



**AsthmaWA**

# Financial Report 2020/21

Asthma Foundation of WA Incorporated

## Asthma Foundation of Western Australia Financial Report 2020/21

### Index

|   |    |
|---|----|
| Statement by the Board                                    | 2  |
| Statement by the Honorary Treasurer                       | 2  |
| Treasurer's Report  | 3  |
| Auditors' Independence Declaration                        | 4  |
| Statement of Profit & Loss and Other Comprehensive Income | 5  |
| Statement of Financial Position as at 30 June 2021        | 6  |
| Statement of Changes in Equity                            | 7  |
| Statement of Cash Flows                                   | 8  |
| Notes to the Financial Statements                         | 9  |
| Independent Auditors Report                               | 21 |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INC  
STATEMENT BY THE BOARD**

In the opinion of the Board, the accompanying Financial Statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- Giving a true and fair value of the financial position of Asthma Foundation of Western Australia Incorporated as at 30 June 2021, and its performance for the year ended on that date.
- Complying with the Australian Accounting Standards – as stated in Note 1 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

There are reasonable grounds to believe that Asthma Foundation of Western Australia Incorporated will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation* on behalf of Board Members.



Chris Bath  
President  
25 October 2021

**STATEMENT BY THE HONORARY TREASURER**

I, Melvin Nunes, being the Honorary Treasurer of the Asthma Foundation of Western Australia Incorporated state that in my opinion the accompanying Financial Statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- Giving a true and fair value of the Financial Position of Asthma Foundation of Western Australia Incorporated as at 30 June 2021, and its performance for the year ended on that date.
- Complying with the Australian Accounting Standards – as stated in Note 1 and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

There are reasonable grounds to believe that Asthma Foundation of Western Australia Incorporated will be able to pay its debts as and when they become due and payable.



Melvin Nunes  
Treasurer  
25 October 2021

## TREASURER'S REPORT

I am very pleased to report that Asthma WA finished the year with a surplus of \$292,809.

2020 and 2021 have been challenging years for Australia and the world, however Asthma WA has remained relatively financially stable during this pandemic and continued to deliver its much needed services with minimal disruptions.

Asthma WA's Government Service Contracts continue to be our largest source of income, accounting for over 56% of its Gross Income for the year ended 30 June 2021. This included funding from WA Department of Health, the WA Country Health Services (WACHS) to maintain and increase our presence in regional areas during the pandemic and from WA Primary Health Alliance (WAPHA) to establish a COVID-19 Helpline. Once the Helpline was no longer needed, WAPHA enabled us to repurpose the funding to pilot a Chronic Obstructive Pulmonary Disease (COPD) Hospital Discharge support service at Sir Charles Gairdner Hospital. This program was so successful that they have funded an expansion of this service across other metropolitan hospitals in the following financial year.

Asthma WA also received \$50,000 from the Commonwealth Government as part of its cashflow support to not for profit organisations and small businesses during the economic downturn caused by the pandemic.

We are extremely grateful to our major philanthropic benefactors, Channel 7 Telethon Trust, the McCusker Charitable Foundation and the Stan Perron Foundation, whose generous support have enabled us to continue to deliver and expand our services. These included the introduction of Asthma WA's Paediatric Respiratory Hub based in Cockburn and an increase in our clinical support through the funding of a Registered Nurse position.

Asthma WA's investments remain strong, making up \$1.5 million of our \$3.8 million balance sheet which will assist in supporting and growing our services to persons suffering from asthma and COPD.

The value of Asthma WA's property has however reduced this year. Asthma WA revalues its property every three years and on 30 June 2021, a Licenced Valuation showed a drop in value of \$82,200 from last financial year. The drop in value reflects property conditions in the West Perth area.

Although fundraising and corporate sponsorships market did suffer during the pandemic, Asthma WA was also extremely fortunate to receive a major bequest of over \$260,000. The generosity of those who decide to leave a bequest to Asthma WA is both remarkable and humbling as it enables us to continue to provide services to persons with asthma and COPD in Western Australia.

Although Asthma WA has seen a good year, we are still trying to turn around a trend of annual deficits. To improve the long term sustainability of Asthma WA and to enable it to grow its services, the Board will be looking to improve its fundraising programs and other revenue income over the coming years.



