

**WASTE CONTRACTORS AND RECYCLERS
ASSOCIATION OF NSW
ABN 72 805 135 472**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021**

**WASTE CONTRACTORS AND RECYCLERS
ASSOCIATION OF NSW**

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**STIRLING WILLIAMS
CHARTERED ACCOUNTANTS
ABN 24 389 387 809**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASTE CONTRACTORS AND
RECYCLERS ASSOCIATION OF NSW**

Opinion

I have audited the financial report of Waste Contractors and Recyclers Association of NSW, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021, notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Waste Contractors and Recyclers Association of NSW as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the *Industrial Relations Act 1996 (NSW)*.

I declare that management's use of the going concern basis in the preparation of the financial statements of the Association is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Waste Contractors and Recyclers Association of NSW is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Industrial Relations Act 1996 (NSW)*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Waste Contractors and Recyclers Association of NSW's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Waste Contractors and Recyclers Association of NSW's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Waste Contractors and Recyclers Association of NSW to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Association's audit. I remain solely responsible for my audit opinion.

I communicate with the Committee 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 I identify during my audit.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants and hold a current Public Practice Certificate.

Stirling Williams



Roger C Williams
Partner
Auditor Registration Number 932
Dated 9th November 2021

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WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

**Operating Report
For the year ended 30 June 2021**

The Committee of Management presents its operating report on Waste Contractors and Recyclers Association of NSW for the year ended 30 June 2021.

Committee Members

The names of committee members at the date of this report are:

Harry Wilson	President
Susie McBurney	Vice President
Gregory Turner	Treasurer
Jeffrey Brandstater	Secretary
Mark Falanga	Committee member
David Johnston	Committee member
David Harrison	Committee member
David Clancy	Committee member
Ros Dent	Committee member
David Gater	Committee member
Graham Knowles	Committee member

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Association during the financial year were to provide support and services to members of the Association. There were no significant changes in the nature of the activities of the Association during the year.

The deficit for the year amounted to \$32,431 (2020 surplus of \$48,866).

Please refer to the 2021 Executive Report for further information.

Right of members to resign

All new Members are advised of the rules of the Association via the Membership Application form and a full current copy of the Rules is available on the WCRA website. Further, Members are reminded that the provisions of Rule 7 must be complied with in relation to the cessation of Membership.

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

Not applicable.

Number of Members

The number of members at 30 June 2021 was 209 – (205 members in 2020).

Number of employees

Not applicable. The Association engages contractors only.



Harry Wilson - President

Dated 9th November 2021

WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Revenue from contracts with customers			
Membership subscriptions		335,482	450,820
Sponsorship income		70,517	118,252
Levies		-	-
Total revenue from contracts with customers		<u>405,999</u>	<u>569,072</u>
Income for furthering objectives			
Grants – NHVR	3(a)	-	32,800
Functions and events		43,607	43,104
Training fees		52,483	57,866
Total income for furthering objectives		<u>96,090</u>	<u>133,770</u>
Other Income			
Revenue from recovery of wages activity		-	-
Investment income		2,672	15,922
Other income		52,989	300
Total other Income		<u>55,661</u>	<u>16,222</u>
Total Income		<u>557,750</u>	<u>719,064</u>
Expenses			
Administration expenses	4(a)	45,266	42,168
Audit fees	4(b)	5,200	5,400
Bad and doubtful debts		-	2,500
Contracting fees		396,734	420,956
Depreciation	4(c)	18,538	16,225
Donations		-	-
Functions and events		42,702	59,162
Grants - NHVR Training		649	35,133
Legal fees	4(d)	30,964	33,400
Property expenses		22,260	23,228
Training expenses		27,868	32,026
Total Expenses		<u>590,181</u>	<u>670,198</u>
(Deficit)/Surplus for the year		(32,431)	48,866
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss		-	-
Items that will be subsequently reclassified to profit or loss		-	-
Total comprehensive (loss)/income for the year		<u>(32,431)</u>	<u>48,866</u>

The above statement should be read in conjunction with the notes.

WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

Statement of Financial Position

As at 30 June 2021

	Note	2021	2020
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	1,165,051	1,257,863
Trade and other receivables	5(b)	<u>420,194</u>	<u>339,567</u>
Total Current Assets		<u>1,585,245</u>	<u>1,597,430</u>
Non-Current Assets			
Strata Property	6(a)	611,454	626,872
Plant and equipment	6(b)	<u>9,426</u>	<u>6,425</u>
Total Non-Current Assets		<u>620,880</u>	<u>633,297</u>
Total Assets		<u><u>2,206,125</u></u>	<u><u>2,230,727</u></u>
LIABILITIES			
Current Liabilities			
Trade payables	7(a)	79,695	74,188
Other payables	7(b)	<u>562,757</u>	<u>571,365</u>
Total Current Liabilities		<u>642,452</u>	<u>645,553</u>
Non-Current Liabilities			
Provision	8(a)	<u>48,055</u>	<u>37,125</u>
Total Non-Current Liabilities		<u>48,055</u>	<u>37,125</u>
Total Liabilities		<u><u>690,507</u></u>	<u><u>682,678</u></u>
NET ASSETS		<u><u>1,515,618</u></u>	<u><u>1,548,049</u></u>
EQUITY			
Retained Earnings	9	<u>1,515,618</u>	<u>1,548,049</u>
Total Equity		<u><u>1,515,618</u></u>	<u><u>1,548,049</u></u>

The above statement should be read in conjunction with the notes.

WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

Statement of Changes in Equity

For the year ended 30 June 2021

	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2019	1,499,183	1,499,183
Comprehensive income		
Surplus for the year	48,866	48,866
Other comprehensive income	-	-
Total comprehensive income	<u>48,866</u>	<u>48,866</u>
Balance as at 30 June 2020	<u>1,548,049</u>	<u>1,548,049</u>
Balance as at 1 July 2020	1,548,049	1,548,049
Comprehensive income		
Deficit for the year	(32,431)	(32,431)
Other comprehensive income for the year	-	-
Total comprehensive loss	<u>(32,431)</u>	<u>(32,431)</u>
Balance as at 30 June 2021	<u>1,515,618</u>	<u>1,515,618</u>

The above statement should be read in conjunction with the notes.

WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021	2020
		\$	\$
OPERATING ACTIVITIES			
Cash received			
Membership fees		362,074	405,783
Sponsorship income		76,221	138,161
Other income		106,079	255,770
Grants received		-	32,800
Interest		11,095	17,840
Cash used			
Payments to suppliers and other customers		(642,160)	(643,574)
Net cash (used in)/provided by operating activities	10(b)	<u>(86,691)</u>	<u>206,780</u>
INVESTING ACTIVITIES			
Cash used			
Payment for plant and equipment		(6,121)	(5,725)
Net cash used in investing activities		<u>(6,121)</u>	<u>(5,725)</u>
Net (decrease)/increase in cash held		(92,812)	201,055
Cash and cash equivalents at beginning of the year		1,257,863	1,056,808
Cash and cash equivalents at end of the year	5(a)	<u>1,165,051</u>	<u>1,257,863</u>

The above statement should be read in conjunction with the notes.

WASTE CONTRACTORS AND RECYCLERS ASSOCIATION OF NSW

Notes to the financial statements

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Industrial Relations Act 1996 (NSW)*. For the purpose of preparing the general purpose financial statements, the Waste Contractors and Recyclers Association of NSW is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There were no accounting assumptions or estimates that have been identified which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New or amended Accounting Standards and Interpretations adopted

Adoption of New Australian Accounting Standard requirements

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

1.5 Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, sponsorship, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Association has a contract with a customer, the Association recognises revenue when or as it transfers control of services to the customer. The Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised services transfer to the customer as a member of the Association.

If there is only one distinct membership service promised in the arrangement, the Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Association's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct service promised in the membership subscription, the Association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Association charges for that service in a standalone sale. When a performance obligation is satisfied, which is when the service transfers to the customer (for example, member services or training course) the Association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional services from the Association at their standalone selling price, the Association accounts for those sales as a separate contract with a customer.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Association transfers the services.

