



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### WESTERN AUSTRALIAN INSTITUTE OF SPORT

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Institute of Sport.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Board's Responsibility for the Financial Statements*

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Institute of Sport at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

**Report on Controls**

I have audited the controls exercised by the Western Australian Institute of Sport during the year ended 30 June 2012.

Controls exercised by the Western Australian Institute of Sport are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

*Board's Responsibility for Controls*

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

*Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Western Australian Institute of Sport based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Institute complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

**Opinion**

In my opinion, the controls exercised by the Western Australian Institute of Sport are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Western Australian Institute of Sport for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

*Board's Responsibility for the Key Performance Indicators*

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

*Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

### **Opinion**


In my opinion, the key performance indicators of the Western Australian Institute of Sport are relevant and appropriate to assist users to assess the Institute's performance and fairly represent indicated performance for the year ended 30 June 2012.

### **Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Institute of Sport for the year ended 30 June 2012 included on the Institute's website. The Institute's management are responsible for the integrity of the Institute's website. This audit does not provide assurance on the integrity of the Institute's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
10 September 2012



**WESTERN AUSTRALIAN INSTITUTE OF SPORT (INC)**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2012**

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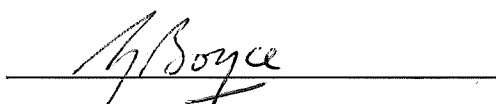
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## **Certification of Financial Statements**

The accompanying financial statements of the Western Australian Institute of Sport (Inc.) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

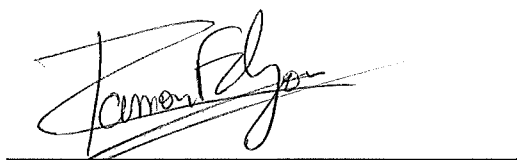
Dated this 31<sup>st</sup> of August 2012



Mr Grant Boyce  
Chairman  
Board Member  
Western Australian Institute of Sport (Inc.)



Mr Steven Lawrence  
Executive Director  
Board Member  
Western Australian Institute of Sport (Inc.)



Mr Ramon Falzon  
Finance and Administration Manager  
Chief Financial Officer  
Western Australian Institute of Sport (Inc.)



Western Australian Institute of Sport (Inc.)  
Statement of Comprehensive Income for the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	4,347,628	4,257,467
Supplies and services	7	2,447,820	2,529,939
Depreciation and amortisation expense	8	232,381	154,620
Accommodation expenses	9	422,447	46,825
Other expenses	10	945,917	1,025,584
<b>Total cost of services</b>		<b>8,396,193</b>	<b>8,014,435</b>
<b>Income</b>			
<b>Revenue</b>			
Commonwealth grants and contributions	11	88,900	110,750
Interest revenue	12	156,263	169,128
Contribution from sporting bodies	13	1,532,094	1,503,501
Other revenue	14	280,043	400,514
<b>Total Revenue</b>		<b>2,057,300</b>	<b>2,183,893</b>
<b>Gains</b>			
Gain on disposal of non-current assets	15	75,655	40,500
<b>Total Gains</b>		<b>75,655</b>	<b>40,500</b>
<b>Total income other than income from State Government</b>		<b>2,132,955</b>	<b>2,224,393</b>
<b>NET COST OF SERVICES</b>		<b>6,263,238</b>	<b>5,790,042</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
State grants	16	6,942,000	4,063,000
Resources received free of charge	16	895,394	573,244
<b>Total income from State Government</b>		<b>7,837,394</b>	<b>4,636,244</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>1,574,156</b>	<b>(1,153,798)</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>		<b>1,574,156</b>	<b>(1,153,798)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Western Australian Institute of Sport (Inc.)  
Statement of Financial Position as at 30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	2,347,993	659,528
Receivables	19	136,327	273,352
Other current assets	20	199,418	155,476
Inventories	18	16,392	14,836
<b>Total Current Assets</b>		<b>2,700,130</b>	<b>1,103,192</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	21	820,015	810,057
<b>Total Non-Current Assets</b>		<b>820,015</b>	<b>810,057</b>
<b>Total Assets</b>		<b>3,520,145</b>	<b>1,913,249</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	23	386,331	390,155
Provisions	24	630,813	604,482
Other current liabilities	25	264,840	298,345
<b>Total Current Liabilities</b>		<b>1,281,984</b>	<b>1,292,981</b>
<b>Non-Current Liabilities</b>			
Provisions	24	131,230	87,493
<b>Total Non-Current Liabilities</b>		<b>131,230</b>	<b>87,493</b>
<b>Total Liabilities</b>		<b>1,413,214</b>	<b>1,380,474</b>
<b>NET ASSETS</b>		<b>2,106,931</b>	<b>532,775</b>
<b>Equity</b>			
Accumulated surplus	26	2,106,931	532,775
<b>TOTAL EQUITY</b>		<b>2,106,931</b>	<b>532,775</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.





Western Australian Institute of Sport (Inc.)  
**Statement of Changes in Equity for the year ended 30 June 2012**

	<b>Accumulated surplus \$</b>	<b>Total equity \$</b>
<b>Balance at 1 July 2010</b>	1,686,573	1,686,573
Total comprehensive (loss) for the year	(1,153,798)	(1,153,798)
<b>Balance at 30 June 2011</b>	<b>532,775</b>	<b>532,775</b>
<b>Balance at 1 July 2011</b>	532,775	532,775
Total comprehensive income for the year	1,574,156	1,574,156
<b>Balance at 30 June 2012</b>	<b>2,106,931</b>	<b>2,106,931</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Western Australian Institute of Sport (Inc.)  
**Statement of Cash Flows for the year ended 30 June 2012**

