

WorldSkills Australia

ABN 43 147 075 714

Financial Statements

For the Year Ended 30 June 2023

Contents

For the Year Ended 30 June 2023

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Directors' Report

For the Year Ended 30 June 2023

The directors present their report on WorldSkills Australia ("the Company") for the financial year ended 30 June 2023.

Directors

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

Kevin Harris	(Chairperson)
Megan Lilly	(Deputy Chairperson)
Jarrad Langdon	
Jack Hanrahan	
Terri-Helen Gaynor	
Trevor Schwenke	
Stephen Roche	
Mary Faraone	
John Tucker	
Duncan Jacklin	(Resigned on 6 March 2023)
Chloe Tanner	(Resigned on 14 November 2022)

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

Operating results

The surplus of the Company amounted to \$186,893 (2022: surplus of \$1,174,142; 2021: surplus of \$968,987).

Principal activities

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

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

Short term objectives

The Company's short term objectives are to:

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

Long term objectives

The Company's long term objectives are to:

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

WorldSkills Australia

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Directors' Report

For the Year Ended 30 June 2023

Strategy for achieving the objectives

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

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

How principal activities assisted in achieving the objectives

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

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

Members guarantee

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

At 30 June 2023 the collective liability of members was \$1,100 (2022: \$1,000; 2021: \$1,000).

Significant changes in state of affairs

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

Benefits received directly or indirectly by officers

WorldSkills Australia has agreements with director, Jarrad Langdon, for the supply of services. Details of the agreement are listed below:

- Jala Design Pty Ltd (Jarrad Langdon) provided website and design services during the year. WorldSkills Australia remunerated an amount of \$9,620 (2022: \$9,800; 2021: \$6,380) for services provided.

Events after the reporting date

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

Directors' Report

For the Year Ended 30 June 2023

Meetings of directors

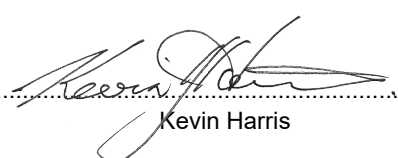
During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kevin Harris	5	5	6	5	1	-
Megan Lilly	5	3	-	-	1	1
Jarrad Langdon	5	5	-	-	-	-
Jack Hanrahan	5	5	6	4	-	-
Terri-Helen Gaynor	5	5	6	6	-	-
Trevor Schwenke	5	5	6	6	-	-
Stephen Roche	5	3	6	5	-	-
Mary Faraone	5	5	-	-	-	-
John Tucker	5	4	-	-	-	-
Duncan Jacklin	4	2	4	3	1	1
Chloe Tanner	2	2	-	-	1	1

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2023 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:  Kevin Harris

Director:  Jack Hanrahan

Dated this 13th day of December 2023

WorldSkills Australia

ABN 43 147 075 714

**Auditor's Independence Declaration to the Directors of WorldSkills
Australia**

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

		2023	2022	2021
	Note	\$	\$	\$
Revenue	4	2,919,615	4,272,521	2,429,736
Other income	4	39,628	51,801	137,151
Employee benefits expense		(1,309,026)	(1,192,223)	(1,046,250)
Depreciation expense	5	(132,477)	(143,101)	(139,315)
Program expenses		(742,389)	(1,475,856)	(123,055)
Property and maintenance expenses		(17,140)	(9,843)	(24,135)
Administration and marketing expenses		(571,318)	(329,157)	(265,145)
Surplus before income tax		186,893	1,174,142	968,987
Income tax expense	2(c)	-	-	-
Net surplus for the year		186,893	1,174,142	968,987
Total comprehensive income for the year		186,893	1,174,142	968,987

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$	2021 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	6,159,366	3,677,780	2,591,837
Trade and other receivables	7	148,583	702,715	1,181,881
Other financial assets	8	65,300	64,855	64,804
Other assets	9	1,026,560	190,998	309,630
TOTAL CURRENT ASSETS		7,399,809	4,636,348	4,148,152
NON-CURRENT ASSETS				
Right-of-use assets	10(a)	227,239	340,857	777,529
Property, plant and equipment	11	47,449	25,932	31,072
Intangible assets	12	4,868	8,606	14,850
TOTAL NON-CURRENT ASSETS		279,556	375,395	823,451
TOTAL ASSETS		7,679,365	5,011,743	4,971,603
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	13	650,074	317,327	213,870
Lease liabilities	10(b)	133,883	107,562	114,467
Employee benefits	14	63,577	76,127	66,847
Contract liabilities	15	3,503,771	1,283,372	2,061,409
TOTAL CURRENT LIABILITIES		4,351,305	1,784,388	2,456,593
NON-CURRENT LIABILITIES				
Lease liabilities	10(b)	144,720	243,158	705,156
Employee benefits	14	60,290	48,040	47,839
TOTAL NON-CURRENT LIABILITIES		205,010	291,198	752,995
TOTAL LIABILITIES		4,556,315	2,075,586	3,209,588
NET ASSETS		3,123,050	2,936,157	1,762,015
EQUITY				
Retained earnings	16	3,123,050	2,936,157	1,762,015
TOTAL EQUITY		3,123,050	2,936,157	1,762,015