MELVIN NUNES

BCom, CPA, GAICD, SF Finsia

TREASURER

## AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Management of Asthma Foundation of Western Australia Incorporated

In accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of the Asthma Foundation of Western Australia Incorporated for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit;
- b) No contraventions of the auditor independence requirements of section 80 the Associations Incorporation Act 2015 (WA) in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARCIA JOHNSON CA  
Director

Perth  
Date: 25 October 2021

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|  | Note | 30 June 2021<br>\$ | 30 June 2020<br>\$ |
|--|------|--------------------|--------------------|
| <b>INCOME</b>                                  |      |                    |                    |
| Administration & Fee for Service               |      | 27,986             | 9,471              |
| COVID-19 Government Support                    |      | 50,000             | 62,500             |
| Community Engagement/Fundraising               | 4    | 445,432            | 252,872            |
| Government Service Contracts                   |      | 1,182,801          | 1,037,257          |
| Grants (Non-Government)                        |      | 303,805            | 209,536            |
| Investments                                    |      | 60,826             | 84,757             |
| Retail Trading                                 |      | 25,904             | 24,401             |
| <b>GROSS INCOME</b>                            |      | <b>2,096,754</b>   | <b>1,680,794</b>   |
| <b>COST OF GOODS SOLD</b>                      |      | <b>(16,704)</b>    | <b>(15,341)</b>    |
| <b>NET INCOME</b>                              |      | <b>2,080,050</b>   | <b>1,665,453</b>   |
| <b>EXPENSE</b>                                 |      |                    |                    |
| Administration                                 |      | (108,391)          | (150,136)          |
| Community Engagement/Fundraising               |      | (52,656)           | (39,035)           |
| Depreciation & Impairment                      | 5    | (100,900)          | (117,015)          |
| Motor Vehicles                                 |      | (8,917)            | (17,357)           |
| Employment Expenses                            | 6    | (1,525,638)        | (1,292,149)        |
| Programs                                       |      | (223,485)          | (222,420)          |
| <b>TOTAL EXPENSE</b>                           |      | <b>(2,019,987)</b> | <b>(1,838,112)</b> |
| <b>OPERATIONAL SURPLUS/(DEFICIT)</b>           |      | <b>60,063</b>      | <b>(172,659)</b>   |
| <b>OTHER NON OPERATIONAL ITEMS</b>             |      |                    |                    |
| Revaluation of Investments                     |      | 230,334            | (39,557)           |
| Profit/(Loss) on Sale of Assets                |      | 2,412              | (5,989)            |
| <b>TOTAL NON OPERATIONAL ITEMS</b>             |      | <b>232,746</b>     | <b>(45,546)</b>    |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>        |      | <b>292,809</b>     | <b>(218,205)</b>   |
| <b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b> |      |                    |                    |
| Revaluation of Property                        |      | (82,200)           | -                  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |      | <b>210,609</b>     | <b>(218,205)</b>   |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