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
State grants		6,942,000	4,063,000
<b>Net cash provided by State Government</b>		<b>6,942,000</b>	<b>4,063,000</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(4,277,560)	(4,222,721)
Supplies and services		(2,121,393)	(1,957,400)
Accommodation		(47,374)	(46,825)
GST payments on purchases		(236,647)	(186,376)
Other payments		(1,335,098)	(1,761,022)
		<u>(8,018,072)</u>	<u>(8,174,344)</u>
<b>Receipts</b>			
Commonwealth grants and contributions		88,900	110,750
Interest received		156,263	169,128
GST receipts on sales		782,393	729,118
Other receipts		1,903,664	1,786,540
		<u>2,931,220</u>	<u>2,795,536</u>
<b>Net cash used in operating activities</b>	27	<b><u>(5,086,852)</u></b>	<b><u>(5,378,807)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(251,897)	(565,820)
<b>Receipts</b>			
Proceeds from the sale of non-current physical assets		85,213	40,500
<b>Net cash used in investing activities</b>		<b><u>(166,683)</u></b>	<b><u>(525,320)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,688,465</b>	<b>(1,841,127)</b>
Cash and cash equivalents at the beginning of the financial year		659,528	2,500,655
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	17	<b><u>2,347,993</u></b>	<b><u>659,528</u></b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



## **1 Australian Accounting Standards**

### **General**

The Western Australian Institute of Sport (Inc.)'s ('the Institute') financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Institute has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

### **Early adoption of standards**

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Institute for the annual reporting period ended 30 June 2012.

## **2 Summary of Significant Accounting Policies**

### **a. General Statement**

The Institute is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### **b. Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar (\$).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Institute's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**c. Reporting Entity**

The reporting entity comprises the Western Australian Institute of Sport Inc. ('the Institute').

**d. Income**

***Revenue recognition***

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

***Sale of goods***

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

***Provision of services***

Revenue is recognised by reference to the stage of completion of the transaction.

***Interest***

Revenue is recognised as the interest accrues.

***Grants, donations, gifts and other non-reciprocal contributions***

Revenue is recognised at fair value when the Institute obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were yet to be discharged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

***Gains***

Realised or unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

**e. Property, Plant and Equipment**

***Capitalisation/expensing of assets***

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

***Initial recognition and measurement***

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

***Depreciation***

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Leased improvements are depreciated over the shorter of the asset's useful life and the lease term.



Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Plant, equipment and vehicles 3-10 years

Office equipment 3-10 years

Leased improvements 20-40 years estimated useful lives till the end of April 2012. As from May 2012, upon announcement that the State Government has committed \$32m for the construction of the new WAIS High Performance Centre, the estimated useful life has been accelerated to be fully depreciated by November 2014 which is the month of delivery of the facility.

#### **f. Impairment of Assets**

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Institute is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

There were no indicators of impairment at 30 June 2012.

#### **g. Leases**

The Institute holds operating leases for the office building and for two multifunctional office printers. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased property and equipment.

#### **h. Financial Instruments**

In addition to cash, the Institute has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

##### **Financial Assets**

- Cash and cash equivalents
- Receivables

##### **Financial Liabilities**

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.



The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**i. Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

**j. Accrued salaries**

Accrued salaries (see note 25 'Other current liabilities') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Institute considers the carrying amount of accrued salaries to be equivalent to its fair value.

**k. Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are measured at net realisable value.

**l. Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Institute will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. Refer to note 32 'Financial Instruments' and note 19 'Receivables'.

**m. Payables**

Payables are recognised when the Institute becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. Refer to note 32 'Financial Instruments' and note 23 'Payables'.

**n. Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. Refer to note 24 'Provisions'.

**i. Provisions - Employee Benefits**

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

*Annual Leave and Long Service Leave*

The liability for annual and long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Annual and long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to

apply at the time of settlement. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Institute does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

*Superannuation*

An external Superannuation institution administers the superannuation schemes.

Employees may contribute to the Pension Scheme. The Institute has no liabilities under the Pension Schemes.

Refer also to note 6(b) 'Superannuation expense'.

**ii. Provisions – Other**

*Employment on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Institute's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. Refer to note 10 'Other expenses' and note 24 'Provisions'.

**o. Resources Received Free of Charge or for Nominal Cost**

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Institute would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income. Refer to note 16 'Income from State Government'.

**p. Comparative Figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

**3 Judgements made by management in applying accounting policies**

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Institute evaluates these judgements regularly.

***Operating lease commitments***

The Institute has a lease for a building for office accommodation. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

#### **4 Key sources of estimation uncertainty**

The Institute makes key estimations and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

##### *Long Service Leave*

Several estimations and assumptions used in calculating the Institute's long service leave provision include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

#### **5 Disclosure of changes in accounting policy and estimates**

##### **Initial application of an Australian Accounting Standard**

The Institute has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Institute.

##### **AASB 1054 Australian Additional Disclosures**

This Standard, in conjunction with AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

##### **AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052].**

The Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

##### **AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]**

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.

##### **AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]**

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

##### **AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]**

This Standard introduces additional disclosures relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not





derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132, & 134 and Interpretations 2, 112 & 113]*

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-5 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]*

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

#### **Future impact of Australian Accounting Standards not yet operative**

The Institute cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Institute has not applied early any following Australian Accounting Standards that have been issued that may impact the Institute. Where applicable, the Institute plans to apply these Australian Accounting Standards from their application date.

**Operative for  
reporting periods  
beginning on/after**

AASB 9 *Financial Instruments*

1 Jan 2013

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatment.

The Standard was reissued in December 2010. The Institute has not yet determined the application or the potential impact of the Standard.

AASB 10 *Consolidated Financial Statements*

1 Jan 2013

This Standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments.

The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.



AASB 11	<i>Joint Arrangements</i>	1 Jan 2013
	<p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	
AASB 12	<i>Disclosure of Interests in Other Entities</i>	1 Jan 2013
	<p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	
AASB 13	<i>Fair Value Measurement</i>	1 Jan 2013
	<p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	
AASB 119	<i>Employee Benefits</i>	1 Jan 2013
	<p>This Standard supersedes AASB 119 (October 2010). As the Institute does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	
AASB 127	<i>Separate Financial Statements</i>	1 Jan 2013
	<p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	
AASB 128	<i>Investments in Associates and Joint Ventures</i>	1 Jan 2013
	<p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Institute has not yet determined the application or the potential impact of the Standard.</p>	
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	1 Jul 2013
	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]* 1 Jul 2013

[Modified by AASB 2010-7]

AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]* 1 Jul 2013

This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.

AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]* 1 Jan 2013

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Institute has not yet determined the application or the potential impact of the Standard.

AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]* 1 Jul 2013

This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.

AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]* 1 Jul 2013

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.

AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]* 1 Jan 2013

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. The Institute has not yet determined the application or the potential impact of the Standard.



- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]* 1 Jan 2012
- This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]* 1 Jul 2012
- This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Institute has not yet determined the application or the potential impact of the Standard.
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretation 14]* 1 Jan 2013
- This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.
- AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* 1 Jul 2013
- This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.
- AASB 2012-1 *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]* 1 Jul 2013
- This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.

Western Australian Institute of Sport (Inc.)  
**Notes to the Financial Statements**  
For the year ended 30 June 2012

	2012	2011
	\$	\$
<b>6 Employee benefits expense</b>		
Wages and salaries <sup>(a)</sup>	3,612,919	3,557,324
Annual leave	301,745	291,886
Long service leave	53,893	42,369
Superannuation <sup>(b)</sup>	379,071	365,888
	<u>4,347,628</u>	<u>4,257,467</u>

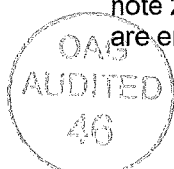
- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.  
(b) External Superannuation institutions administer the superannuation schemes.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 10 'Other expenses'.

Employment on-costs liability is included at note 24 'Provisions'.

	2012	2011
	\$	\$
<b>7 Supplies and services</b>		
Travel	574,410	600,213
Consultants and contractors	460,344	469,986
Communication	52,405	51,820
Venue and sports related repairs and maintenance	1,075,613	1,043,782
Events	112,522	118,791
Training and development	38,060	70,555
Other	134,466	174,792
	<u>2,447,820</u>	<u>2,529,939</u>
<b>8 Depreciation expense</b>		
Leasehold improvements	47,445	11,897
Plant, equipment and vehicles	180,922	139,503
Office equipment	4,014	3,220
	<u>232,381</u>	<u>154,620</u>
<b>9 Accommodation expense</b>		
Lease rentals	422,447	46,825
	<u>422,447</u>	<u>46,825</u>
<b>10 Other expenses</b>		
Equipment repairs & maintenance	33,294	40,318
General administration expenses	63,679	47,046
Sport programs	390,166	321,566
Scholarships	35,442	26,563
Sport science	92,297	253,010
Marketing & promotion	46,327	43,643
Employment on-costs <sup>(a)</sup>	284,712	293,438
	<u>945,917</u>	<u>1,025,584</u>

- (a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.



	2012 \$	2011 \$
<b>11 Commonwealth grants and contributions</b>		
Australian Sports Commission / AIS funding	88,900	110,750
	<u>88,900</u>	<u>110,750</u>

The fundings include non-reciprocal grants from the Australian Sports Commission grant and the Australian Institute of Sport grant. The terms of the grant are that it must be used to fund athlete career education. The grant has been recognised in its entirety upon receipt as the only condition set by the grantor relates to how the grant can be expended and there are no performance measures in terms of service delivery.

	2012 \$	2011 \$
<b>12 Interest revenue</b>		
Interest received from deposits	156,263	169,128
	<u>156,263</u>	<u>169,128</u>

<b>13 Contributions from sporting bodies</b>		
Contributions from sporting bodies	1,532,094	1,503,501
	<u>1,532,094</u>	<u>1,503,501</u>

<b>14 Other revenue</b>		
Sponsorship	168,392	159,398
Other	111,651	241,116
	<u>280,043</u>	<u>400,514</u>

<b>15 Net gain on disposal of non-current assets</b>		
<u>Costs of Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	9,558	-
	<u>9,558</u>	<u>-</u>
<u>Proceeds from Disposal of Non-Current Assets</u>		
Plant, equipment and vehicles	85,213	40,500
	<u>85,213</u>	<u>40,500</u>
Net gain	<u>75,655</u>	<u>40,500</u>

<b>16 Income from State Government</b>		
Sports Lotteries Funding grant	5,471,000	3,983,000
Consolidated Funding grant	1,471,000	80,000
	<u>6,942,000</u>	<u>4,063,000</u>
Resources received free of charge <sup>(a)</sup>		
Determined on the basis of the following estimates provided by agencies:		
VenuesWest – Accommodation	375,073	-
VenuesWest – Venue hire	520,321	573,244
	<u>895,394</u>	<u>573,244</u>
	<u>7,837,394</u>	<u>4,636,244</u>

(a) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.



	2012 \$	2011 \$
<b>17 Cash and cash equivalents</b>		
Deposits	2,100,000	300,000
Cash at Bank	247,293	358,828
Cash on hand	700	700
	<u>2,347,993</u>	<u>659,528</u>
<b>18 Inventories</b>		
Current – Inventories held for resale:		
- Finished goods		
At cost or net realisable value	16,392	14,836
Total Current	<u>16,392</u>	<u>14,836</u>
<b>19 Receivables</b>		
Current		
Receivables	138,696	291,401
Allowance for impairment of receivables <sup>(1)</sup>	(2,369)	(18,049)
Total Current	<u>136,327</u>	<u>273,352</u>
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at start of period	18,049	-
Doubtful debts expense	2,369	18,049
Amounts recovered during the period	(18,049)	-
Total Current	<u>2,369</u>	<u>18,049</u>
(1) Receivables aged over 3 months are impaired. Hence an adequate provision has been made.		
<b>20 Other assets</b>		
Current		
Prepayments	168,667	155,476
Accrued income	30,751	-
Total Current	<u>199,418</u>	<u>155,476</u>
<b>21 Property, plant and equipment</b>		
Leasehold Improvements		
At cost	400,130	387,605
Accumulated Depreciation	(102,602)	(55,157)
	<u>297,528</u>	<u>332,448</u>
Plant, equipment and vehicles		
At cost	1,588,452	1,523,368
Accumulated Depreciation	(1,070,282)	(1,054,091)
	<u>518,170</u>	<u>469,277</u>
Office Equipment		
At cost	24,601	24,601
Accumulated Depreciation	(20,283)	(16,269)
	<u>4,318</u>	<u>8,332</u>
	<u>820,015</u>	<u>810,057</u>



Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out in the table below.