In circumstances where the criteria for a contract with a customer are not met, the Association will recognise levies as income upon receipt.

Income of the Association as a Not-for-Profit Entity

Consideration is received by the Association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer services to the customer; and
- the Association's recognition of the cash contribution does not give to any related liabilities.

During the year, the Association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members; and
- government grants.

Volunteer services

During the year, the Association did not receive volunteer services.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Current versus non-current classification

The Association presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Association classifies all other liabilities as non-current.

1.7 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

1.9 Financial assets

Contract assets and receivables

A contract asset is recognised when the Association's right to consideration in exchange of services that has transferred to the customer when that right is conditioned on the Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Association's initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level

The Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Association's financial assets at amortised cost includes trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Association has transferred substantially all the risks and rewards of the asset, or
 - b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the [reporting unit] continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses (ECL)s

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.10 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from a customer. The Association's refund liabilities arise from customers' right of return. The liability is measured at the amount the Association ultimately expects it will have to return to the customer. The Association updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.11 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.12 Property, plant and equipment

Asset recognition threshold

Purchases of, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2021	2020
Strata building	2%	2%
Plant and equipment	15%-33.33%	15%-33.33%

Derecognition

An item of buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.13 Income Tax

The Association is exempt from income tax under Section 23(h) of the Income Tax Assessment Act however still has obligation for the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Note 2 Events after the reporting period

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3 Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the Association's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2021	2020
	\$	\$
Type of customer		
Members	405,999	569,072
Total revenue from contracts with customers	<u>405,999</u>	<u>569,072</u>

Disaggregation of income for furthering activities

A disaggregation of the reporting unit's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

	2021	2020
	\$	\$
Type of customer		
Members	96,090	133,770
Total income for furthering activities	<u>96,090</u>	<u>133,770</u>

Note 3(a) Grants and other donations

Grants – NHVR	-	32,800
Total grants and donations	<u>-</u>	<u>32,800</u>

Note 4 Expenses

Note 4(a): Administration expenses

Advertising fees	474	195
Bank Charges	1,625	2,482
Computer expenses	4,676	3,505
Consulting fees	5,450	-
Insurances	13,609	10,510
Other	8,489	8,854
Printing, postage and stationery	4,772	5,941
Travel and meeting expenses	6,171	10,681
Total administration expenses	<u>45,266</u>	<u>42,168</u>

Note 4(b) Audit Fees

Financial Statements audit services	3,650	3,750
Other services	1,550	1,650
Total grants and donations	<u>5,200</u>	<u>5,400</u>

Note 4(c): Depreciation

Strata property	15,418	15,418
Plant and equipment	3,120	807
Total depreciation	<u>18,538</u>	<u>16,225</u>

	2021	2020
	\$	\$
Note 4(d) Legal costs		
Litigation	-	-
Other legal costs	30,964	33,400
Total legal costs	30,964	33,400

Note 5: Current Assets

Note 5(a) Cash and Cash Equivalents

Cash on hand	500	500
Cash at bank	356,648	470,449
Funds held in Trust	48,055	37,641
Short term deposits	759,848	749,273
Total cash and cash equivalents	1,165,051	1,257,863

Note 5(b) Trade and Other Receivables

Trade debtors	421,987	324,253
Provision for doubtful debts	(5,000)	(5,000)
Interest receivable	-	7,493
Prepayments	3,207	12,821
	420,194	339,567

Note 6 Non-Current Assets

Note 6(a) Strata Property

Strata property at cost	639,941	639,941
Improvement costs	130,947	130,947
	770,888	770,888
Less accumulated depreciation	(159,434)	(144,016)
Net book value of strata property	611,454	626,872

Note 6(b) Plant and Equipment

Furniture and fittings	8,532	8,532
Less accumulated depreciation	(8,532)	(8,532)
	-	-
Office equipment	32,558	26,437
Less accumulated depreciation	(23,132)	(20,012)
	9,426	6,425
Net book value of plant and equipment	9,426	6,425