|                                      | Note | 30 June 2021<br>\$ | 30 June 2020<br>\$ |
|--------------------------------------|------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                |      |                    |                    |
| Cash and Cash Equivalents            | 7    | 929,145            | 839,535            |
| Receivables                          | 8    | 37,382             | 106,640            |
| Inventories                          | 9    | 11,920             | 11,620             |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>978,447</b>     | <b>957,795</b>     |
| <b>NON CURRENT ASSETS</b>            |      |                    |                    |
| Investments                          | 10   | 1,573,597          | 1,258,489          |
| Property, Plant and Equipment        | 11   | 1,665,222          | 1,863,983          |
| <b>TOTAL NON CURRENT ASSETS</b>      |      | <b>3,238,819</b>   | <b>3,122,472</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>4,217,266</b>   | <b>4,080,267</b>   |
| <b>CURRENT LIABILITIES</b>           |      |                    |                    |
| Creditors                            | 12   | 111,778            | 136,938            |
| Contract Liabilities                 | 13   | 156,224            | 161,646            |
| Provisions for Employees             | 14   | 105,850            | 93,288             |
| Lease Liabilities                    | 15   | 4,641              | 67,506             |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>378,493</b>     | <b>459,378</b>     |
| <b>NON CURRENT LIABILITIES</b>       |      |                    |                    |
| Provisions for Employees             | 14   | 11,428             | -                  |
| Lease Liabilities                    | 15   | 5,662              | 9,815              |
| <b>TOTAL NON CURRENT LIABILITIES</b> |      | <b>17,090</b>      | <b>9,815</b>       |
| <b>TOTAL LIABILITIES</b>             |      | <b>395,583</b>     | <b>469,193</b>     |
| <b>NET ASSETS</b>                    |      | <b>3,821,683</b>   | <b>3,611,074</b>   |
| <b>FUNDS EMPLOYED</b>                |      |                    |                    |
| Reserves                             | 17   | 1,118,021          | 1,197,245          |
| Retained Earnings                    |      | 2,703,662          | 2,413,829          |
| <b>TOTAL FUNDS EMPLOYED</b>          |      | <b>3,821,683</b>   | <b>3,611,074</b>   |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|                                | RESERVES         | RETAINED<br>SURPLUSES | TOTAL EQUITY     |
|--------------------------------|------------------|-----------------------|------------------|
|                                | \$               | \$                    | \$               |
| <b>BALANCE AT 1 JULY 2019</b>  | <b>1,198,033</b> | <b>2,631,246</b>      | <b>3,829,279</b> |
| Total Deficit for the year     |                  | (218,205)             | (218,205)        |
| Transfer to Reserve            | (788)            | 788                   | -                |
| <b>BALANCE AT 30 JUNE 2020</b> | <b>1,197,245</b> | <b>2,413,829</b>      | <b>3,611,074</b> |
| Total Surplus for the year     |                  | 292,809               | 292,809          |
| Transfer to Reserve            | 2,976            | (2,976)               | -                |
| Revaluation of Property        | (82,200)         |                       | (82,200)         |
| <b>BALANCE AT 30 JUNE 2021</b> | <b>1,118,021</b> | <b>2,703,662</b>      | <b>3,821,683</b> |



**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

|   | Note | 12 Months<br>30 June 2021<br>\$ | 12 Months<br>30 June 2020<br>\$ |
|---|------|---------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |      |                                 |                                 |
| Bequests  |      | 179,221                         | 16,046                          |
| Receipts from Grants, Clients, Donations                                |      | 1,822,702                       | 1,564,995                       |
| Payments to Suppliers and Employees                                     |      | (1,923,418)                     | (1,657,579)                     |
| Interest Received   |      | 7,270                           | 12,213                          |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                               | 16   | <b>85,775</b>                   | <b>(64,325)</b>                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |      |                                 |                                 |
| Dividends and Rent Received   |      | 53,556                          | 72,543                          |
| Purchases of Property, Plant and Equipment                              |      | (48,718)                        | (1,763)                         |
| Payments/Proceeds on Sale of Investments                                |      | 66,016                          | (85,960)                        |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                               |      | <b>70,854</b>                   | <b>(15,180)</b>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |      |                                 |                                 |
| Lease Liability Payments  |      | (67,019)                        | 16,083                          |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                               |      | <b>(67,019)</b>                 | <b>16,083</b>                   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>             |      | <b>89,610</b>                   | <b>(63,422)</b>                 |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b> |      |                                 |                                 |
|   | 7    | <b>839,535</b>                  | <b>902,957</b>                  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>       |      |                                 |                                 |
|   | 7    | <b>929,145</b>                  | <b>839,535</b>                  |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1. Reporting Entity**

Asthma Foundation of WA Inc. (The Foundation) is a not-for-profit association incorporated and domiciled in Western Australia.

In the opinion of the directors, the Foundation is not a reporting entity, since there are unlikely to be users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These financial statements are therefore special purpose financial statements that have been prepared to meet the reporting requirements of the Associations Incorporations Act WA 2015 and the Australian Charities and Not-for-Profit Commission Act 2012.

**2. Basis of Preparation**

**a) Basis of accounting**

The special purpose financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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 and AASB 1054 Australian Additional Disclosures.

**b) New, revised or amended Accounting Standards and Interpretations adopted**

In the current year the Foundation has adopted all of the new revised Standards and Interpretations issued by the AASB that are relevant to its operations and mandatory for the current period. The adoption of these new and revised Standards and Interpretations did not have an effect on the financial position of the Foundation.

