



ATWEA COLLEGE

UNLOCKING POTENTIAL

2020

ANNUAL
REPORT

BUSINESS DETAILS

Incorporation

Workers' Educational Association - Hunter
ACN 062 580 634
ABN 61 062 580 634

Incorporated as a Public Company Limited by
Guarantee on 21 December 1993
Authority was granted by the Australian Securities and
Investment Commission under Section 383 of the
Corporations Law on 30th May 1994 to omit "Limited"
from its trading name.

Registered Trading Names:

Atwea College
WEA Hunter
WEA - Hunter Adult Education and Training
Workers Educational Association - Hunter
WEA Coast
Alesco Senior College

Registered Office:

289 King Street, Newcastle, NSW, 2300

Principal Training Venues:

100 Laman Street, Cooks Hill, NSW 2300
7 Austral Street, Nelson Bay, NSW 2315
Cnr Manning & Lake Street, Tuncurry, NSW 2428
9 Hall Street, Cessnock, NSW 2325
72 Port Stephens Street, Raymond Terrace, NSW 2324
145 Beaumont Street, Hamilton, NSW 2303
7 James Street, Argenton, NSW 2284
27 Chapman Street, Charlestown NSW 2290

VISION

Our vision is to provide
quality and accessible
learning opportunities that
enhance people's lives and
unlock potential

MISSION

Our mission is to
continuously improve our
services in accordance with
our values to respond to
learners needs

VALUES

Integrity

Innovation

Inclusion

OUR PEOPLE

AS AT 31 DECEMBER 2020

Vivienne Anderson
Tim Ayres
Michael Bailey
Nicole Bailey
Amy Barnes
Jeanette Barrington
Nicola Bartlett
Andrew Beaton
Jessica Becklar
Ellen Bergin
Nerida Blankenzee
Kym Booker
Karl Bower
Christopher Breton
Louise Brooks
Erin Butler
Mitchell Byrnes
Keira Carroll
Michelle Christie
Rowan Cox
Jennifer Cummings
Kathryn Curran
Waimaria Currie
Anna Davidson
Rachel Davies
Mark Dawson
Michael De Lyall
Grant Dennis
Gino Difelice
Lana Downes
Sharni-Rae Doyle
Renee Ellis
Laurie Emmerson
Cheryl Eslick
Lana Fairhall
Sarah Fergus
Adam Ferrier

Donna Freeman
Heidi Fullick
Sharon Galanis
Jenna-Maree Hackworth
Annika Halverson
Suzane Hamilton
Rhia Heath
Justin Henderson
Juliet Hinchliffe
John Hodgson
Matthew Hogan
Loren Hull
Michelle Iacono
Ellen Jasper
Andrew Jenkinson
Kate Johnson
Mere Johnson
Tanya Johnson
Jodie Keil
Colleen Knight
Sarah Lockwood
Sharon Logan
Cedric Marley

Janet Martinez
Claire McArthur
Darren McDonald
Megan McInnes
Jessica Miller
Martina Minarova
Julia New
Amber Olding
Theresa Pantalone
Christopher Parish
Ben Parsons
Casey Peak
Anna Peeters
Tracy Peeters
Lucy Prior
John Radvan
Wendy Ratcliffe
Sarah Rhodes
Julie Richardson
Matthew Rigby
James Riley
Siobhan Rudman
Caroline Seath

Sally Shotton
Adrienne Sims
Josephine Smith
Sharni Spicer-Worth
Regina Steep
Tracey Stenlund
Joanne Sternbeck
Sally-Ann Tassell
Samuel Tassell
Ruth Thurn
David Torres Smith
Kate Townsend
Kerrie Trevillien
Belinda Wells
Kelly White
Peter Jay Willis
Ashlea Wilton
Andrew Woodward
Starlita Young



