of the volunteer; and
- develop strategies to increase long-term support from industry, sponsors and key stakeholder groups.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- increasing the number of competitors, mentors, trainers and employees in WorldSkills Australia programs; and
- virtue of the competition process, producing role models that can be held up as examples of what can be achieved via a vocational education and training (VET) pathway.

Performance measures

The following measures are used within the Company to monitor performance:

- key performance indicators set against strategic deliverables.

Members guarantee

WorldSkills Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$100 for members that are corporations and \$100 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2016 the collective liability of members was \$900 (2015: \$1,000; 2014: \$900).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Benefits received directly or indirectly by officers

WorldSkills Australia has agreements with directors, Brian Wexham and Jarrad Langdon, for the supply of services. Details of the agreements are listed below:

- SkillsOne Pty Ltd (Brian Wexham) provided services supporting National Skills Week. WorldSkills Australia remunerated an amount of \$11,000 (2015: \$11,000; 2014: \$22,000) for services provided.

Directors' Report

30 June 2016

Benefits received directly or indirectly by officers (continued)

- Jala Design Pty Ltd (Jarrad Langdon) provided website and design services during the year. WorldSkills Australia remunerated an amount of \$6,303 (2015: \$5,796; 2014: \$4,710) for services provided.

Events after the reporting date

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

Meetings of directors

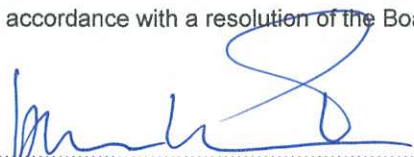
During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance and Audit Committee Meetings		Nominations Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Jeanette Allen	5	4	-	-	1	1
Jack Hanrahan	5	4	4	3	-	-
Jarrad Langdon	5	5	-	-	1	1
Brian Wexham	5	4	-	-	1	1
Douglas Wright	5	5	-	-	-	-
Martin Baird	5	5	4	4	-	-
Kevin Harris	5	4	4	4	1	1
Wayne Collyer	5	4	-	-	-	-
Coralie Morrissey	5	4	-	-	-	-
Kathryn MacDonald	3	2	-	-	-	-

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2016 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
 Director:
 Brian Wexham

Director: 
 Director:
 Kevin Harris

Dated this 20 day of October 2016

Auditor's Independence Declaration to the Members of WorldSkills Australia

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Tim Fairclough

Tim Fairclough
Partner

Melbourne

20 October 2016

HLB Mann Judd (VIC Partnership)

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$	2014 \$
Revenue	4	3,637,135	3,762,309	4,579,713
Employee benefits expense		(1,066,036)	(1,049,055)	(1,021,616)
Depreciation expense	5	(18,367)	(23,582)	(22,734)
Program expenses		(1,451,218)	(3,142,841)	(1,436,737)
Property and maintenance expenses		(93,030)	(91,561)	(89,753)
Administration and marketing expenses		(271,456)	(265,079)	(311,137)
Surplus/(deficit) before income tax		737,028	(809,809)	1,697,736
Income tax expense		-	-	-
Net surplus/(deficit) for the year		737,028	(809,809)	1,697,736
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss		-	-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-	-
Total comprehensive income for the year		737,028	(809,809)	1,697,736

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$	2014 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	2,587,227	1,440,937	2,304,189
Trade and other receivables	7	473,113	377,298	2,597,696
Other financial assets	8	300,000	-	-
Other assets	9	639,646	667,901	591,338
TOTAL CURRENT ASSETS		3,999,986	2,486,136	5,493,223
NON-CURRENT ASSETS				
Property, plant and equipment	10	42,426	48,826	29,633
TOTAL NON-CURRENT ASSETS		42,426	48,826	29,633
TOTAL ASSETS		4,042,412	2,534,962	5,522,856
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	11	554,238	298,234	662,916
Employee benefits	12	108,103	141,221	91,818
Other liabilities	13	827,786	266,218	2,085,298
TOTAL CURRENT LIABILITIES		1,490,127	705,673	2,840,032
NON-CURRENT LIABILITIES				
Employee benefits	12	5,401	19,433	63,159
TOTAL NON-CURRENT LIABILITIES		5,401	19,433	63,159
TOTAL LIABILITIES		1,495,528	725,106	2,903,191
NET ASSETS		2,546,884	1,809,856	2,619,665
EQUITY				
Reserves	14	1,138,427	751,260	817,641
Retained earnings	15	1,408,457	1,058,596	1,802,024
TOTAL EQUITY		2,546,884	1,809,856	2,619,665