**c) Changes in estimate and disclosure in the current year**

In the current year the Foundation has modified the estimation of long service leave entitlements. In prior years the provision was made for the liability of employee long service entitlements after 7 years of service. Comparatives have not been adjusted as adjustment is not required under AASB 137. The adoption of the revised estimation method for long service leave did not have a material effect on the financial position of the Foundation.

**d) Basis of measurement**

These financial statements 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.

**e) Functional and presentation currency**

The functional and presentation currency of the Foundation is Australian Dollars.

**f) Use of judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**g) Going concern**

The accompanying financial statements have been prepared on a going concern basis which contemplates continuity of the activities of the Foundation and realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2021, the Foundation had net assets of \$3,821,683 (2020: \$3,611,074) and a working capital surplus of \$599,954 (2020: \$498,417).

*Impact of COVID-19*

The COVID-19 pandemic developed rapidly during the year ended 30 June 2021 with a significant number of cases globally. Asthma WA has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our employees and clients (including social distancing and working from home). For the year ended 30 June 2021, the impact of COVID-19 on operations has not been significant. Asthma WA will continue to follow the various government policies and advice and, in parallel, will do the utmost to continue operations in the best and safest way possible.

**3) Significant accounting policies**

The Foundation has consistently applied the following accounting policies to all periods presented in these financial statements:

**a) Revenue**

**Donations**

Donations are recognised at the time of receipt.

**Grant income**

When the Foundation receives operation grant revenue it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

When both these conditions are satisfied, the Foundation:

- Identifies each performance obligation relating to the grant – recognises a contract liability for its obligation under the agreement;
- Recognises revenue as it satisfies the performance obligations.

The performance obligations are varied based on the agreement but may include management of education events, presentations at symposiums and specific training courses. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Foundation considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Foundation:

- Recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 15, AASB 116 and AASB 138)
- Recognises related amounts (being provisions, revenues 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

**Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Foundation presents the contract as a contract asset, unless the Foundation's rights to that amount of consideration are unconditional, in which case the Foundation recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Foundation presents the contract as a contract liability.

**Contract cost assets**

The Foundation recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

**Interest**

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

**b) Income Tax**

The Foundation is a Public Benevolent Institution and is exempt from income tax.

**c) Cash and Cash Equivalents**

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

**d) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**e) Investments – Fair Value through Profit or Loss**

Investments are recognised at fair market value as at the reporting date. Changes in fair value are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Dividends, Interest Trust and Partnership distributions are brought to account on an accrual basis.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**f) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the Foundation to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The Foundation uses the Revaluation Model for Land and Buildings. Property held by the Foundation is recorded at fair value less accumulated depreciation on buildings and any impairment losses. Fair value assumptions are as per a Sworn Valuation held 30 June 2021 which separated the value of land and building. As the Foundation owns Strata property a degree of estimation has been used in the fair value assumptions.

Plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation and impairment losses.

**Depreciation**

The depreciation amount of all plant and equipment is depreciated on a straight line basis over the useful lives of the assets to the Foundation commencing from the time the asset is held ready for use. The following useful lives for each class of depreciable asset are applied:

- Property: 25 years
- Office Equipment : 3-10 years
- Motor Vehicles 7-17 years

Right of use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Foundation will obtain ownership by the end of the lease term.

**g) Leases**

At inception of a contract, the Foundation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This assessment involves a consideration of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Foundation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Foundation has the right to direct the use of the asset (i.e. decision making rights in relation to changing how and for what purpose the asset is used).

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement date, the Foundation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Foundation believes it is reasonably certain that the option will be exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Foundation by the end of the lease term or the cost of the right-of-use asset reflects that the Foundation will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability and assessed for impairment in accordance with the impairment of assets accounting policy.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Foundation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based or a change in the Foundation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Exceptions to lease accounting*

The Foundation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Foundation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

**h) Creditors**

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year and which are unpaid. The amounts are usually paid within 30 days of recognition.

Research grants are recorded as an expense item in the year they are awarded and held as liabilities until the research project is completed.

**i) Financial instruments**

*Recognition, initial measurement and derecognition*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. A trade receivable without a significant financing component is initially measured at the transaction cost. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL) – equity investment
- Fair value through other comprehensive income (FVOCI) – debt investment

The Foundation does not have any financial assets categorised as FVOCI.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

*Subsequent measurement financial assets*

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

*Impairment of Financial assets*

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Foundation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and other receivables and contract assets*

The Foundation makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Foundation uses its historical experience to calculate the expected credit losses.

