

Western Research Institute Limited

ABN 76 090 089 991

Financial Statements

For the Year Ended 31 December 2019

Western Research Institute Limited

ABN 76 090 089 991

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For the Year Ended 31 December 2019

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Western Research Institute Limited

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Directors' Report

31 December 2019

The directors present their report on Western Research Institute Limited for the financial year ended 31 December 2019.

1. General information

Information on directors

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

Juliet Lee Duffy

Qualifications MSM University of Sydney
MAICD

Experience Director since 2005
Secretary since 2007
Deputy Chair since 2016
Elected Chair 2017

Other information Director, Regional Enviroscience Pty Limited

Andrew Everett

Qualifications Bachelor of Law, Sydney University
Bachelor of Economics, Macquarie University

Experience Director since 2016
Resigned 11 February 2020
Elected Deputy Chair 2017 - 11 February 2020

Other information CEO, Westhaven Dubbo

Jo-Anne Strader

Qualifications Bachelor of Commerce (Hons), Queens University, Canada

Experience Director since 2016

Other information Financial Controller, DSM Nutritional Products Australia Pty Limited

Gavin Priestley

Experience Director since April 2019

Other information Regional Director NSW Public Works

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

Principal activities

The principal activity of Western Research Institute Limited during the financial year was the provision of research services.

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

2. Operating results and review of operations for the year

Operating results

The loss of the Company after providing for income tax amounted to \$ (88,390) (2018: \$ (70,581)).

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Directors' Report

31 December 2019

3. Other items

Significant changes in state of affairs

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

Matters or circumstances arising after the end of the year

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

Environmental matters

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

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Juliet Lee Duffy	7	7
Andrew Everett	7	7
Jo-Anne Strader	7	6
Gavin Priestley	3	3

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Western Research Institute Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:

Juliet Lee Duffy

Director:

Jo-Anne Strader

Dated: 25 March 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WESTERN RESEARCH INSTITUTE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

GPP Audit Pty Limited

GPP Audit Pty Limited
Chartered Accountants

Ben Jenkins

Benjamin Jenkins
Director
CAANZ Member # 337144
Registered Company Auditor # 383482

Dated this 27th day of March 2020

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Consulting Revenue		423,192	455,200
Interest income		1,536	2,660
Inland Revenue Fund Income		-	3,710
Other income		5,682	4,966
Employee benefits expense		(305,228)	(305,366)
Depreciation and amortisation expense		(5,581)	(4,759)
Administration Expenses		(141,801)	(111,630)
Consulting expenses		(66,188)	(115,362)
Profit before income tax		(88,388)	(70,581)
Income tax expense		-	-
Profit from continuing operations		(88,388)	(70,581)
Profit for the year		(88,388)	(70,581)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Items that will be reclassified to profit or loss when specific conditions are met			
Total comprehensive income for the year		(88,388)	(70,581)

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Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	48,085	215,804
Trade and other receivables	7	79,825	49,722
TOTAL CURRENT ASSETS		127,910	265,526
NON-CURRENT ASSETS			
Property, plant and equipment	8	7,623	12,799
Other assets		10	10
TOTAL NON-CURRENT ASSETS		7,633	12,809
TOTAL ASSETS		135,543	278,335
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	17,592	22,368
Short-term provisions	10	-	1,399
Employee benefits	12	14,623	20,833
Other financial liabilities	11	7,000	19,016
TOTAL CURRENT LIABILITIES		39,215	63,616
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		39,215	63,616
NET ASSETS		96,328	214,719
EQUITY			
Inland Revenue Fund		66,290	96,290
Retained earnings		30,039	118,429
TOTAL EQUITY		96,329	214,719

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained Earnings	Inland Revenue Fund	Total
Note	\$	\$	\$
Balance at 1 January 2019	118,427	96,290	214,717
Profit attributable to members of the entity	(88,388)	-	(88,388)
Transactions with owners in their capacity as owners			
Transfer from Inland Revenue Fund	-	(30,000)	(30,000)
Balance at 31 December 2019	30,039	66,290	96,329

2018

	Retained Earnings	Inland Revenue Fund	Total
Note	\$	\$	\$
Balance at 1 January 2018	289,010	-	289,010
Profit attributable to members of the entity	(70,581)	-	(70,581)
Transactions with owners in their capacity as owners			
Transfers from retained earnings to Inland Revenue Fund	(100,000)	96,290	(3,710)
Balance at 31 December 2018	118,429	96,290	214,719