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2023

		2023	2022	2021
	Note	\$	\$	\$
Retained Earnings				
Balance at 1 July	16	2,936,157	1,762,015	793,028
Net surplus/(deficit) for the year	16	186,893	1,174,142	968,987
Balance at 30 June	16	3,123,050	2,936,157	1,762,015
Total Equity		3,123,050	2,936,157	1,762,015

Statement of Cash Flows

For the Year Ended 30 June 2023

	2023	2022	2021
Note	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	6,263,558	4,276,212	2,712,155
Payments to suppliers and employees	(3,712,400)	(3,078,072)	(1,859,093)
Interest received	39,628	3,880	4,111
Interest paid	13,098	(7,330)	(20,560)
Net cash provided by/(used in) operating activities	2,603,884	1,194,690	836,613
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(36,638)	(2,128)	-
Purchase of financial assets	(445)	(51)	(281)
Net cash used in investing activities	(37,083)	(2,179)	(281)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities	(85,215)	(106,568)	(75,185)
Net cash used by financing activities	(85,215)	(106,568)	(75,185)
Net increase/(decrease) in cash and cash equivalents held	2,481,586	1,085,943	761,147
Cash and cash equivalents at beginning of year	3,677,780	2,591,837	1,830,690
Cash and cash equivalents at end of financial year	6,159,366	3,677,780	2,591,837

6(a)

Notes to the Financial Statements

For the Year Ended 30 June 2023

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

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

The financial report was authorised for issue by the Directors on 13 December 2023.

Comparatives are consistent with prior years, unless otherwise stated. Refer to Note 21: Comparative financial information.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

Sponsorship

Sponsorship revenue is recognised when the performance obligation related to the sponsorship is fulfilled by the Company.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

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

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

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest is recognised using the effective interest method.

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(b) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

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

Lessee accounting

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

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.

Exceptions to lease accounting

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(c) Income Tax

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

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(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.

Classification

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

- amortised cost.

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

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 and other payables.

(f) Property, plant and equipment

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

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

Depreciation

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

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

Fixed asset class	Depreciation rate
Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Employee benefits

Short-term employee benefits

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(g) Employee benefits (continued)

Other long-term employee benefits

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

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

(h) Economic dependence

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

(i) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 July 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(k) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgements

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023 \$	2022 \$	2021 \$
Revenue			
- operating grants	2,600,595	3,786,273	2,389,720
- sponsorship and donations	297,000	443,686	38,678
- regional income	22,020	42,562	1,338
Total revenue	2,919,615	4,272,521	2,429,736
Other income			
- interest	39,628	3,880	4,081
- JobKeeper government subsidy	-	-	73,500
- cash boost government stimulus	-	-	37,500
- gain on lease modification	-	47,921	-
- other income	-	-	22,070
Total other income	39,628	51,801	137,151
Total revenue and other income	2,959,243	4,324,322	2,566,887

(a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time, and the following table shows this breakdown:

	2023 \$	2022 \$	2021 \$
Revenue recognition			
<i>Revenue recognised over time:</i>			
- operating grants	2,479,995	3,702,629	2,378,712
	2,479,995	3,702,629	2,378,712
<i>Revenue recognised at a point in time:</i>			
- operating grants	120,600	83,644	11,008
- sponsorship and donations	297,000	443,686	38,678
- regional income	22,020	42,562	1,338
	439,620	569,892	51,024
Revenue from contracts with customers	2,919,615	4,272,521	2,429,736

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Result for the Year

The result for the year includes the following specific expenses:

	2023 \$	2022 \$	2021 \$
Employee benefit expenses:			
Superannuation contributions	114,521	103,077	87,846
Depreciation and amortisation expenses:			
Depreciation - office equipment	15,121	7,269	3,572
Depreciation - right-of-use assets	113,618	129,588	129,588
Amortisation - computer software	3,738	6,244	6,155
Total depreciation and amortisation expenses	132,477	143,101	139,315