*Classification and measurement of financial liabilities*

The Foundation's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Foundation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**j) Employee Entitlements**

Provision is made for the liability for employee annual leave entitlements arising from services rendered by employees to balance date.

Provision is made for the liability of employee long service leave entitlements from services rendered by employees to balance date at 80% after 5 years of service, 90% after 6 years of service and 100% after 7 years of service.

**k) Lease Liabilities**

The Foundation holds finance lease agreements for motor vehicles and asset lease agreements for plant and equipment. Lease liabilities have been separated into current and non-current liabilities.

**l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST.

**m) Property Maintenance Reserve**

Lotterywest held a caveat over Property until 27 November 2031. The caveat requested that a portion of funds be held in reserve to cover costs associated with maintenance, repairs and management of the property. This caveat was removed by Lotterywest in the current financial year

**n) Fallon Reserve**

The Foundation holds in reserve donations made in memory of Fallon Munday. Fallon's reserve is to be used to subsidise asthma medications for families undergoing economic hardship.

**o) Research Reserve**

The Foundation holds in reserve funds specifically donated towards research.



**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

| Note                                      | 2021             | 2020             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>4</b>                                  |                  |                  |
| <b>COMMUNITY</b>                          |                  |                  |
| <b>ENGAGEMENT/FUNDRAISING REVENUE</b>     |                  |                  |
| Donations and Fundraising Programs        | 121,158          | 147,681          |
| Bequests                                  | 263,218          | 16,046           |
| Pro Bono/Contra Support                   | 20,545           | 46,582           |
| Corporate Sponsorship                     | 35,620           | 34,545           |
| Membership                                | 891              | 1,018            |
| Research Donations                        | 4,000            | 7,000            |
|   | <b>445,432</b>   | <b>252,872</b>   |
| <b>5</b>                                  |                  |                  |
| <b>DEPRECIATION &amp; IMPAIRMENT</b>      |                  |                  |
| Depreciation Expense                      | 93,950           | 110,341          |
| Impairment of Assets                      | 6,950            | 6,674            |
|   | <b>100,900</b>   | <b>117,015</b>   |
| <b>6</b>                                  |                  |                  |
| <b>EMPLOYMENT EXPENSES</b>                |                  |                  |
| Administration                            | 290,158          | 230,144          |
| Community Engagement/Fundraising Programs | 287,630          | 231,129          |
|   | 947,850          | 830,876          |
|   | <b>1,525,638</b> | <b>1,292,149</b> |
| <b>7</b>                                  |                  |                  |
| <b>CASH AND CASH EQUIVALENTS</b>          |                  |                  |
| Cash at Bank                              | 504,768          | 416,871          |
| Term Deposit                              | 420,000          | 420,000          |
| Investments Cash Account                  | 4,377            | 2,664            |
|   | <b>929,145</b>   | <b>839,535</b>   |
| <b>8</b>                                  |                  |                  |
| <b>RECEIVABLES</b>                        |                  |                  |
| Sundry Debtors                            | 21,672           | 102,599          |
| Prepayments                               | 15,710           | 4,041            |
|   | <b>37,382</b>    | <b>106,640</b>   |
| <b>9</b>                                  |                  |                  |
| <b>INVENTORIES</b>                        |                  |                  |
| Retail Stock on Hand                      | 11,920           | 11,620           |
|   | <b>11,920</b>    | <b>11,620</b>    |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