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2016

2016

	Note	Retained Earnings \$	Regional Funds Reserve \$	Total \$
Balance at 1 July 2015	14, 15	1,058,596	751,260	1,809,856
Net surplus/(deficit) for the year	15	737,028	-	737,028
Transfer region (surplus)/deficit from retained earnings	14, 15	(387,167)	387,167	-
Balance at 30 June 2016	14, 15	<u>1,408,457</u>	<u>1,138,427</u>	<u>2,546,884</u>

2015

	Note	Retained Earnings \$	Regional Funds Reserve \$	Total \$
Balance at 1 July 2014	14, 15	1,802,024	817,641	2,619,665
Net surplus/(deficit) for the year	15	(809,809)	-	(809,809)
Transfer region (surplus)/deficit from retained earnings	14, 15	66,381	(66,381)	-
Balance at 30 June 2015	14, 15	<u>1,058,596</u>	<u>751,260</u>	<u>1,809,856</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers		4,066,756	5,577,594	3,954,363
Payments to suppliers and employees		(2,642,330)	(6,468,764)	(3,003,262)
Interest received		36,131	70,703	106,069
Net cash provided by/(used in) operating activities	16	<u>1,460,557</u>	<u>(820,467)</u>	<u>1,057,170</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment		(14,267)	(42,785)	(19,270)
Purchase of financial assets		(300,000)	-	-
Net cash used in investing activities		<u>(314,267)</u>	<u>(42,785)</u>	<u>(19,270)</u>
Net increase/(decrease) in cash and cash equivalents held		1,146,290	(863,252)	1,037,900
Cash and cash equivalents at beginning of year		1,440,937	2,304,189	1,266,289
Cash and cash equivalents at end of financial year	6(a)	<u>2,587,227</u>	<u>1,440,937</u>	<u>2,304,189</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial report covers WorldSkills Australia as an individual entity. WorldSkills Australia is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of WorldSkills Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 20 October 2016.

Comparatives are consistent with prior years, unless otherwise stated. Refer Note 24: Comparative financial information.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

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

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Sponsorship and donations

Sponsorship and donations are recognised as revenue when received.

When sponsorship revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor.

Interest revenue

Interest is recognised using the effective interest method.

In-kind contributions

In-kind contributions are received by the Company in relation to various expenditure categories, including employee benefits and program expenses.

These amounts have not been recognised in the financial statements, as the volume and complexity of such contributions make it impractical to reliably determine an appropriate value.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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).

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial Assets

Financial assets are divided into the following categories:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

The Company's financial assets include "loans and receivables" and "held-to-maturity investments". These categories are described in detail below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Equipment	10% - 33%

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(g) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Economic dependence

WorldSkills Australia is dependent on the government for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that the government will not continue to support WorldSkills Australia.

(i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2016, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2015-2 Disclosure Initiative – Amendment to AASB 101	Annual reporting periods beginning on or after 1 January 2016	There are no changes to accounting policies covered by this standard, however this amendment provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.	No impact on reported financial position or performance is expected.
AASB 15 Revenue from contracts with customers	Annual reporting periods beginning on or after 1 January 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 is likely to cause changes to the timing and amount of revenue recorded in the financial statements.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15			
AASB 2015–8 Amendments to Australian Accounting Standards – Effective date of AASB 15			
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15			

Notes to the Financial Statements

For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(k) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	Annual reporting periods beginning on or after 1 January 2018	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	No impact on reported financial performance or position is expected.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)			
AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures			
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments			
AASB 2014-1 Amendments to Australian Accounting Standards			
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9			
AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9			
AASB 16 Leases	Annual reporting period beginning on or after 1 January 2019	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease.</p> <p>Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating leases which we anticipate will be brought onto the statement of financial position.</p> <p>Interest and amortisation expense will increase and rental expense will decrease.</p>

Notes to the Financial Statements

For the Year Ended 30 June 2016

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

The directors have not made any significant accounting estimates or judgements which are likely to affect the future results of the Company.