6 Cash and Cash Equivalents

	Note	2023 \$	2022 \$	2021 \$
Cash on hand		36	36	36
Cash at bank		6,066,876	3,609,200	2,541,473
Short-term deposits		92,454	68,544	50,328
Total cash and cash equivalents	6(a)	6,159,366	3,677,780	2,591,837

(a) Reconciliation of cash

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

Cash and cash equivalents	6	6,159,366	3,677,780	2,591,837
Balance as per statement of cash flows		6,159,366	3,677,780	2,591,837

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Trade and Other Receivables

	2023 \$	2022 \$	2021 \$
CURRENT			
<i>Financial assets at amortised cost:</i>			
Trade receivables	148,500	642,713	1,181,878
	148,500	642,713	1,181,878
<i>Other receivables</i>			
Accrued income	83	60,002	3
	83	60,002	3
Total current trade and other receivables	148,583	702,715	1,181,881

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Other financial assets

	2023 \$	2022 \$	2021 \$
CURRENT			
<i>Financial assets at amortised cost:</i>			
- Term deposits	65,300	64,855	64,804
Total current other financial assets	65,300	64,855	64,804

9 Other Assets

	2023 \$	2022 \$	2021 \$
CURRENT			
Prepayments	1,026,560	190,998	309,630
Total current other assets	1,026,560	190,998	309,630

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

Company as a lessee

The Company has a lease agreement over its office premises.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Operating leases have been taken out for office premises. Lease payments for the office premises were re-negotiated in FY22 and a new agreement was signed. The new lease terms are 3 years, expiring in July 2025 with no option to extend.

(a) Right-of-use assets

	2023	2022	2021
	\$	\$	\$
Office premises			
At cost	729,621	729,621	1,036,705
Less: Accumulated depreciation	(502,382)	(388,764)	(259,176)
Total right-of-use assets	227,239	340,857	777,529

Movements in carrying amounts of right-of-use assets:

	Office Premises	Total
	\$	\$
Year ended 30 June 2023		
Balance at beginning of year	340,857	340,857
Depreciation expense	(113,618)	(113,618)
Balance at end of year	227,239	227,239

(b) Lease liabilities

	2023	2022	2021
	\$	\$	\$
Current lease liabilities	133,883	107,562	114,467
Non-current lease liabilities	144,720	243,158	705,156
Total lease liabilities	278,603	350,720	819,623

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases (continued)

(b) Lease liabilities (continued)

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2023					
Lease liabilities	139,154	144,720	-	283,874	278,603
2022					
Lease liabilities	113,077	247,904	-	360,981	350,720
2021					
Lease liabilities	132,163	583,676	159,816	875,655	819,623

(c) Statement of Profit or Loss and Other Comprehensive Income

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:

	2023 \$	2022 \$	2021 \$
Interest expense on lease liabilities	(13,098)	(7,330)	(20,560)
Depreciation of right-of-use assets	(113,618)	(129,588)	(129,588)
	(126,716)	(136,918)	(150,148)

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, plant and equipment

	2023 \$	2022 \$	2021 \$
Equipment			
At cost	176,265	139,627	137,498
Accumulated depreciation	(128,816)	(113,695)	(106,426)
Total equipment	47,449	25,932	31,072
Total property, plant and equipment	47,449	25,932	31,072

(a) Movements in Carrying Amounts

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

	Equipment \$	Total \$
Year ended 30 June 2023		
Balance at the beginning of year	25,932	25,932
Additions	36,638	36,638
Depreciation expense	(15,121)	(15,121)
Balance at the end of the year	47,449	47,449

12 Intangible Assets

	2023 \$	2022 \$	2021 \$
Computer software			
Cost	47,000	47,000	47,000
Accumulated amortisation and impairment	(42,132)	(38,394)	(32,150)
Net carrying value	4,868	8,606	14,850
Total intangibles	4,868	8,606	14,850

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 30 June 2023		
Balance at the beginning of the year	8,606	8,606
Amortisation	(3,738)	(3,738)
Closing value at 30 June 2023	4,868	4,868

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Trade and other payables

	2023	2022	2021
	\$	\$	\$
CURRENT			
Unsecured liabilities			
<i>Financial liabilities at amortised cost</i>			
Trade payables	319,763	98,073	44,570
Sundry payables and accrued expenses	164,041	47,640	71,491
	483,804	145,713	116,061
<i>Other</i>			
GST payable	166,270	171,614	97,809
Total current trade and other payables	650,074	317,327	213,870