| Note                                      | 2021                       | 2020                            |                       |                  |
|---|----------------------------|---------------------------------|-----------------------|------------------|
|   | \$                         | \$                              |                       |                  |
| <b>10 INVESTMENTS</b>                     |                            |                                 |                       |                  |
| At Market Value as at Balance Date        |                            |                                 |                       |                  |
| International Shares                      | 786,093                    | 670,127                         |                       |                  |
| Australian Shares                         | 787,504                    | 588,362                         |                       |                  |
|   | <b>1,573,597</b>           | <b>1,258,489</b>                |                       |                  |
| <b>11 PROPERTY, PLANT AND EQUIPMENT</b>   |                            |                                 |                       |                  |
| <b>2021</b>                               | <b>Land &amp; Building</b> | <b>Property &amp; Equipment</b> | <b>Motor Vehicles</b> | <b>TOTAL</b>     |
| <b>Opening balance as at 1 Jul 2020</b>   | 1,784,800                  | 36,822                          | 42,361                | 1,863,983        |
| Additions                                 | -                          | 24,900                          | 23,818                | 48,718           |
| Write offs                                | -                          | (6,951)                         | (64,378)              | (71,329)         |
| Revaluation Adjustment                    | (82,200)                   | -                               | -                     | (82,200)         |
| Depreciation Charges                      | (77,600)                   | (14,549)                        | (1,801)               | (93,950)         |
| <b>Closing balance as at 30 June 2021</b> | <b>1,625,000</b>           | <b>40,222</b>                   | <b>0</b>              | <b>1,665,222</b> |
| Cost/Valuation                            | 1,857,800                  | 73,778                          | 0                     | 1,931,578        |
| Accumulated Depreciation                  | (232,800)                  | (33,556)                        | 0                     | (266,356)        |
| <b>Closing balance as at 30 June 2021</b> | <b>1,625,000</b>           | <b>40,222</b>                   | <b>0</b>              | <b>1,665,222</b> |
| <b>2020</b>                               | <b>Land &amp; Building</b> | <b>Property &amp; Equipment</b> | <b>Motor Vehicles</b> | <b>TOTAL</b>     |
| <b>Opening balance as at 1 Jul 2019</b>   | 1,862,400                  | 59,184                          | 61,435                | 1,983,019        |
| Additions                                 | -                          | 17,053                          | 61,000                | 78,053           |
| Write Offs                                | -                          | (10,753)                        | (75,995)              | (86,748)         |
| Depreciation Charges                      | (77,600)                   | (28,662)                        | (4,079)               | (110,341)        |
| <b>Closing balance as at 30 June 2020</b> | <b>1,784,800</b>           | <b>36,822</b>                   | <b>42,361</b>         | <b>1,863,983</b> |
| Cost/Valuation                            | 1,940,000                  | 138,023                         | 43,454                | 2,121,477        |
| Accumulated Depreciation                  | (155,200)                  | (101,201)                       | (1,093)               | (257,494)        |
| <b>Closing balance as at 30 June 2020</b> | <b>1,784,800</b>           | <b>36,822</b>                   | <b>42,361</b>         | <b>1,863,983</b> |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

| Note                               | 2021           | 2020           |
|------------------------------------|----------------|----------------|
|                                    | \$             | \$             |
| <b>12 CREDITORS</b>                |                |                |
| Sundry Creditors                   | 99,410         | 107,248        |
| Research Grants                    | 12,368         | 29,690         |
|                                    | <b>111,778</b> | <b>136,938</b> |
| <b>13 CONTRACT LIABILITIES</b>     |                |                |
| Revenue Contract Liabilities       | 156,224        | 161,646        |
|                                    | <b>156,224</b> | <b>161,646</b> |
| <b>14 PROVISIONS FOR EMPLOYEES</b> |                |                |
| <b>Current</b>                     |                |                |
| Provision for Holiday Pay          | 74,325         | 63,310         |
| Provision for Long Service Leave   | 31,525         | 29,978         |
|                                    | <b>105,850</b> | <b>93,288</b>  |
| <b>Non Current</b>                 |                |                |
| Provision for Long Service Leave   | 11,428         | -              |
|                                    | <b>11,428</b>  | -              |
| <b>15 LEASE LIABILITIES</b>        |                |                |
| <b>Current</b>                     |                |                |
| Lease Liabilities                  | 4,641          | 67,506         |
|                                    | <b>4,641</b>   | <b>67,506</b>  |
| <b>Non Current</b>                 |                |                |
| Lease Liabilities                  | 5,662          | 9,815          |
|                                    | <b>5,662</b>   | <b>9,815</b>   |

In the current year the Foundation has modified the estimation of long service leave entitlements. In prior years the provision was made for the liability of employee long service entitlements after 7 years of service. Comparatives have not been adjusted as adjustment is not required under AASB 137. The adoption of the revised estimation method for long service leave did not have a material effect on the financial position of the Foundation.