4 Revenue and Other Income

	2016	2015	2014
	\$	\$	\$
Sales revenue			
- operating grants	2,101,731	2,506,324	2,671,537
- sponsorship and donations	1,367,997	850,872	1,443,169
- interest	36,131	70,703	106,069
- regional income	131,276	334,410	358,938
Total revenue	3,637,135	3,762,309	4,579,713

5 Result for the Year

The result for the year includes the following specific expenses:

	2016	2015	2014
	\$	\$	\$
Employee benefit expenses:			
Superannuation contributions	82,776	91,048	84,426
Depreciation expenses:			
Equipment	18,367	23,582	22,734
Net loss on disposal of property, plant and equipment	2,300	10	2,913
Rental expense on operating leases:			
Minimum lease payments	81,120	78,000	75,000
Regional expenses	129,901	400,791	537,764

Notes to the Financial Statements

For the Year Ended 30 June 2016

6 Cash and Cash Equivalents

	2016	2015	2014
Note	\$	\$	\$
Cash on hand	123	68	264
Cash at bank	2,087,104	1,240,869	1,303,925
Short-term deposits	500,000	200,000	1,000,000
Total cash and cash equivalents	2,587,227	1,440,937	2,304,189

(a) Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	6	2,587,227	1,440,937	2,304,189
Balance as per statement of cash flows		2,587,227	1,440,937	2,304,189

7 Trade and Other Receivables

	2016	2015	2014
	\$	\$	\$
CURRENT			
Trade receivables	473,113	367,311	2,595,614
Other receivables	-	9,987	2,082
Total current trade and other receivables	473,113	377,298	2,597,696

8 Other financial assets

	2016	2015	2014
	\$	\$	\$
CURRENT			
Held-to-maturity financial assets:			
Term deposits	300,000	-	-
Total current other financial assets	300,000	-	-

9 Other Assets

	2016	2015	2014
	\$	\$	\$
CURRENT			
Prepayments	618,059	646,317	569,819
Security deposits	21,587	21,584	21,519
Total current other assets	639,646	667,901	591,338

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Property, plant and equipment

	2016	2015	2014
	\$	\$	\$
Equipment			
At cost	161,057	150,463	116,461
Accumulated depreciation	(118,631)	(101,637)	(86,828)
Total equipment	<u>42,426</u>	<u>48,826</u>	<u>29,633</u>
Total property, plant and equipment	<u>42,426</u>	<u>48,826</u>	<u>29,633</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Equipment	Total
	\$	\$
Year ended 30 June 2016		
Balance at the beginning of year	48,826	48,826
Additions	14,267	14,267
Disposals - written down value	(2,300)	(2,300)
Depreciation expense	(18,367)	(18,367)
Balance at the end of the year	<u>42,426</u>	<u>42,426</u>

11 Trade and other payables

	2016	2015	2014
	\$	\$	\$
CURRENT			
Unsecured liabilities			
Trade payables	330,591	52,955	349,365
GST payable	145,550	62,573	126,249
Sundry payables and accrued expenses	78,097	182,706	62,802
Other payables	-	-	124,500
Total current trade and other payables	<u>554,238</u>	<u>298,234</u>	<u>662,916</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

12 Employee Benefits

	2016	2015	2014
	\$	\$	\$
CURRENT			
Long service leave	19,547	33,133	-
Provision for employee benefits	88,556	108,088	91,818
Total current employee benefits	108,103	141,221	91,818
NON-CURRENT			
Long service leave	5,401	19,433	63,159
Total non-current employee benefits	5,401	19,433	63,159

13 Other Liabilities

	2016	2015	2014
	\$	\$	\$
CURRENT			
Income received in advance	827,786	266,218	2,085,298
Total current other liabilities	827,786	266,218	2,085,298

14 Reserves

	Note	2016	2015	2014
		\$	\$	\$
Regional funds reserve				
Opening balance		751,260	817,641	-
Transfers in		-	-	596,674
Transfer of region surplus/(deficit) from retained earnings	15	387,167	(66,381)	220,967
Closing balance		1,138,427	751,260	817,641
Total reserves		1,138,427	751,260	817,641

The regional funds reserve was established to record the allocation of revenue and expenses relating to the activities of the Company's regions.