Trade and other payables are unsecured, noninterest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Employee Benefits

	2023	2022	2021
	\$	\$	\$
CURRENT			
Annual leave	63,577	76,127	66,847
Total current employee benefits	63,577	76,127	66,847
NON-CURRENT			
Long service leave	60,290	48,040	47,839
Total non-current employee benefits	60,290	48,040	47,839

15 Contract Liabilities

	2023	2022	2021
	\$	\$	\$
CURRENT			
Income received in advance	3,503,771	1,283,372	2,061,409
Total current contract liabilities	3,503,771	1,283,372	2,061,409

16 Retained Earnings

	2023	2022	2021
	\$	\$	\$
Retained earnings at the beginning of the financial year	2,936,157	1,762,015	793,028
Net surplus for the year	186,893	1,174,142	968,987
Retained earnings at end of the financial year	3,123,050	2,936,157	1,762,015

Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Expenditure Commitments

Contracted commitments for:

18 Key Management Personnel Disclosures

The remuneration paid to key management personnel of WorldSkills Australia during the year is as follows:

	2023	2022	2021
	\$	\$	\$
Short-term employee benefits	587,779	570,838	545,990
Post-employment benefits	61,717	56,978	51,869
Total KMP remuneration	649,496	627,816	597,859

Other key management personnel transactions

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

19 Auditor's Remuneration

	2023	2022	2021
	\$	\$	\$
Remuneration of the auditor, HLB Mann Judd, for:			
- auditing the financial statements	14,500	14,500	14,500
- acquittal audit	1,550	1,550	1,550
- financial statement preparation	2,600	2,600	2,600
Total auditor's remuneration	18,650	18,650	18,650

20 Related Parties

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

(i) Key management personnel:

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

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel (KMP) Disclosures.

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

20 Related Parties (continued)

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	2023 \$	2022 \$	2021 \$
KMP related parties			
Jala Design Pty Ltd (owned by director, Jarrad Langdon) - website and design services	9,620	9,800	6,380
	9,620	9,800	6,380

21 Comparative financial information

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

However, for the years ended 30 June 2021 and 30 June 2022, disruptions due to COVID and resultant border closure, the timing, physical structure and associated expenditure of our programs (in particular National Championships) were altered, meaning the comparative information is not a like for like comparison.

22 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2023 the number of members was 11 (2022: 10; 2021: 10).

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None; 30 June 2021: None).

24 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 December 2023 by the Board of Directors.

WorldSkills Australia held its 2023 National Championships from 17-19 August 2023 in Melbourne. This major event involved 456 competitors, 62 Team Leaders and 226 volunteers who filled the role of judges, convenors and site crew. The event was held in front of an audience of 26,815 who visited the event in person and a further 10,939 who watched online. The event was hosted by the Victorian Government who provided funding of \$2.3 million which was recorded in the Statement of Financial Position as a Liability and as Cash at Bank as at 30 June 2023 due to the funds being received in full prior to the end of this financial year. A further \$933 thousand was also recorded as a liability and cash at bank representing amounts held for state teams to participate and corporate sponsorship. These amounts will be recognised as revenue in the 23/24 financial year. Similarly, as at 30 June 2023, prepayments worth, \$912 thousand was recorded in the Statement of Financial Position in relation to expenditure made in relation to the 2023

Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Events after the end of the Reporting Period (continued)

National Championships prior to 30 June 2023. This amount will be reflected in the 2023/24 Profit and Loss as expenditure.

Except for the above, 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.

WorldSkills Australia

ABN 43 147 075 714

Notes to the Financial Statements

For the Year Ended 30 June 2023

25 Company Details

The registered office of and principal place of business of the Company is:
Level 7, 379 Collins St
Melbourne Victoria 3000

Directors' Declaration

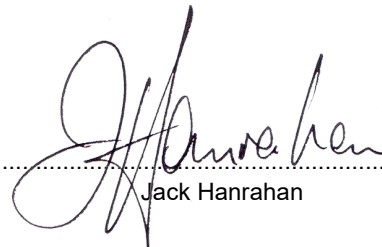
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 27, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-For-Profits Commission Regulations 2013* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, subject to Note 2(h), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

Kevin Harris

Director

Jack Hanrahan

Dated this 13th day of December 2023

WorldSkills Australia

ABN 43 147 075 714

Independent Audit Report to the members of WorldSkills Australia