OFFICE HOLDERS

LIFE MEMBERS

Donna Bain

Kath Blaxland

Tom Blunden

Jan Brown

John Collins

Ben Grushka

Brain Keegan

Mike McCluskey

Brett Gleeson

Margaret McNaughton

Glenys Morgan

Martin Coates

Allan Melling

BOARD OF DIRECTORS

Chairperson

Christopher Seysener

Deputy Chairperson

Merran Magill

Executive Member

Kelsey Barrett

Directors

Jane McConville

Wendy Cheek

Todd Saddington

Peter Collins

Anna Starrett

David Larkman

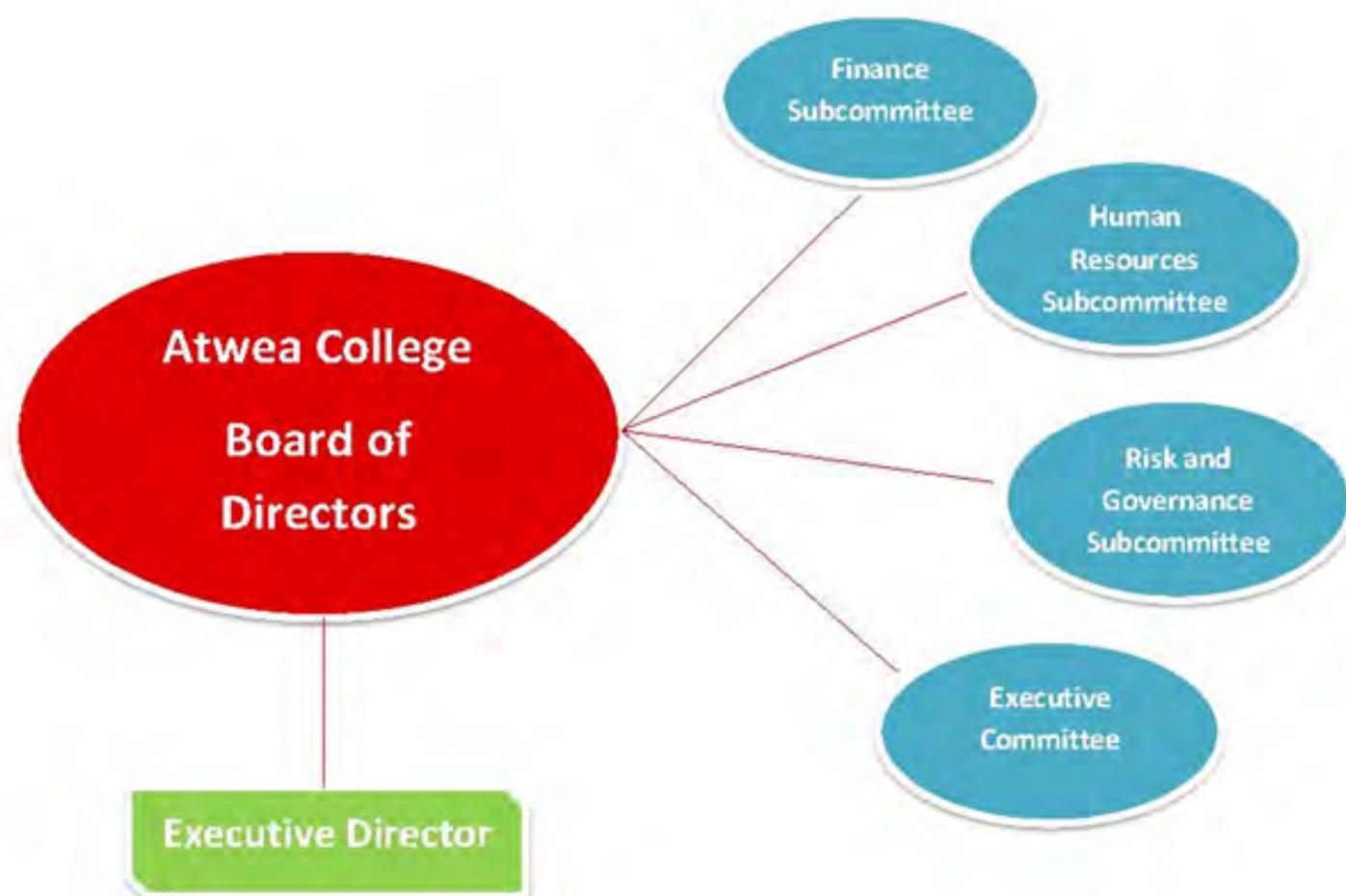
Ex-Officio Member

Rowan Cox - Executive

Director/Company Secretary

STRUCTURE & MANAGEMENT

Atwea College is registered with the Australian Charities and Not-for-Profits Commission (ACNC)



ACKNOWLEDGEMENTS

Atwea College would like to acknowledge the following organisations who have supported us during the year:

Government Departments and other Authorities

The NSW Association of Independent Schools (AIS)
Australian Skills Quality Authority (ASQA)
NSW Department of Education
Department of Industry - Lands
Tertiary Education Quality and Standards Agency (TEQSA)
Australian Government – Department of Education, Skills and Employment
NSW Government Food Authority

Local Government

Newcastle City Council
Port Stephens Council
Cessnock City Council
Mid Coast Council
Maitland City Council
The NSW Premiers' Office
Office of Jodie Harrison MP
Office of Kate Washington MP
Office of Scot MacDonald MP
Northern Beaches Council
Lake Macquarie City Council

Non-Government Organisations

Community Colleges Australia and its Members
Purser Corporate Communications
Stuart & Dunn
AGJ Businesses
Calvary Cessnock
Cooperative Learning Limited
GLAiCA Tuncurry
Mid Coast Assist Forster
Estia Forster
Valley Industries Taree
Tuncurry Beach Bowling Club
Mark Hughes Foundation
JobLink Plus
Hunter Volunteers Association
Ish
Instructure
Sentral Education
Sunnyfield Community Services
Mai-Wel Labourforce Solutions
MID Support
Northern Coalfields Community Care Association Limited
Wesley DES Taree



ATWEA COLLEGE

UNLOCKING POTENTIAL

ACKNOWLEDGEMENTS

Atwea College would like to acknowledge the following organisations who have supported us during the year:

External Course Venues

Newcastle Outrigger Canoe Club
Lake Macquarie Tennis Centre
Port Hunter Toastmasters
Elernore Vale Men's Shed
Out & About Adventures
Maitland Neighbourhood Centre
Woodrising Neighbourhood Centre
Cessnock PCYC
Port Stephens Family Support Service
Family Support Newcastle
Sugarvalley Neighbourhood Centre
Bucketts Way Neighbourhood Group -
Gloucester
Tuncurry Beach Bowling Club
Course Program Distribution Points
The Greater Bank Branches
Marketown Shopping Centre
Council Libraries
Medical Centres
Centrelink
Job Service Agencies
Newcastle Herald
Headspace Newcastle
Neighbourhood Centres
Hunter Region Business Enterprise Centre

Maitland Park Bowling Club
Telarah Bowling Club
Cessnock Leagues Club
The Whistler Hotel
The Salvos Store Maitland
The Store Pokolbin
Gregs Espresso Bar
Burgerchef
Salvation Army Family Store Cessnock
Subee Newlake
Songbird
Launch Training Academy
RFBI Kurri Kurri Masonic Village
Raymond Terrace Bowling Club
Raymond Terrace Library
Lowlands Bowling Club
Stroud Lodge Aged Care
RSL lifeCare, Dungog
Taree Leagues Sport Club
Gloucester Country Club
Bellevue Hotel Tuncurry
Swansea Community Cottage

With Thanks

CompWiz
Diamond IT
Colourworks
Demato Commercial Pty



ATWEA COLLEGE

UNLOCKING POTENTIAL

CHAIRPERSON'S REPORT

The COVID-19 pandemic continues to have a profound impact around the world and, throughout the last 12 months, tested the resilience of both people and business. Despite the unpredictable nature of the pandemic, it has been an absolute pleasure to watch Atwea College rise to the challenge, developing new ways of working and improving services to our students and communities.