	Leasehold Improvements	Plant, equipment and vehicles	Office equipment	Total
	\$	\$	\$	\$
<b>2012</b>				
Carrying amount at start of year	332,443	469,282	8,332	810,057
Additions	12,529	239,368	-	251,897
Disposals	-	(9,558)	-	(9,558)
Depreciation	(47,445)	(180,922)	(4,014)	(232,381)
Carrying amount at end of year	297,527	518,170	4,318	820,015
<b>2011</b>				
Carrying amount at start of year	135,266	257,795	5,796	398,857
Additions	209,074	350,990	5,756	565,820
Disposals	-	-	-	-
Depreciation	(11,897)	(139,503)	(3,220)	(154,620)
Carrying amount at end of year	332,443	469,282	8,332	810,057

## 22 Impairment of assets

There were no indications of impairment to property, plant and equipment at 30 June 2012.

The Institute held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2012 have either been classified as assets held for sale or written-off.

	2012 \$	2011 \$
<b>23 Payables</b>		
Current		
Trade payables	164,457	358,351
Other payables	221,874	31,804
Total	386,331	390,155



	2012 \$	2011 \$
<b>24 Provisions</b>		
Current		
Employee benefits provision		
Annual leave <sup>(a)</sup>	292,072	277,731
Long service leave <sup>(b)</sup>	308,440	297,715
	<u>600,512</u>	<u>575,446</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	30,301	29,036
	<u>30,301</u>	<u>29,036</u>
	<u>630,813</u>	<u>604,482</u>
Non-current		
Employee benefits provision		
Long service leave <sup>(b)</sup>	124,926	83,290
Other provisions		
Employment on-costs <sup>(c)</sup>	6,304	4,203
	<u>6,304</u>	<u>4,203</u>
	<u>131,230</u>	<u>87,493</u>
	<u>762,043</u>	<u>691,975</u>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	292,072	277,731
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(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	308,440	297,715
More than 12 months after reporting date	124,926	83,290
	<u>433,366</u>	<u>381,005</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 10 'Other expenses'.

#### Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

<u>Employment on-cost provision</u>	2012 \$	2011 \$
Carrying amount at start of year	33,239	28,965
Additional provisions recognised	18,994	17,850
Payments	<u>(15,628)</u>	<u>(13,575)</u>
Carrying amount at end of year	<u>36,605</u>	<u>33,239</u>



	2012 \$	2011 \$
<b>25 Other current liabilities</b>		
Accrued expenses	228,260	206,352
Other- Unearned income	36,580	91,993
Total	<u>264,840</u>	<u>298,345</u>
<b>26 Equity</b>		
<b>Accumulated Surplus</b>		
Balance at start of year	532,775	1,686,573
Result for the period	1,574,156	(1,153,798)
Balance at end of year <sup>(a)</sup>	<u>2,106,931</u>	<u>532,775</u>

(a) Refer to Statement of Changes in Equity on page 64

## 27 Notes to the Statement of Cash Flows

### Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	2,347,993	659,528
	<u>2,347,993</u>	<u>659,528</u>

Reconciliation of net cost of services to net cash flows used in operating activities:

Net cost of services	(6,263,238)	(5,790,041)
Non-cash items:		
Depreciation and amortisation expense	232,381	154,620
Resources received free of charge	895,394	573,244
Net gain on sale of property, plant and equipment	(75,655)	(40,500)
(Increase)/decrease in assets:		
Current receivables	137,025	(130,134)
Current inventories	(1,556)	17,850
Other current assets	(43,942)	(5,191)
Increase/(decrease) in liabilities:		
Current payables	(193,895)	(703)
Current provisions	26,331	5,510
Other current liabilities	(389,180)	(735,438)
Non-current provisions	43,737	29,236
Net GST payments	545,746	542,742
Net cash (used in) operating activities	<u>(5,086,852)</u>	<u>(5,378,807)</u>

	2012 \$	2011 \$
<b>28 Commitments</b>		
<b>Non-cancellable operating lease commitments</b>		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	53,280	24,000
Later than 1 year and not later than 5 years	213,122	96,000
Later than 5 years	745,926	444,000
	<u>1,012,328</u>	<u>564,000</u>

The Institute has entered into a property lease which is a non-cancellable lease with four terms of five years each, with rent payable in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by CPI annually and by a current market rent valuation in the final year of each term.

The new WAIS High Performance Centre will be delivered on November 2014 and a new operating lease will be drafted between WAIS and the current landlord. The new agreement is expected to maintain the current existing terms and the financial commitments will not be of a lesser amount than stated above.

As from May 2012, upon announcement that the State Government has committed \$32m for the construction of the new WAIS High Performance Centre, the estimated useful life of leasehold improvements in the current building has been accelerated to be fully depreciated by November 2014 which is the month of delivery of the facility.

**Capital expenditure commitments**

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	21,455	41,822
Later than 1 year and not later than 5 years	-	-
	<u>21,455</u>	<u>41,822</u>

**29 Events occurring after the end of the reporting period**

There are no significant events after the end of the reporting period.

**30 Contingent liabilities and contingent assets**

*Contingent liabilities*

In addition to the liabilities included in the financial statements, there are no more contingent liabilities.

*Contingent assets*

In addition to the assets included in the financial statements, there are no more contingent assets.



### 31 Explanatory statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$20,000.

#### Significant variances between estimated and actual result for 2012

	2012 Estimate \$	2012 Actual \$	Variation \$
<b>Income</b>			
Interest revenue	118,538	156,263	37,725
Contribution from sporting bodies	1,497,944	1,532,094	34,150
Other revenue	185,320	280,043	94,723
Income from State Government	6,446,394	7,837,394	1,391,000
<b>Expenses</b>			
Employee benefits expense	4,369,062	4,347,628	21,434
Supplies and services	2,633,469	2,447,820	185,649
Other expenses	1,001,068	945,917	55,151

#### *Interest revenue*

Increase mainly due to increased tenure for which the deposits were kept and higher rates.