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

| Note  | 2021<br>\$       | 2020<br>\$       |
|---|------------------|------------------|
| <b>16 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES</b> |                  |                  |
| Net Surplus/(Deficit) for the year                                  | 292,809          | (218,205)        |
| Non-Cash Flows in Net Surplus/(Deficit):                            |                  |                  |
| Depreciation  | 93,950           | 110,341          |
| Equipment written off   | 6,950            | 6,674            |
| Revaluation of Investment   | (230,334)        | 39,557           |
| Gift of Bequest Shares  | (83,998)         | -                |
| Income from Investing Activities                                    | (55,968)         | (66,555)         |
| Change in Net Assets & Liabilities:                                 |                  |                  |
| Decrease/(Increase) in Trade & Other Receivables                    | 80,927           | (80,256)         |
| (Increase)/Decrease in Prepayments                                  | (11,669)         | 9,976            |
| (Decrease)/Increase in Creditors                                    | (7,838)          | 47,434           |
| Decrease in Research Grants   | (17,322)         | (24,845)         |
| Increase in Provisions  | 23,990           | 27,428           |
| Increase in Inventory   | (300)            | (2,520)          |
| (Decrease)/Increase in Grants Received in Advance                   | (5,422)          | 86,646           |
| <b>CASH FLOWS USED IN OPERATIONS</b>                                | <b>85,775</b>    | <b>(64,325)</b>  |
| <b>17 RESERVES</b>  |                  |                  |
| Asset Revaluation Reserve   | 1,075,004        | 1,157,204        |
| Property Maintenance Reserve  | -                | 5,000            |
| Fallon Reserve  | 25,368           | 17,496           |
| Research Reserve  | 17,649           | 17,545           |
|   | <b>1,118,021</b> | <b>1,197,245</b> |

**ASTHMA FOUNDATION OF WESTERN AUSTRALIA INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**18      EVENTS SUBSEQUENT TO THE REPORTING DATE**

There has not been any matter or circumstance occurring subsequent to the end of the financial year to the date of signing the financial statements, that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTHMA FOUNDATION OF WESTERN AUSTRALIA INC.**

### **Report on the Financial Report**

#### **Opinion**

We have audited the financial report of Asthma Foundation of Western Australia Inc. (the Foundation), which comprises the statement of financial position as at 30 June 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board.

In our opinion, the accompanying financial report of Asthma Foundation of Western Australia Inc. is prepared, in all material respects, in accordance with the Associations Incorporations Act 2015 WA and the Australian Charities and Not-for-profits Commission Act 2012 including:

- i) giving a true and fair view of the Foundation's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards as stated in note 1 of the financial report and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### **Basis for Opinion**

We have 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 Foundation in accordance with the auditor independence requirements of the Associations Incorporations Act 2015, 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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We confirm that the independence declaration required by the Associations Incorporations Act 2015 and Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Board of Management of the Foundation, would be in the same terms if given to the Board of Management as at the date of this auditor's report.

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 Board of Management's financial reporting responsibilities under the Associations Incorporation Act 2015 and 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.

## **Information Other than the Financial Report and Auditor's Report Thereon**

The Board of Management are responsible for the other information. The other information comprises the Treasurer's Report and information in the Foundation's annual report for the year ended 30 June 2021 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.

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.

## **Responsibilities of the Board of Management for the Financial Report**

The Board of Management of the Foundation is responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporations Act 2015, and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Board of Management 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 of Management are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management' 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 Foundation'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 Foundation 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 of Management regarding, among 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 of Management 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, actions taken to eliminate threats or safeguards applied.



## Report on Other Legal and Regulatory Requirements

In our opinion, Asthma Foundation of Western Australia Inc has complied with sections 60-30(3)(b), (c) and (d) of the Australian Charities and Not-for-profits Commission Act 2012 and sections 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA) :

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited;
- by keeping other records required by Part 3-2 of the Australian Charities and Not-for-profits Commission Act 2012, including those records required by Section 55-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and

by keeping other records required by Part 5 of the Associations Incorporation Act 2015 (WA), including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

BUTLER SETTINERI (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read 'M. Johnson', with a horizontal line extending to the right.

MARCIA JOHNSON CA  
Director

Perth

Date: 25 October 2021