Atwea's response to COVID-19 provides a demonstrable example of the innovation, adaptability, and resilience embodied throughout the organisation. Our dedicated teams on the frontline and behind the scenes worked tirelessly to develop new ways to deliver quality learning opportunities to students that addressed requirements for both connection and education. Our people also adapted to changing environment, with many staff rapidly shifting to work remotely to minimise the risk and ensure services could be maintained.

The resilience of our student body was clearly evident as they moved from the classroom to an online environment. This was a first for many of Atwea's courses and Alesco students. The determination of students and their commitment to their learning journey shows courage and great strength of character. The support offered by our trainers, teachers, tutors and student services teams was pivotal to the ongoing successes and outcomes for our students. We ended the year with the exciting news that our Atwea student Kristal Barlow had won the 2020 Community Education Student of the Year Award with Community Colleges Australia. Despite the disruption our Registered Training Organisation also had one of its most successful years ever.

In terms of growth, never let a pandemic get in the way. Atwea continued to invest in providing services to students with the purchase of a new property for Alesco. We were fortunate to secure a new Alesco Campus at Charlestown from the Anglican Diocese, which will open its doors in Term 1 2021. Negotiations for a leased property to better support students in the Upper Hunter also concluded, with a new campus at Abermain scheduled to open mid-2021.

Growth needs to be balanced with risk. At the beginning of 2020, the Atwea Board decided to discontinue the strategic goal to establish Atwea as a community-based Higher Education Provider. This change was carefully considered, recognised our existing strengths and the opportunity for us to grow our community impact and value through focusing on delivering education under our current registration and accreditation.



Chris Seysener
Chairperson

In response to the change in strategy and Atwea's growth over the last four years, an extensive Organisation Review was undertaken, underpinned by significant consultation with staff, management, and the Board to understand where our current structure was working and opportunities for improvement. As a result of this review, I look forward to seeing how the changes made ensure that Atwea continues to be an efficient and effective provider, focused on clarity, communication and culture for all stakeholders.

I want to recognise the contribution of the Atwea Board, who generously donate their time, critical thinking and expertise to ensure Atwea continues to balance its governance responsibilities to Members and business performance. We are privileged to continue to have a Board that brings extensive experience, knowledge, diversity and passion to ensure Atwea can be effectively governed. I would also like to acknowledge the contribution of Wendy Cheek, who has resigned from the Atwea board, for her outstanding contribution over the last two years.

Looking forward, Atwea has emerged from 2020 stronger and more determined than ever to respond to the needs of the communities in which we serve. This is a testament to the hard work of our people, the support given to our students and the knowledge that we make a difference and contribution to our community. Thank you for your continued support of Atwea, and it is with confidence that we should look forward to 2021 and the opportunities it provides.



EXECUTIVE

DIRECTOR'S REPORT

2020 was like no other year I've ever experienced at this organisation, and that's saying a lot for a tenure the length of mine. Our organisation has survived two world wars, the great depression and many eras of social revolution and now we can add 'pandemic' to our list of things that won't hold us back.

At the end of 2019, we had just gone through our new name change process and had moved our Head Office ready to start fresh in 2020 with all the potential a new year holds. However it soon became clear that change is not a force that stands still, nor did we realise how significant this change was going to be, not only for us a business, but for the entire world. News began breaking that there was an outbreak of Covid-19 and that news soon grew to become labeled as 'a pandemic'.

I cannot reiterate enough how proud I was of all our staff who rallied together to maintain focus on the delivery of education and training to our students whilst quickly moving into action to ensure that our staff, students and all who had contact with any of our campuses were safe. Our experience told us to move quickly to ensure that, when needed, our community could access an appropriate mix of education and training courses in a ways that were safe, practical and appropriate to a changing world.

At the end of 2019 we finalised the implementation of the comprehensive 2020 Business Plan. Whilst we have attempted Business Plans before, this is the first year we have been able to combine the operational and strategic plans into one place where the schedules, management plans and outcomes are all located in the one document. This Business Plan became our guideline for different areas of the business in maintaining a focus on achieving our goals in a timely manner.

Outside of the 'unprecedented year of Covid' what probably affected the organisation the most in very early 2020 was the realisation, after a period of significant reflection, that the TEQSA strategy was not likely successful or achievable outcome for the business to continue to pursue, both economically or resource wise. This was not an easy recommendation to the Board as it was a KPI I have been passionately advocating for, for over 7 yrs. It was still the right decision to make 12 months later.



Rowan Cox
Executive Director

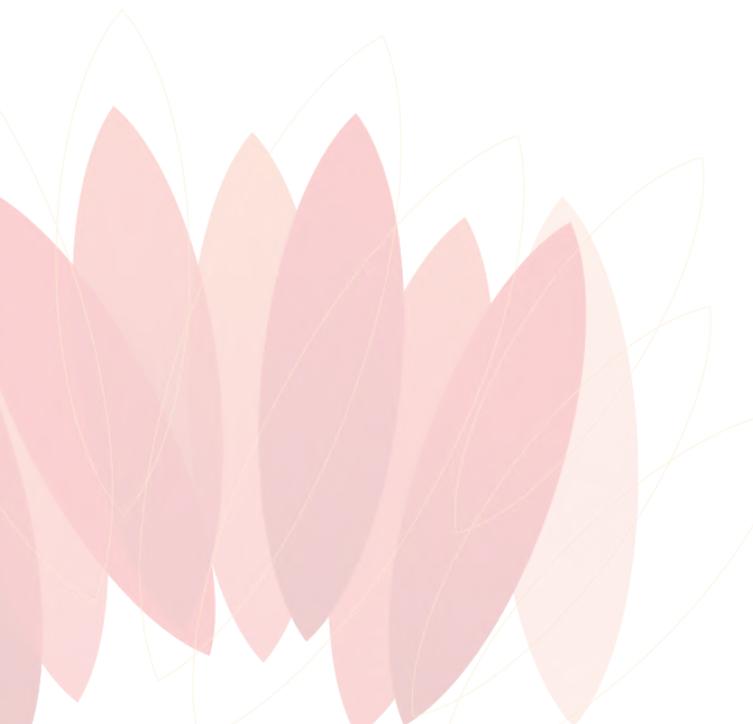


Despite this change to our Strategic Plan we set 80 KPI's for 2020 to meet our operational targets. Whilst this was optimistic, we were invigorated by the possibilities – and then found ourselves impacted significantly by the Covid-19 situation. It was not at times easy to manage the business in this time but some of the highlights for me in our approach are:

- We moved 97 staff to a work from home situation in 3 days. In the week and a half prior to that we implemented all strategies, agreements and infrastructure needs to ensure a smooth transition.
- We made decisions for both streams of education in a timely and appropriate manner, often times running about a week ahead of the decisions being made by NSW Education for both Schools and TAFE.
- We implemented online learning for VACE in a manner never before achieved at Atwea.
- We maintained compliance with all regulatory bodies, including the successful outcome of an ASQA Audit right at of the start of the Pandemic response.
- We maintained all requirements to continue training in 7 different vocational areas, sustained over 100 permanent staff, and kept in contact with hundreds of students to ensure learning continuity as best we could.

Understandably we took a total three month pause on any attention on Strategic KPI's whilst we focussed intensively on ensuring our business model could survive the ever-changing landscape. However in July we began to re-focus our teams once again on the planning and achievements of our Strategic KPI's. The result at the end of the year are as follows:

- 31 Full Completions = 39%
- 21 Partial Completions = 26%
- 19 Did not Achieve = 24%
- 8 KPI's totally Postponed = 10%
- 35 Partial or Did not Achieve directly affected by COVID = 44%
- 49 KPI's transferred to 2021 for completion or improvement = 61%



We have identified that 61% of our KPI's will be transferred across to 2021 for completion or improvement as some of the KPI's are 'still important 'or were 'partially completed' but still could be done better.

It is my opinion that a 65% full or partial completion of strategic KPI's during this unprecedented year, whilst maintaining a strong business model and successful outcomes for students, is a success rate worth still being proud of.

In addition to this was the significant actions taken to ensure the continued responsiveness to the growing need of Alesco. Specifically this was:

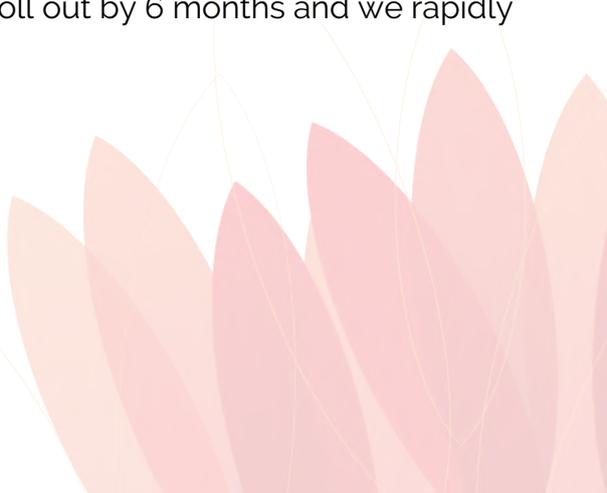
- The final sign off on the Registration of Northlakes Campus.
- The sourcing and securing of the Abermain Campus.
- The purchase and project management approach to the fit out of the new Charlestown Campus.
- The BGA Grant for the installation of the commercial kitchen training facility at the Coast Campus.
- The Wellbeing Grants projects for Cessnock, Raymond Terrace and Cooks Hill Campuses.

In spite of some new ventures for our Board of Directors, I was very impressed that we managed to maintain all activities in a Covid safe manner (AGM online, Board meetings online etc) as well as improvements to the quality of the board minutes and papers, the renewed focus on the activities and agendas of the Subcommittees and also the implementation of more streamlined and appropriate financial reporting to Board members. In governance we also saw improvements to our continued approach to Risk Management and reporting of Risk Management in the organisation, including regular Risk Register reviews and reporting of movements in this area to the Governing body.

Although during the hiatus of Strategic KPI's we also had to enact a pause on the progress of our Enterprise Agreement, I was pleased to see the renewed efforts to finalise the Enterprise Agreement for the staff of the Organisation. This was on track to be finalised by the end of 2020, but a continued increase in Risk Management saw another short delay which was necessary to ensure strong cultural commitment was shown by the organisation to open and transparent processes.

Atwea has always been proud of its ability to be responsive but this pandemic required even greater levels of flexibility which among many changes resulted in us bringing a long-awaited project ahead of schedule to add online learning options to the suite of educational courses. We brought forward our new Learner Management System roll out by 6 months and we rapidly retrained staff to ensure we had the capabilities.

In addition to this we re-deployed staff where necessary to ensure that students always knew what was happening and that they felt supported. We adapted the ways staff work, interact and collaborate. I am pleased to state that we did not have to lose any permanent staff as a result of the situation.



The College was successful in securing the grant through the government's Training and Services Department of Education under the ACE Relief to combat the effects of the COVID-19 crisis. This grant supported the delivery of accessible online and blended learning platforms specifically for people who have been redeployed, unemployed, low to middle income adults who were at home or considering future job prospects. Atwea was also significant in the delivery of Covid Safe Infection Control training to ensure that what workplaces could still function would do so safely. We brought forward a number of skills training courses and learner designed programs that will help reskill and prepare the community for a changed workplace landscape with the support of a NSW Government grant.

Atwea saw more than 1000 students enrol in an adult vocational program in 2020. Of our adult learners in Adult Community Education grants programs 73.87% had a positive outcome and in Smart and Skilled courses 73.69% achieved a positive outcome from their course enrolment. Of our students 24% identified as a student who also managed a disability and 14% identified as a student from an Aboriginal or Torres Strait Islander.