#### *Contribution from sporting bodies*

The variance is mainly due to increase in Sporting Organisations funding and efforts by individual sport programs to generate one-off additional funding.

#### *Other revenue*

Additional Research Grant Income received during the year which was not budgeted for.

#### *Income from State Government*

\$1.3m relating to 2012/13 funding has been prepaid during the current financial year.

#### *Employee benefits expense*

The variance is mainly due to savings arising from a Sport Program restructure.

#### *Supplies and services, Other expenses*

The variances in Supplies and services is arising from efficiencies costs savings in travelling expenditure and from staff training and development foregone during the year.

#### *Other expenses*

The variances in Other expenses is due to an actual lower level of athlete financial support.

Significant variations between actual results for income and expense during 2012 and 2011 are shown below. Significant variations are considered to be those greater than 10% or \$20,000.

**Significant variances between actual results for 2011 and 2012**

	2012 \$	2011 \$	Variance \$
<b>Income</b>			
Commonwealth grants and contributions	88,900	110,750	(21,850)
Contribution from sporting bodies	1,532,094	1,503,501	28,593
Other revenue	280,043	400,514	(120,471)
Gain on disposal of non-current assets	75,655	40,500	35,155
Income from State Government	7,837,394	4,636,244	3,201,150
<b>Expenses</b>			
Employee benefits expense	4,347,628	4,257,467	(90,161)
Supplies and services	2,447,820	2,529,939	82,119
Depreciation and amortization expense	232,381	154,620	(77,761)
Other expenses	945,917	1,025,584	79,667

*Commonwealth grants and contributions*

The variance is mainly due to an decrease in Australian Sports Commission funding relating to service delivery.

*Contribution from sporting bodies*

The variance is mainly due to increase in Sporting Organisations funding and efforts by individual sport programs to generate one-off additional funding.

*Other revenue*

The variance is mainly due to a decrease in Research Grant Income.

*Gain on disposal of non-current assets*

The variance is arising from a bigger number of assets, mainly rowing boats, being sold during 2012.

*Income from State Government*

The variance is due to the increase in the resources received free of charge and an advance funding per service level agreement in 2012 and a 2011 funding portion advanced in 2010.

*Employee benefits expense*

The variance is mainly due to increase in wages and salaries during the year due to CPI increases, bonus payments and the introduction of new roles in the organisation.

*Supplies and services*

The variance is mainly due to a decrease in service contracts.

*Depreciation and amortisation expense*

The variance is mainly due to accelerated deprecation rate of Leasehold Improvements since WAIS will be allocated a new facility in December 2014.

*Other expenses*

The variance is mainly due to savings in Sport Program expenses.

## 32 Financial instruments

### (a) Financial risk management objectives and policies

Financial instruments held by the Institute are cash and cash equivalents, Treasurer's advances and receivables and payables. The Institute has limited exposure to financial risks. The Institute's overall risk management program focuses on managing the risks identified below.

*Credit risk*

Credit risk arises when there is the possibility of the Institute's receivables defaulting on their contractual obligations resulting in financial loss to the Institute.

The Institute trades only with recognised, creditworthy third parties. The Institute has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Institute's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table below.

*Liquidity risk*

Liquidity risk arises when the Institute is unable to meet its financial obligations as they fall due.

The Institute is exposed to liquidity risk through its trading in the normal course of business.

The Institute has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

*Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Institute's income or the value of its holdings of financial instruments. The Institute does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The Institute does not hold any long-term debt obligations, thus the Institute does not have exposure to market risk for changes in interest rates.

**(b) Categories of Financial Instruments**

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of each reporting period are as follows:

	2012 \$	2011 \$
<b>Financial Assets</b>		
Cash and cash equivalents	2,347,993	659,528
Restricted cash and cash equivalents	-	-
Loans and receivables(a)	138,696	291,401
<b>Financial Liabilities</b>		
Bank overdraft	-	-
Financial liabilities measured at amortised cost	164,457	358,351

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

**(c) Financial Instrument Disclosures**

**Credit risk**

The following table disclose the Institute's maximum exposure to credit risk and the ageing analysis of financial assets. The Institute's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Institute.

The Institute does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

**Ageing analysis of financial assets**

			<u>Past due but not impaired</u>					Impaired financial assets \$
Carrying Amount \$	Not past due and not impaired \$	Up to 1 month \$	1 - 3 month s \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$		
<b>2012</b>								
Cash and cash equivalents	2,347,993	2,347,993	-	-	-	-	-	-
Receivables (a)	138,696	-	49,978	70,819	17,899	-	-	2,369
	<b>2,486,689</b>	<b>2,347,993</b>	<b>49,978</b>	<b>70,819</b>	<b>17,899</b>	-	-	<b>2,369</b>
<b>2011</b>								
Cash and cash equivalents	659,528	659,528	-	-	-	-	-	-
Receivables (a)	291,401	-	182,920	67,800	40,680	-	-	18,049
	<b>950,929</b>	<b>659,528</b>	<b>182,920</b>	<b>67,800</b>	<b>40,680</b>	-	-	<b>18,049</b>

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

**Liquidity risk and interest rate exposure**

The following table details the Institute's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.



**Interest rate exposure and maturity analysis of financial assets and financial liabilities**

	Weighted Average Effective Interest Rate %	Interest rate exposure				Maturity dates					
		Carrying Amount \$	Fixed interest rate \$	Variable Interest rate \$	Non- interest bearing \$	Nominal Amount \$	Up to 1 month \$	1 - 3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$
<b>2012</b>											
<b><u>Financial Assets</u></b>											
Cash and cash equivalents	5.86%	2,347,993	2,100,000	247,293	700	2,347,993	747,993	-	1,600,000	-	-
Receivables (a)	-	138,696	-	-	138,696	138,696	49,978	70,819	17,899	-	-
		<b>2,486,689</b>	<b>2,100,000</b>	<b>247,293</b>	<b>139,396</b>	<b>2,486,689</b>	<b>797,970</b>	<b>70,819</b>	<b>1,617,899</b>	-	-
<b><u>Financial Liabilities</u></b>											
Payables	-	164,457	-	-	164,457	164,457	93,340	60,363	10,754	-	-
		<b>164,457</b>	-	-	<b>164,457</b>	<b>164,457</b>	<b>93,340</b>	<b>60,363</b>	<b>10,754</b>	-	-

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).