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		363,951	447,934
Payments to suppliers and employees		(532,801)	(481,005)
Interest received		1,536	2,660
Net cash provided by/(used in) operating activities		<u>(167,314)</u>	<u>(30,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(405)</u>	<u>(9,091)</u>
Net cash provided by/(used in) investing activities		<u>(405)</u>	<u>(9,091)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase/(decrease) in cash and cash equivalents held		(167,719)	(39,502)
Cash and cash equivalents at beginning of year		215,804	255,306
Cash and cash equivalents at end of financial year	6	<u><u>48,085</u></u>	<u><u>215,804</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2019

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

The functional and presentation currency of Western Research Institute Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 25 March 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

For current year

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Revenue from contracts with customers

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) 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 payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10%
Office Equipment	33%
Computer Software	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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(f) 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.

(g) Employee benefits

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

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

3 Critical Accounting Estimates and Judgments

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 significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - receivables

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

4 Revenue and Other Income

Revenue from continuing operations

	2019	2018
	\$	\$
Revenue from contracts with customers		
- Consulting Income	423,192	455,200
- Inland Revenue Fund Income	-	3,710
	-	3,710
Total Revenue	423,192	458,910
Other Income		
- other income	5,682	4,966
	5,682	4,966

5 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Other expenses:		
Employee benefits expense	305,228	305,366

6 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	48,085	215,804
	48,085	215,804

7 Trade and other receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	7,678	16,500
Accrued Income	45,392	14,621
Prepayments	26,755	18,601
Total current trade and other receivables	79,825	49,722

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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

7 Trade and other receivables

(a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2019 is determined as follows, the expected credit losses incorporate forward looking information.

8 Property, plant and equipment

PLANT AND EQUIPMENT

	2019 \$	2018 \$
Furniture, fixtures and fittings		
At cost	31,763	31,763
Accumulated depreciation	(27,056)	(25,230)
Total furniture, fixtures and fittings	4,707	6,533
Office equipment		
At cost	60,968	60,563
Accumulated depreciation	(58,052)	(54,297)
Total office equipment	2,916	6,266
Computer software		
At cost	15,220	15,220
Accumulated depreciation	(15,220)	(15,220)
Total computer software	-	-
Total plant and equipment	7,623	12,799
Total property, plant and equipment	7,623	12,799

Notes to the Financial Statements

For the Year Ended 31 December 2019

8 Property, plant and equipment

(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:

	Furniture, Fixtures and Fittings	Office Equipment	Computer Software	Total
	\$	\$	\$	\$
Year ended 31 December 2019				
Balance at the beginning of year	6,533	6,266	-	12,799
Additions	-	405	-	405
Depreciation expense	(1,826)	(3,755)	-	(5,581)
Balance at the end of the year	4,707	2,916	-	7,623

9 Trade and Other Payables

	Note	2019 \$	2018 \$
Current			
Trade payables		2,759	752
GST payable		5,693	9,489
Sundry payables and accrued expenses		9,140	12,127
		17,592	22,368

Trade and other payables are unsecured, non-interest 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.

10 Provisions

	2019 \$	2018 \$
CURRENT		
Provision for Rent Incentive	-	1,399
	-	1,399

11 Other Financial Liabilities

	2019 \$	2018 \$
CURRENT		
Project clearing	7,000	19,016
Total	7,000	19,016

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Notes to the Financial Statements For the Year Ended 31 December 2019

12 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for employee benefits	14,623	20,833
	<u>14,623</u>	<u>20,833</u>

13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018:None).

14 Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 March 2020 by the board of directors.

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.

15 Statutory Information

The registered office and principal place of business of the company is:

Western Research Institute Limited
133 Piper Street
Bathurst NSW 2795

Western Research Institute Limited

ABN 76 090 089 991

Directors' Declaration


The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 14, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, 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

Juliet Lee Duffy

Director

Jo-Anne Strader

Dated: 25 March 2020

Independent Auditor's Report

To the Members of Western Research Institute Limited

We have reviewed the accompanying financial report of Western Research Institute Limited, which comprises the balance sheet as at 31 December 2019, the income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' report.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not fairly presented, in all material respects, in accordance with the *Corporations Act 2001*. As the auditor of Western Research Institute Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

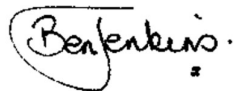
A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Western Research Institute Limited does not present fairly, in all material respects, the financial position of the company as at 31 December 2019, and of its financial performance and its cash flows for the year ended on that date, in accordance with the *Corporations Act 2001*.



Benjamin Jenkins
Director
GPP Audit Pty Limited
Chartered Accountants

Dated this 27th day of March 2020