And while we carried on in full force, so too did our students. In the face of adversity, our students pushed on and kept striving for excellence. This was clearly evident when in November our Atwea College Student Kristal Barlow won the 2020 Community Education Student of the Year Award having studied a Certificate III in Individual Support (Disability). Joel Gilmour was also awarded the Paul Mather Memorial Award which recognises a student of the Alesco Senior College for their dedication to study. And as the Covid-19 restrictions began to ease, we were able to celebrate the successful graduations of our students from both Atwea and Alesco Senior College in smaller group events across our campuses. I am so pleased to see such a high level of achievement this year, given what we have had to go through, and I am so proud to be part of our student's learning journey and to see them unlock their full potential.



PRINCIPAL'S REPORT

In 2020 the world was impacted by a pandemic not seen by half of its population. Alesco Senior College like millions of schools around the world was forced into a lockdown and students were required to attend school by remote learning.

Access to the internet as well as the tools needed to do this was challenging for our students but their biggest fears was around the lack of connection with friends and the staff.

It was with immense pride that I saw the staff from Alesco Senior College transfer all of their subjects to an online platform as well as providing the care and compassion to our students that assisted in their remote learning.

Despite the disruption to the year, students returned to Alesco Senior College in high spirits and we saw the largest graduation of students than ever before.

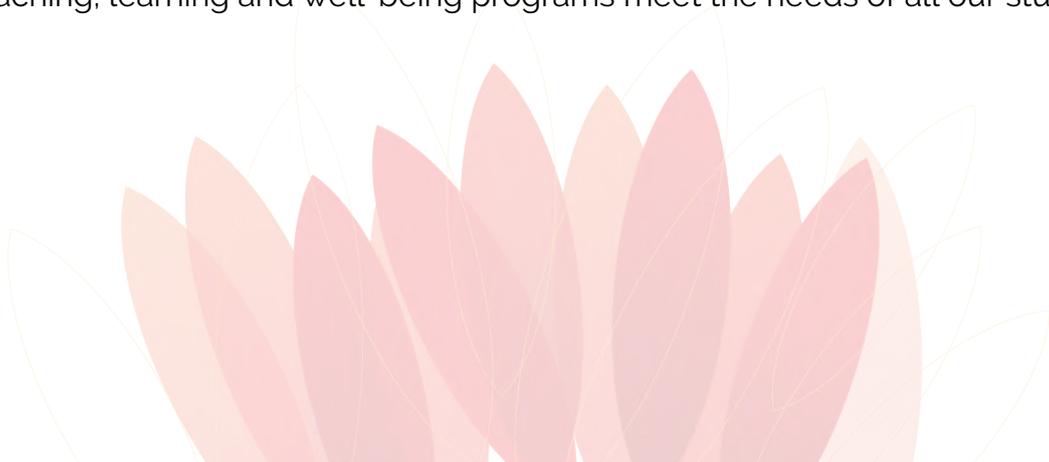
Our highlights of 2020 was the opening of our new campus at Northlakes with a cohort of seventy students, completion of well-being spaces, and the full completion of our new commercial kitchen at our Tuncurry Campus.

I am proud of the achievements of Alesco Senior College this year and I want to acknowledge our team of dedicated staff. Their commitment and professionalism is what allows Alesco Senior College to grow and provide our students with an environment where they feel safe and supported.

Our aim for 2021 is to continue to respond to the demand for growth in a sustainable manner where the teaching, learning and well-being programs meet the needs of all our students.



Theresa Pantalone
Alesco Senior College Principal





Financial Dynamics

Workers Educational Association - Hunter

ABN: 61 062 580 634

Financial Statements

For the Year Ended 31 December 2020

Workers Educational Association - Hunter

ABN: 61 062 580 634

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Workers Educational Association - Hunter

ABN: 61 062 580 634

Directors' Report 31 December 2020

The directors present their report on Workers Educational Association - Hunter for the financial year ended 31 December 2020.

Information on directors

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

	Occupation / Qualification	Years of service	Special responsibility
Christopher Seysener	Manager	4	Chairperson
Merran Magill	Lawyer	5	Executive Member
Anna Starrett	Finance Director	15	Director
Rowan Cox	Executive Director	4	Company Secretary Executive Office Public Officer
Kelsey Barrett	Director	2	Executive Member
Rowena Sigelski	Manager	3	Director - Resigned June 2020
Todd Saddington	Financial Controller	3	Director
Jane McConville	Director	2	Director
Peter Collins	Manager	2	Director
Wendy Cheek	Casual Academic	2	Director
David Larkman	Chief Financial Officer	1	Director - Appointed October 2020

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

Company secretary

Rowan Cox has been the company secretary since 29 August 2016.

Principal activities

The principal activities of the Company are to provide education and training in the Hunter region.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Review of operations

The surplus of the Company amounted to \$ 1,839,527 (2019: \$900,688).

Workers Educational Association - Hunter

ABN: 61 062 580 634

Directors' Report

31 December 2020

Short and long term objectives

The WEA Hunter is a community-based adult education and training provider which aims to provide quality and accessible learning opportunities that enhance people's lives and unlock potential. It does so by focussing on integrity, innovation and inclusion which are supported by a newly endorsed strategic plan (2020-2022). This strategic plan forms the foundation of the long term KPI's for the organisation outlined in detail each year through the development of the Annual Business Plan. This plan articulates objectives, strategies and key performance indicators in four key focus areas. These are 'Our Services', 'Our Employees', 'Our Students' and 'Our Communities'. These key focus areas are then applied to each section of business structure – Business and Administration (including Compliance and Quality Assurance), Finance and Assets, Alesco Senior College and Vocational and Community Education. These sections, the key focus areas and the key performance indicators all then flow into other areas of business continuity. The annual Business Plan is broken down into Unit or Section plans and, in turn, creates the basis of workplans and performance appraisals for all staff across the organisation. The Business Plan is then reported back to the Board of Directors through the Strategic KPI delivery on a bi-monthly basis.

The Directors recognise the importance of strong financial management. Short term financial objectives include a focus on cash management; improving working capital and liquidity and, as this has improved, includes a new focus on maximising opportunities to manage cash reserves more effectively. This can be seen in the introduction of the Investment Policy in the Financial Management Policy and Procedures. This focus ensures their continued attention to financial viability under registration and accreditation regulations for RTO's and Secondary Schools.