**Interest rate exposure and maturity analysis of financial assets and financial liabilities**

	Weighted Average Effective Interest Rate %	Interest rate exposure				Maturity dates						
		Carrying Amount \$	Fixed interest rate \$	Variable Interest rate \$	Non- interest bearing \$	Nominal Amount \$	Up to 1 month \$	1 - 3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$	
2011												
<u>Financial Assets</u>												
Cash and cash equivalents	5.69%	659,528	300,000	358,828	700	659,528	659,528	-	-	-	-	-
Receivables (a)	-	291,401	-	-	291,401	291,401	182,920	67,800	40,680	-	-	-
		<b>950,928</b>	<b>300,000</b>	<b>358,828</b>	<b>292,101</b>	<b>950,928</b>	<b>842,448</b>	<b>67,800</b>	<b>40,680</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Financial Liabilities</u>												
Payables	-	358,351	-	-	358,351	358,351	295,499	35,973	26,880	-	-	-
		<b>358,351</b>	<b>-</b>	<b>-</b>	<b>358,351</b>	<b>358,351</b>	<b>295,499</b>	<b>35,973</b>	<b>26,880</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

**Notes to the Financial Statements**

For the year ended 30 June 2012

*Interest rate sensitivity analysis*

The following table represents a summary of the interest rate sensitivity of the Institute's financial assets at the end of the reporting period on the surplus for the period and equity for a 100 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period. The Institute does not hold interest bearing financial liabilities at the end of the reporting period.

		-100 basis points		+100 basis points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
2012					
Financial Assets					
Cash and cash equivalents	2,347,293	(23,473)	(23,473)	23,473	23,473
	2,347,293	(23,473)	(23,473)	23,473	23,473

		-100 basis points		+100 basis points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
2011					
Financial Assets					
Cash and cash equivalents	658,828	(6,588)	(6,588)	6,588	6,588
	658,828	(6,588)	(6,588)	6,588	6,588

*Fair values*

All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**Notes to the Financial Statements**

For the year ended 30 June 2012

**33 Remuneration of members of the accountable authority and senior officers**Remuneration of Members of the Institute

The number of members of the Institute, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	2012	2011
\$1 - \$10,000	1	1
\$200,001 - \$210,000	-	1
\$210,001 - \$225,000	1	-

The total remuneration of members of the accountable authority is:

228,042	213,495
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The total remuneration includes the superannuation expense incurred by the Institute in respect of senior officers other than senior officers reported as members of the accountable authority.

Remuneration of senior officers

The number of senior officers, other than senior officers reported as members of the Institute, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	2012	2011
\$60,001 - \$70,000	1	-
\$70,001 - \$80,000	-	1
\$90,001 - \$100,000	-	1
\$100,001 - \$110,000	1	1
\$110,001 - \$120,000	1	2
\$120,001 - \$130,000	3	1

The total remuneration of senior officers is:

652,316	625,080
---------	---------

Two termination payments representing the settlement of annual leave and long service leave balances were paid in 2012 amounting to \$26,098.

The total remuneration includes the superannuation expense incurred by the Institute in respect of senior officers other than senior officers reported as members of the accountable authority.

**34 Remuneration of Auditor**

2012	2011
\$	\$

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements and key performance indicators

40,300	38,000
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**35 Schedule of income and expenses by service**

The Institute only has one service therefore a separate statement of service is not required.



**36 Supplementary financial information**

**(a) Write-offs**

During the financial year, \$540 (2011: nil) was written off the Institute's receivables under the authority of:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
The accountable authority	<u>540</u>	<u>-</u>

### **Certification of Key Performance Indicators**

We hereby certify that the accompanying key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Western Australian Institute of Sport (Inc.), and fairly represent the performance of the Western Australian Institute of Sport (Inc.) for the financial year ended 30 June 2012.

Dated this 31<sup>st</sup> of August 2012



Mr Grant Boyce  
Chairman  
Board Member  
Western Australian Institute of Sport (Inc)



Mr Steven Lawrence  
Executive Director  
Board Member  
Western Australian Institute of Sport (Inc)



**Outcome:** Talented Western Australian sports persons to achieve excellence in high performance sport with support from their home environment.

The following Performance Indicators demonstrate the extent to which the Western Australian Institute of Sport's outcome has been achieved.

1. **Effectiveness Indicators**

WAIS provides opportunities for talented Western Australian sports people to achieve excellence in high performance sport with support from their home environment.

A high performance athlete is defined by the national institute network as being an athlete who is of Australian Open team standard in his or her sport. Australia aims to be an internationally competitive nation. WAIS is considered by the Australian high performance sports system to be a significant contributor to Australian success and is recognised by membership to the Australian National Elite Sports Council. WAIS will therefore assess its contribution to Australia's international success.