Reconciliation of the Opening and Closing Balances

Strata Property as at 1 July 2020	770,888	770,888
Accumulated depreciation and impairment	(144,016)	(128,598)
Net book value 1 July 2020	626,872	642,290
Additions by purchase	-	-
Depreciation expense	(15,418)	(15,418)
Net book value 30 June 2021	611,454	626,872

	2021	2020
	\$	\$
Plant and Equipment at 1 July 2020		
Gross book value	34,969	29,244
Accumulated depreciation and impairment	(28,544)	(27,737)
Net book value 1 July 2020	6,425	1,507
Additions by purchase	6,121	5,725
Depreciation expense	(3,120)	(807)
Net book value at 30 June 2021	9,426	6,425

Note 7 Current Liabilities

Note 7(a) Trade Payables

Trade creditors	32,768	20,354
Accrued expenses	46,927	53,834
	79,695	74,188

Note (7b) Other Payables

GST payable	5,012	16,335
Subscriptions in advance	495,584	371,258
Sponsorships in advance	37,636	31,932
Income in advance - Solo Resource Recovery	-	50,000
Industrial Exercise Asbestos	24,525	101,840
Legal costs	-	-
	562,757	571,365

Note 8 Non-Current Liabilities

Note 8(a) Provision

Loyalty Agreement	48,055	37,125
	48,055	37,125

Note 9 Equity

Retained Earnings		
Balance as at start of the year	1,548,049	1,499,183
(Deficit)/Surplus for the year	(32,431)	48,866
Balance as at end of the year	1,515,618	1,548,049

Note 10: Cash Flow

Cash Flow Reconciliation

10(a) Reconciliation of cash and cash equivalents as per the balance sheet to cash flow statement:

Cash and cash equivalent as per:

Cash flow statement	1,165,051	1,257,863
Balance Sheet	1,165,051	1,257,863
Difference	-	-

	2021	2020
	\$	\$
10(b) Reconciliation of (deficit)/surplus to net cash from operating activities		
Surplus for the year	(32,431)	48,866
Adjustments for non-cash items: -		
Depreciation	18,538	16,225
Cash flow in operating activities not in operating surplus: -		
Solo Resource Recovery	-	50,000
Industry exercise Asbestos income	(77,315)	101,840
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(80,627)	(1,985)
Increase/(decrease) in trade creditors and accruals	(55,816)	1,039
(Decrease)/increase in subscriptions in advance	124,326	(39,114)
Increase/(decrease) in sponsorship in advance	5,704	19,909
Increase in other liability	10,930	10,000
Net cash provided by operating activities	(86,691)	206,780

Note 11 Contingent liabilities, assets and commitments

The company had no contingent assets, liabilities and commitments as at 30 June 2021 and 2020.

Note 12: Related Party Disclosure

Related party transactions for the reporting period

Terms and conditions of transactions with related parties

Transector Pty Ltd (Transector) and the Waste Contractors & Recyclers Association of NSW (WCRA) have an existing agreement dated 6 May 2005 which commenced on 1 June 2005, providing Transector a yearly loyalty agreement of \$10,000, the express purpose of which is to ensure that WCRA retains the services of Tony Khoury via Transector Pty Ltd until at least 30 June 2021.

Since 1 June 2005 the Executive Members of WCRA have reviewed and authorised variations to this agreement. The Executive is satisfied that Transector has met its obligations in relation to the Agreement and these Deeds. The Executive of WCRA have confirmed that they seek to again vary clause 18 of this existing agreement and that WCRA formally offers Transector the following. A further one-year loyalty agreement, whereby each year commencing with the 2020/2021 year an amount of \$10,000 be set aside by WCRA for the benefit of Transector.

In June 2019, \$100,000 was paid to Transector Pty Ltd.

Waste Contractors & Recyclers Association of NSW has no employees

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

Expenses paid to Transector includes the following:

The provision of management and administration of the Association, including payments to sub-contractors performing these services.

	2021	2020
	\$	\$
Contractor fee	244,520	232,580
Administration fee	79,124	98,628
Training and Research	51,091	62,358
	374,735	393,566
Amounts owed to Transector include the following:		
Loyalty fee per agreement	48,055	37,125