The organisation's RTO registration with the Australian Skills Quality Authority (ASQA) was rolled over in 2018 and now extends until 2025. In 2020 the RTO was also subject to a 'spot audit' by ASQA and passed this with zero noncompliance items noted. In 2019 the school, Alesco Senior College underwent the process of reregistration and re-accreditation with the NSW Education Standards Authority (NESA) and was successful in gaining continuing accreditation and registration for another five years.

WEA Hunter has also invested significantly in its capital assets which include property and a continued focus on improvements to its education and training facilities. These assets have been funded by existing cash reserves, specific government grant funding and a newly acquired mortgage. The Company's investment in land and buildings provides a level of financial security, and the Board and Management are continually reviewing the range, structure and delivery of courses offered to identify ways to improve the financial contributions of each course. It is the long term view of the organisation to continue to consider its investment in land and buildings, especially in areas where Alesco school campuses are, to increase stability and access to capital funds for improvements.

Members' guarantee

Workers Educational Association - Hunter 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 \$ 5, subject to the provisions of the organisation's constitution.

At 31 December 2020 the collective liability of members was \$ 245 (2019: \$ 245).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Matters or circumstances arising after the end of the year

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

Workers Educational Association - Hunter

ABN: 61 062 580 634

Directors' Report

31 December 2020

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of directors

During the financial year, 23 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board meeting		Executive committee		AGM		Governance & Risk Sub-Committee		Human Resources Sub-Committee		Finance Sub-Committee	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Merran Magill	7	7	6	6	1	1	-	-	3	3	-	-
Christopher Seysener	7	7	6	6	1	1	2	2	-	-	-	-
Anna Starrett	7	7	-	-	1	1	-	-	-	-	4	4
Rowan Cox	7	7	6	6	1	1	2	2	3	3	-	-
Kelsey Barrett	7	6	6	6	1	1	2	2	-	-	-	-
Rowena Sigelski	4	3	-	-	1	-	-	-	-	-	1	1
Todd Saddington	7	7	-	-	1	1	-	-	-	-	4	4
Jane McConville	7	7	-	-	1	1	-	-	3	3	-	-
Peter Collins	7	5	-	-	1	1	-	-	3	3	-	-
Wendy Cheek	7	7	-	-	1	1	2	2	-	-	-	-
David Larkman	1	1	-	-	-	-	-	-	-	-	1	1

Indemnification and insurance of officers and auditors

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Auditor's independence declaration

The auditor's independence declaration in accordance with subdivision 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* for the year ended 31 December 2020 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: 

Dated 15/04/2021

Workers Educational Association - Hunter

Auditor's Independence Declaration to the Directors of Workers Educational Association - Hunter under Section 60-40 of the Charities and Not-for-profits Commission Act 2012

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



MARTIN MATTHEWS
PARTNER

15 APRIL 2021
NEWCASTLE, NSW

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	14,412,277	12,755,127
Other income	4	56,615	170,467
Employee benefits expense		(8,894,631)	(8,430,723)
Administration expenses		(1,225,011)	(1,121,453)
Depreciation and amortisation expense	5	(1,229,299)	(932,530)
Occupancy expenses		(590,090)	(966,699)
Direct training expenses		(543,289)	(441,866)
Finance costs	5	(147,045)	(131,635)
Operating surplus before income tax		1,839,527	900,688
Income tax expense	2(b)	-	-
Operating surplus for the year		1,839,527	900,688
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,839,527	900,688

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,581,090	1,540,184
Trade and other receivables	7	1,022,699	490,787
Other financial assets	8	1,122,637	2,146,030
Prepayments		328,779	302,719
TOTAL CURRENT ASSETS		<u>6,055,205</u>	<u>4,479,720</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	9,256,367	7,061,232
Intangible assets	10	37,097	162,627
Right-of-use assets	11	2,353,984	2,539,256
TOTAL NON-CURRENT ASSETS		<u>11,647,448</u>	<u>9,763,115</u>
TOTAL ASSETS		<u>17,702,653</u>	<u>14,242,835</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	328,479	270,800
Borrowings	13	78,047	100,002
Lease liabilities	11	311,259	344,106
Employee benefits		666,074	468,792
Unearned income		751,224	149,417
Grant income in advance		509,037	111,153
TOTAL CURRENT LIABILITIES		<u>2,644,120</u>	<u>1,444,270</u>
NON-CURRENT LIABILITIES			
Borrowings	13	595,487	116,440
Lease liabilities	11	2,153,759	2,250,007
Employee benefits		149,740	112,098
TOTAL NON-CURRENT LIABILITIES		<u>2,898,986</u>	<u>2,478,545</u>
TOTAL LIABILITIES		<u>5,543,106</u>	<u>3,922,815</u>
NET ASSETS		<u>12,159,547</u>	<u>10,320,020</u>
EQUITY			
Reserves		5,880,053	5,880,053
Retained earnings		6,279,494	4,439,967
TOTAL EQUITY		<u>12,159,547</u>	<u>10,320,020</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2020

	Retained Earnings	Asset Revaluation Surplus	Asset Realisation Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2020	4,439,967	4,292,672	1,587,381	10,320,020
Surplus for the year	1,839,527	-	-	1,839,527
Balance at 31 December 2020	6,279,494	4,292,672	1,587,381	12,159,547
Balance at 1 January 2019	3,539,279	4,292,672	1,587,381	9,419,332
Surplus for the year	900,688	-	-	900,688
Balance at 31 December 2019	4,439,967	4,292,672	1,587,381	10,320,020

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,069,652	1,073,404
Receipts from grants	15,308,639	12,265,085
Payments to suppliers and employees	(12,466,086)	(12,621,838)
Interest received	37,988	95,300
Interest paid	(147,045)	(126,801)
Net cash provided by/(used in) operating activities	21 <u>3,803,148</u>	<u>685,150</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(2,886,634)	(823,253)
Disposal of financial assets	1,023,393	1,157,498
Net cash provided by/(used in) investing activities	<u>(1,863,241)</u>	<u>334,245</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	491,784	-
Repayment of borrowings	(390,785)	(577,991)
Net cash provided by/(used in) financing activities	<u>100,999</u>	<u>(577,991)</u>
Net increase/(decrease) in cash and cash equivalents held	2,040,906	441,404
Cash and cash equivalents at beginning of year	1,540,184	1,098,780
Cash and cash equivalents at end of financial year	6 <u>3,581,090</u>	<u>1,540,184</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

The financial report covers Workers Educational Association - Hunter as an individual entity. Workers Educational Association - Hunter is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Workers Educational Association - Hunter is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards 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 accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Operating grants

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the grant, donation or bequest;
- Recognises a contract liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

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

- Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- Recognises related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in surplus or deficit as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in surplus or deficit when or as it satisfies its obligations under the contract.