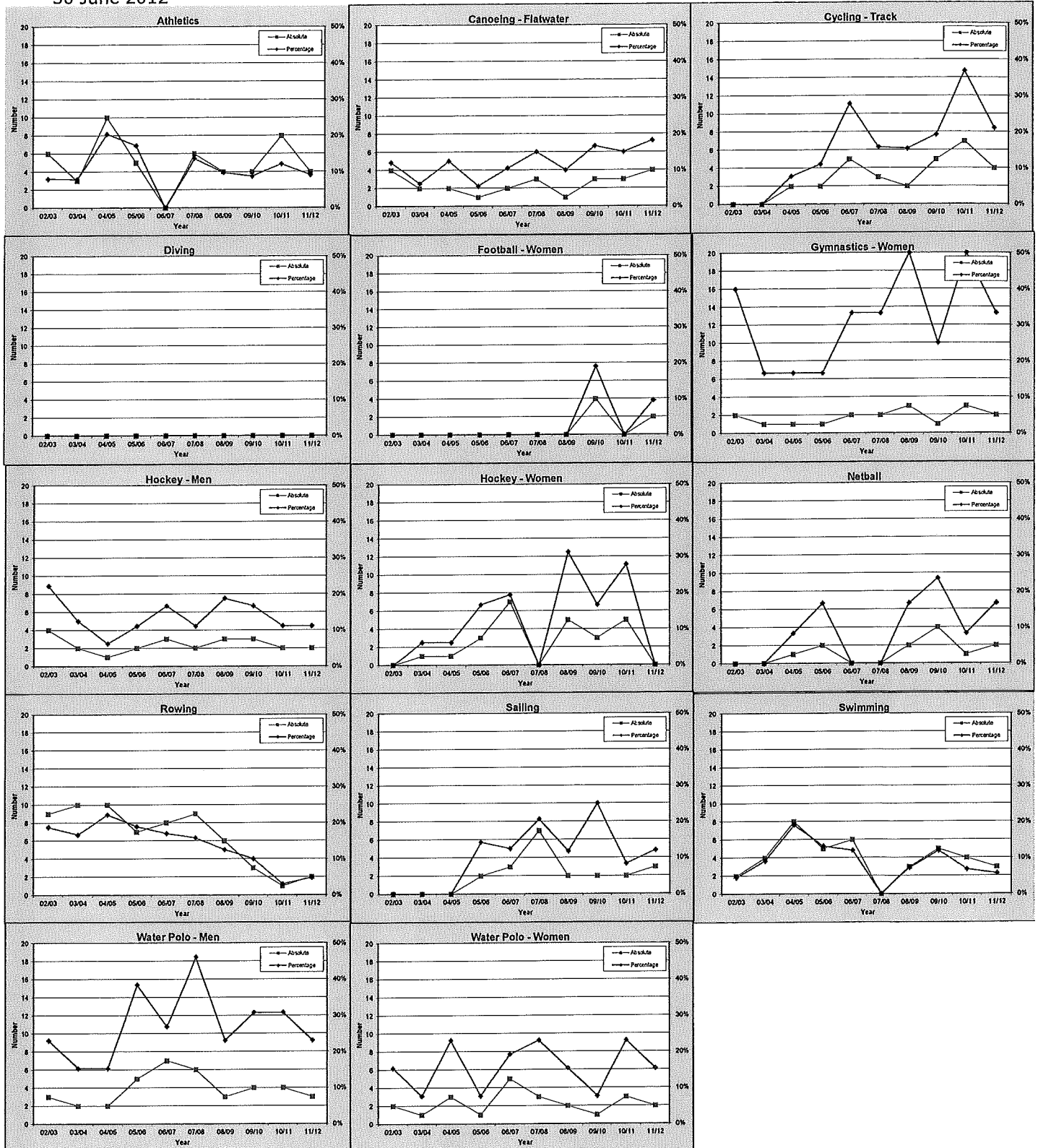
Two indicators are used to measure the extent to which WAIS is meeting its purpose.

**1.1 WA's Representative Numbers in Australian Open Teams**

The aim is to achieve an average of ten per cent representation in major Australian Open teams across sports supported by WAIS. This figure is based on WA having approximately ten percent of the national population. The graphs on the following page show the current and historical representation by WA on the major national team for each year for each sport in which WAIS operates a sport program.

Each program has a specific athlete target number to reach in each year. In the current year eleven of fourteen assessable programs were considered to have reached or exceeded their target. The sport programs to miss the target were Athletics Rowing and Swimming. The overall combined result exceeded the WAIS target for national team representation.

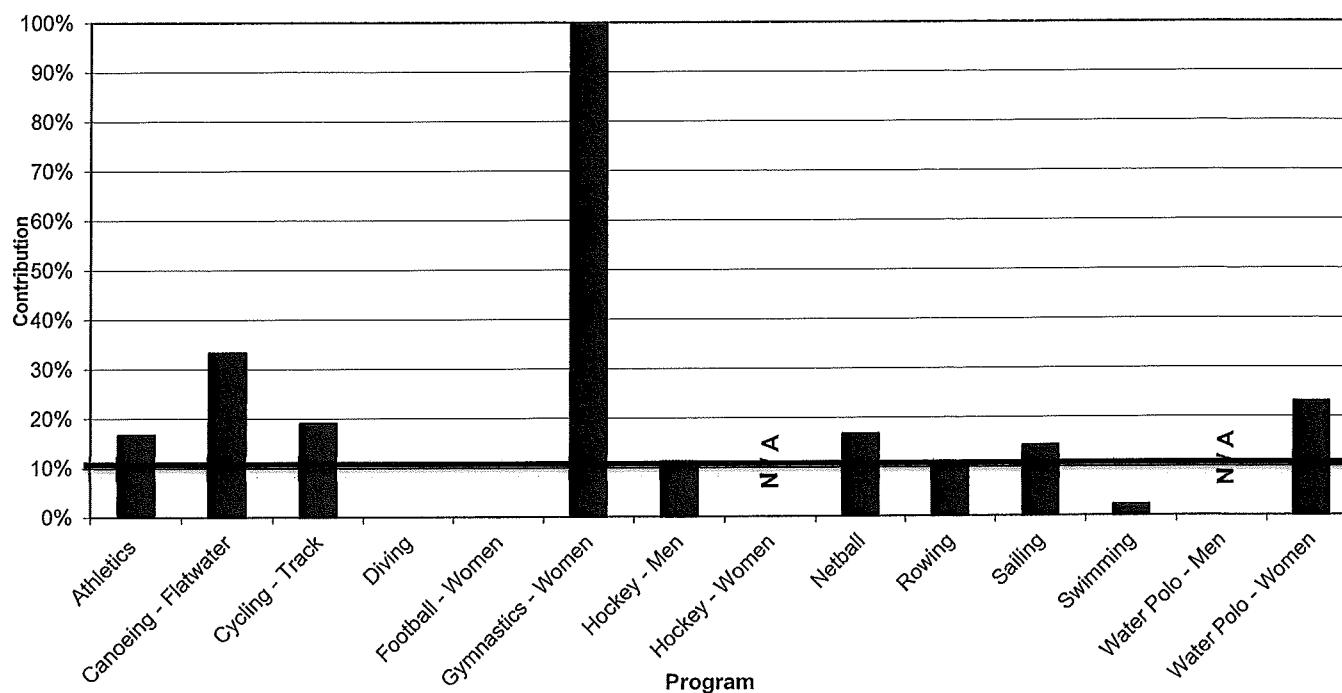
Western Australian Institute of Sport (Inc.)  
Key Performance Indicators  
30 June 2012