15 Retained Earnings

	2016	2015	2014
	\$	\$	\$
Retained earnings at the beginning of the financial year	1,058,596	1,802,024	325,255
Net surplus/(deficit) for the year	737,028	(809,809)	1,697,736
Transfer of region (surplus)/deficit to reserve	(387,167)	66,381	(220,967)
Retained earnings at end of the financial year	1,408,457	1,058,596	1,802,024

Notes to the Financial Statements

For the Year Ended 30 June 2016

16 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2016	2015	2014
	\$	\$	\$
Net surplus/(deficit) for the year	737,028	(809,809)	1,697,736
Non-cash flows in profit:			
- depreciation	18,367	23,582	22,734
- net loss on disposal of property, plant and equipment	2,300	10	2,913
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables	(95,815)	2,220,398	(2,377,614)
- (increase)/decrease in other assets	28,255	(76,563)	(539,769)
- increase/(decrease) in other liabilities	561,568	(1,819,080)	1,805,800
- increase/(decrease) in trade and other payables	256,004	(364,682)	463,419
- increase/(decrease) in employee benefits	(47,150)	5,677	(18,049)
Cashflow from operations	1,460,557	(820,467)	1,057,170

17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016	2015	2014
		\$	\$	\$
Financial Assets				
Cash and cash equivalents	6	2,587,227	1,440,937	2,304,189
Held-to-maturity financial assets	8	300,000	-	-
Loans and receivables	7	473,113	377,298	2,597,696
Total financial assets		3,360,340	1,818,235	4,901,885
Financial Liabilities				
Financial liabilities at amortised cost				
- Trade and other payables	11	554,238	298,234	662,916
Total financial liabilities		554,238	298,234	662,916

Notes to the Financial Statements
For the Year Ended 30 June 2016

18 Capital and Leasing Commitments

Operating Leases

	2016	2015	2014
	\$	\$	\$
Minimum lease payments under non-cancellable operating leases:			
- not later than one year	89,152	85,872	78,000
- between one year and five years	4,356	9,108	-
Total minimum lease payments	93,508	94,980	78,000

19 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$346,290 (2015: \$333,477; 2014: \$322,698).

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 20: Related Parties.

20 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel (KMP) Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Notes to the Financial Statements For the Year Ended 30 June 2016

20 Related Parties (continued)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2016 \$	2015 \$	2014 \$
KMP related parties			
SkillsOne Pty Ltd (owned by director, Brian Wexham) - services supporting National Skills Week	11,000	11,000	22,000
Jala Design Pty Ltd (owned by director, Jarrad Langdon) - website and design services	6,303	5,796	4,710
	<u>17,303</u>	<u>16,796</u>	<u>26,710</u>

21 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2016 the number of members was 9 (2015: 10; 2014: 9).

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None; 30 June 2014: None).

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 20 October 2016 by the Board of Directors.

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

24 Comparative financial information

The Company operates on a two year business cycle for their competitions, with national and international competitions held every second year, in alternating years. The financial statements have been prepared cognisant of this competition cycle, with two years of comparative information included to provide greater disclosure reflecting this.

25 Company Details

The registered office of and principal place of business of the Company is:
Level 3, 92 - 94 Elizabeth Street
Melbourne Victoria 3000

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-For-Profits Commission Regulations 2013*; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, subject to Note 2(h), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 
Brian Wexham

Director 
Kevin Harris

Dated this 20 day of October 2016

Independent Auditor's Report to the Members of WorldSkills Australia***Report on the Financial Report***

We have audited the accompanying financial report of WorldSkills Australia ("the Company"), which comprises the statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not involve an analysis of the prudence of business decisions made by the Board of Directors or management.

Independence

In conducting our audit, we have complied with the independence requirements of the Act.

HLB Mann Judd (VIC Partnership)

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Opinion

In our opinion, the financial report of WorldSkills 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 Company's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
20 October 2016

Tim Fairclough

Tim Fairclough
Partner