Per capita grants - independent school funding

The Alesco Senior College receives funding from the Commonwealth and State Governments on a per (capita) student basis. The funds are received in regular instalments in respect of the year of enrolment. Funding received is recognised as revenue progressively over the period of tuition to which the funding relates.

Government incentives

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(a) Revenue and other income

i. NSW Government Smart & Skilled grant funding

Funding is received on a claims basis. Grant funding is recognised as revenue in accordance with the contractual arrangements and satisfaction of performance obligations represented by meeting the Units of Completion (UOC) Outcome Achievement Stages established in the contract.

i. Commonwealth Government Community Service Obligations (CSO) grant funding

Funding is received in instalments throughout the year. Revenue is recognised as the performance obligations of the contract are satisfied based on training unit commencements as a proportion of the total units.

Capital grants

When the Company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), recognised under other Australian Accounting Standards.

The Company recognises income in surplus or deficit when as the Company satisfies the obligations under the terms of the grant.

Tuition Fees

i. Tuition fees and charges - Full Fee-Paying Students

Tuition fees and charges are invoiced on enrolment for full fee-paying students and initially recognised as a liability, "Course Fees Paid in Advance". After the relevant census date, the Company has no contractual obligations for the refund of this revenue received. Revenue is recognised from commencement of the relevant term or study period according to the days in relevant term. Revenue is immediately recognised for administration type fees and student amenities if applicable.

i. Tuition fees and charges - Government assisted

Student revenue collected under Government assisted schemes following enrolment is initially recognised as a liability. Revenue is recognised based on the number of days in the reporting period as a proportion of the number of days in the term or census period as relevant to the course.

Interest income

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

(b) Income Tax

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

(c) 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).

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Receivables and payable are stated inclusive of GST.

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.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

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
Buildings	2 - 5%
Plant and 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.

(e) Financial instruments

Financial instruments are recognised initially 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).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss or other comprehensive income

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

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

Impairment of financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Intangible Assets

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(h) 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.

(i) Leases

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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 Company'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 (e.g. CPI) or a change in the Company'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.

(j) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality government bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

Notes to the Financial Statements

For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgments

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.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - property held at fair value

The directors have reviewed the most recent property valuations against the current market conditions for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Note 9 provides information on inputs and techniques to determine valuation.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2020

4 Revenue and Other Income

	2020	2019
	\$	\$
Revenue from contracts with customers		
- Government per capita grants	10,992,799	8,994,122
- Government incentives	2,552,030	2,952,897
- Course fees	380,774	637,186
- Capital grants	285,000	30,000
- Other revenue	201,674	140,922
	<u>14,412,277</u>	<u>12,755,127</u>
Other Income		
- Parking income	2,764	19,240
- Interest received	37,988	95,300
- Rental income	15,863	55,927
	<u>56,615</u>	<u>170,467</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Finance expenses	147,045	131,635
Depreciation and amortisation expense	1,229,299	932,530
	<u>1,229,299</u>	<u>932,530</u>

6 Cash and Cash Equivalents

Cash on hand	10,278	11,100
Bank balances	2,421,247	1,529,084
Deposits at call	1,149,565	-
	<u>3,581,090</u>	<u>1,540,184</u>

7 Trade and other receivables

CURRENT		
Trade receivables	1,172,271	541,503
Provision for impairment	(59,369)	(125,973)
	<u>1,112,902</u>	<u>415,530</u>
Accrued income	(90,203)	75,257
	<u>1,022,699</u>	<u>490,787</u>

8 Other Financial Assets

CURRENT		
Term deposit investments	1,122,637	2,146,030
	<u>1,122,637</u>	<u>2,146,030</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	<u>3,966,000</u>	3,966,000
Buildings		
At independent valuation	2,142,385	2,142,385
Subsequent additions	88,240	81,394
Accumulated depreciation	<u>(209,800)</u>	(118,877)
Total buildings	<u>2,020,825</u>	2,104,902
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>2,381,805</u>	-
Plant and equipment		
At cost	3,108,863	2,632,791
Accumulated depreciation	<u>(2,221,126)</u>	(1,642,461)
Total plant and equipment	<u>887,737</u>	990,330
Total property, plant and equipment	<u>9,256,367</u>	<u>7,061,232</u>

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$	\$
31 December 2020					
Opening balance	-	3,966,000	2,104,902	990,330	7,061,232
Additions	2,381,805	-	-	482,919	2,864,724
Depreciation	-	-	(84,077)	(585,512)	(669,589)
Closing balance	<u>2,381,805</u>	<u>3,966,000</u>	<u>2,020,825</u>	<u>887,737</u>	<u>9,256,367</u>
31 December 2019					
Opening balance	-	3,966,000	2,155,971	772,882	6,894,853
Additions	-	-	40,968	694,708	735,676
Depreciation expense	-	-	(92,037)	(477,260)	(569,297)
Closing balance	<u>-</u>	<u>3,966,000</u>	<u>2,104,902</u>	<u>990,330</u>	<u>7,061,232</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

9 Property, plant and equipment

Land and buildings are stated at fair value, unless otherwise stated, which has been determined based on the following valuations:

- 100 Laman Street, Cooks Hill land and buildings were valued by Taylor Byrne Pty Limited as at 31 December 2018.
- 154 Beaumont Street, Hamilton land and buildings were purchased at market value during the year ended 31 December 2017. The Directors have assessed the values reported for 154 Beaumont Street, Hamilton and consider them to be reasonable.