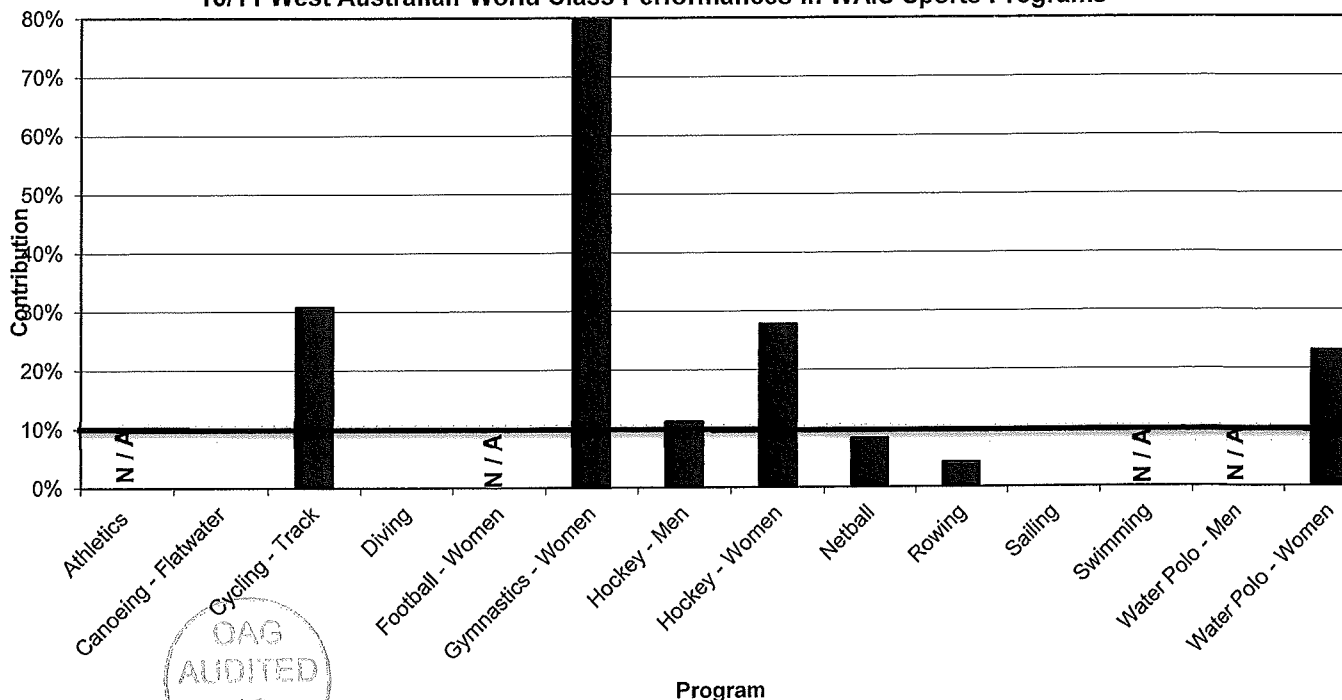
## 1.2 WA Representative Contribution to Australian World Class Performance

WAIS assesses its contribution to Australia's international competitiveness by measuring the number of World Class performances (top eight individual or top four team or multiple athlete event performance at a World Championship or Olympic Games) recorded by Western Australians. The Institutes aim is for athletes in sports supported by WAIS to achieve ten percent of Australian World Class performances. In 2011-12 13 WAIS sport programs had an event (2011 or 2012 World Championships) at which this indicator could be assessed at, Women's Hockey being the exception. Australia recorded at least one World Class performance in twelve WAIS sport program sports. In these sport program sports ten WAIS programs met their target. This combined WAIS athlete World Class performance results equalled 11.4% of Australian World Class performances. Therefore the target for this measure was again achieved.

**11/12 West Australian World Class Performances in WAIS Sports Programs**



**10/11 West Australian World Class Performances in WAIS Sports Programs**





## 2. Efficiency Indicators

The indicator used is the average cost of providing services to athletes. It assesses the extent to which WAIS is responding to its responsibility to provide opportunities for talented Western Australian athletes through cost efficient management of support systems to meet the high performance requirements of our talented athletes.

The number of athletes at the Western Australian Institute of Sport comprises athletes in sport programs and those supported through the Individual Athlete Support Program. Athlete Scholarships are awarded in one of four categories based upon current and prognostic competition performance. The number of athletes within a sport program remains relatively consistent, however the athletes making up those particular squads may change during the year. The actual cost per athlete for the year ending 30 June 2012 was \$26,486, which is 2.02% lower than the target for the year which was established at \$27,031. The cost per athlete decreased by 5.81% from the previous year. The sport programs focussed their efforts and resources towards athletes capable of representing Australia at the 2012 Olympic and Paralympic Games. With staff effort focussed on potential Olympians less time and therefore less resources were allocated to lower tier athletes and hence a slightly lower overall cost per athlete. Additionally, a portion of the increase can be related to higher cost of services as from 2010/11 since the resources received free of charge relating to venue hire were included. The total resources received free on charge in 2011/12 increased once again with the inclusion of the accomodation received free of charge. Employment benefits, travelling expenses and direct sport programs costs have increased steadily in absolute terms when compared to the previous year. Whilst the increase in the total number of athletes of 11.2% from the financial year 2010/11 has resulted in a slightly lower cost per athlete, since most of the main base overheads are of a fixed nature.

The cost per athlete is determined on the total operating expenditure of the Western Australian Institute of Sport.

**WAIS Efficiency as Indicated by Financial Cost per Athlete Supported**