10 Intangible Assets

	2020	2019
	\$	\$
Course development costs		
Cost	459,219	437,309
Accumulated amortisation and impairment	<u>(422,122)</u>	<u>(274,682)</u>
	<u>37,097</u>	<u>162,627</u>

(a) Movements in carrying amounts of intangible assets

Opening balance	162,627	139,925
Additions	21,910	87,573
Amortisation	<u>(147,440)</u>	<u>(64,871)</u>
Closing balance	<u>37,097</u>	<u>162,627</u>

11 Leases

Right-of-use assets

	Buildings	Office Equipment	Total
	\$	\$	\$
Year ended 31 December 2020			
Opening balance	1,987,032	552,224	2,539,256
Additions	226,998	-	226,998
Depreciation	<u>(290,907)</u>	<u>(121,363)</u>	<u>(412,270)</u>
Balance at end of year	<u>1,923,123</u>	<u>430,861</u>	<u>2,353,984</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

11 Leases

Income Statement

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020	2019
	\$	\$
Depreciation of right-of-use assets	(412,270)	(299,978)
Variable and short term lease payments	(95,963)	(250,013)
	<u>(508,233)</u>	<u>(549,991)</u>

12 Trade and Other Payables

CURRENT

Trade payables	29,812	76,572
Sundry payables and accrued expenses	298,667	194,228
	<u>328,479</u>	<u>270,800</u>

13 Borrowings

CURRENT

Secured bank loan	78,047	100,002
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NON-CURRENT

Secured bank loan	595,487	116,440
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(a) Security

The bank loan is secured by a registered first mortgage over freehold land and buildings located at 100 Laman Street, Cooks Hill NSW.

(b) Unused facility

The Company has a loan facility of \$850,000. As at 31 December 2020 \$176,466 was unused (2019: \$633,558).

14 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(b) Asset realisation reserve

The asset realisation reserve records realised gains on sale of non-current assets.

Notes to the Financial Statements

For the Year Ended 31 December 2020

15 Financial Risk Management

The main risks Workers Educational Association - Hunter Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank overdrafts and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9, are as follows:

	2020	2019
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	3,581,090	1,540,184
Trade and other receivables	1,022,699	490,787
Other financial assets	1,122,637	2,146,030
Total financial assets	5,726,426	4,177,001
Financial liabilities		
Trade and other payables	328,479	270,800
Borrowings	673,534	216,442
Total financial liabilities	1,002,013	487,242

Objectives, policies and processes

The entity's policies for managing each of these risks is summarised below. The policies are subject to Board approval and are reviewed regularly.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds or unused overdraft facilities are maintained.

Credit risk

The maximum exposure to credit risk excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The largest part of the Accounts Receivable are "PaySmart" accounts, these are fees for long term courses and are paid fortnightly by direct debit. The accounts are started at the time of enrolment and then reduced each fortnight. Payments not made are followed up firstly by PaySmart and then by WEA Hunter. Certificates are not issued until the accounts are finalised.

Notes to the Financial Statements

For the Year Ended 31 December 2020

15 Financial Risk Management

Market risk

The entity constantly analyses its interest rate exposure on all interest bearing loans. Within the analysis, consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

Interest rate risk

The entity is exposed to interest rate fluctuations on its cash at bank and cash on deposit and on fixed interest securities included in financial assets at amortised cost. It does not have a material risk in relation to interest bearing loans.

The entity actively monitors interest rates for cash at bank and on deposit to maximise interest income. The entity accepts the risk in relation to fixed interest securities as they are held to generate income on surplus funds.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 50 basis points would have increased profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	100 basis points increase	50 basis points decrease
2020	40,300	(20,150)
2019	34,702	(17,351)

16 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* 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 \$ 5 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 49 (2019: 49).

17 Key Management Personnel Remuneration

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

	2020	2019
	\$	\$
Short-term employee benefits	594,426	558,560
Long-term benefits	56,287	134,965
	650,713	693,525

Notes to the Financial Statements

For the Year Ended 31 December 2020

18 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial statements	21,750	21,200
- other services	-	5,550
Total	21,750	26,750

19 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

20 Related Parties

The Company's related parties are as follows:

- Directors

The names of the persons who were Directors of Workers' Educational Association - Hunter Limited at any time during the year are as they appear in the attached Directors Report and attached Directors meeting attendances.

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

21 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities		
Surplus for the year	1,839,527	900,688
Non-cash flows in profit:		
- depreciation and amortisation expense	1,229,299	932,530
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(543,355)	(219,352)
- (increase)/decrease in other assets	(26,060)	(106,198)
- increase/(decrease) in income in advance	409,327	(376,069)
- increase/(decrease) in trade and other payables	57,679	(456,637)
- (increase)/decrease in lease liabilities	-	(243,501)
- increase/(decrease) in unearned income	601,807	-
- increase/(decrease) in employee benefits	234,924	253,689
Cashflows from operations	3,803,148	685,150

22 Events after the end of the Reporting Period

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

23 Statutory Information

The registered office and principal place of business of the company is:
Workers Educational Association - Hunter
289 King Street
NEWCASTLE, NSW 2300

Workers Educational Association - Hunter

ABN: 61 062 580 634

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



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Dated 15/04/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKERS EDUCATIONAL ASSOCIATION – HUNTER

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Workers Educational Association - Hunter (the Company), which comprises the statement of financial position as at 31 December 2020 the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Workers Educational Association - Hunter, 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 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We 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 Company's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independence

We are independent of the Company in accordance with 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 other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors 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 to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes 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.

In preparing the financial report, directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 directors 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 directors 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, action taken to eliminate threats or safeguards applied.



PKF



MARTIN MATTHEWS
PARTNER

15 APRIL 2021
NEWCASTLE, NSW