

Playgroup WA (Inc)

ABN 14 415 755 273

General Purpose Financial Report

**(Simplified Disclosures)
For the Year Ended
30 June 2025**

Playgroup WA (Inc)
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General information

The financial statements cover Playgroup WA (Inc) as an individual entity. The financial statements are presented in Australian dollars, which is Playgroup WA (Inc)'s functional and presentation currency.

Playgroup WA (Inc) is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 - 3 Woodville Lane, North Perth, WA 6006

A description of the nature of the association's operations and its principal activities are included in the board's report, which is not part of the financial statements.

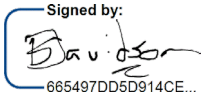
The financial statements were authorised for issue on 3rd October 2025.

Playgroup WA (Inc)
Board's declaration
30 June 2025

In the board's opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosure Requirements, the Associations Incorporation Act (WA) 2015 and associated regulations;
- the attached financial statements and notes give a true and fair view of the association's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

On behalf of the board

Signed by:

665497DD5D914CE...

Name: Sandy Davidson
President

03 October 2025

____September 2025

Signed by:

E5E829E8FAB445A

Name: Neil Stockdale
Treasurer

01 October 2025

Playgroup WA (Inc)
Board's report
30 June 2025

The Board presents the report on Playgroup WA (Inc) for the financial year ended 30 June 2025.

Members of the board

The following persons were members of the board during the whole of the financial year and up to the date of this report, unless otherwise stated:

Sandy Davidson	President
Vicky Jansen	Vice-president
Leanne Gordon	President, resigned 27/11/2024
Melanie Henry	Secretary, resigned 27/11/2024
Neil Stockdale	Treasurer
Allison Ross	Member, appointed 10/09/2024
Bridgitte Clune	Member, appointed 02/10/2024
Ebony Wright	Member, appointed 02/10/2024 and resigned 18/01/2025
Giulia Stangle	Member, resigned 19/09/2024
Jessica Valentine	Member, appointed 02/10/2024
Patrick Ndlovu	Member, appointed 14/10/2024

Principal activities

The principal activity of the association during the financial year was to support all young children, families and communities to enjoy, learn and grow through playgroup.

Performance measures

The net deficit of Playgroup WA (Inc) for the financial year ended 30 June 2025 amounted to \$60,140 (30 June 2024: deficit \$169,121).

During the period, Playgroup WA (Inc) applied the accounting policies described in note 1 to these financial statements.

On behalf of the board

Signed by:

665497DD5D914CE...
Name: Sandy Davidson
President
03 October 2025
____September 2025

Signed by:

E5F829E8FAB445A...
Name: Neil Stockdale
Treasurer
01 October 2025

DIRECTORS:

ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

**AUSTRALIAN
AUDIT** 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Playgroup WA Inc

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and section 80 of the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of Playgroup WA Inc for the year ended 30 June 2025, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. No contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* in relation to the audit; and
- c. No contraventions of any applicable code of professional conduct in relation to the audit

DocuSigned by:

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Robert John Campbell, CA, CPA, RCA, GAICD, MSW
Registered Company Auditor number 334773

Associate Director
Australian Audit

Perth, Western Australia

Date: 03 October 2025

Australian Audit is a CA Practice

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DIRECTORS:

ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

**AUSTRALIAN
AUDIT** 

ASSOCIATE DIRECTORS:

SANTO CASILLI FCPA PFIIA
FAZ BASHI RCA, CPA

INDEPENDENT AUDITOR'S REPORT

To the members of Playgroup WA Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Playgroup WA Inc (the entity), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report has been prepared in accordance with requirements of the Associations Incorporation Act 2015 (WA) and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- a. giving a true and fair view of the entity's financial position as at 30 June 2025, and of its financial performance and its cash flows for the year then ended; and
- b. complying with Australian Accounting Standards - Simplified Disclosure Requirements, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the Associations Incorporation Act 2015 (WA), the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of Management and The Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosure Requirements, the ACNC Act 2012 and the Associations Incorporation Act 2015 (WA). The responsibility of Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the entity has complied with 60-30(3)(b), (c) and (d) of the ACNC Act and 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA):

- a. by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- b. by keeping financial records sufficient to enable a financial report to be prepared and audited;
- c. by keeping other records required by Part 3-2 of the *ACNC Act*, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and
- d. by keeping other records required by Part 5 of the *Associations Incorporation Act 2015 (WA)*, including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

DocuSigned by:

Robert Campbell

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Robert John Campbell, CA, CPA, RCA, GAICD, MSW

Registered Company Auditor number 334773

Associate Director

Australian Audit

Perth, Western Australia

Date: 03 October 2025

Playgroup WA (Inc)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Grants	3	3,054,287	3,279,926
Client contributions	4	197,016	212,458
Investment income	5	2,501	20,532
Interest revenue		52,162	22,288
Other income		43,753	21,710
Gain on disposal of non-current assets		5,455	-
Total revenue		<u>3,355,174</u>	<u>3,556,914</u>
Expenses			
Program	6	(214,354)	(353,222)
Administration	7	(220,486)	(250,603)
Property	8	(76,923)	(58,119)
Promotional expense	9	(121,803)	(96,922)
Employee benefits expense		(2,755,115)	(2,944,118)
Depreciation and amortisation expense		(20,600)	(20,527)
Finance costs		<u>(6,033)</u>	<u>(2,524)</u>
Total expenses		<u>(3,415,314)</u>	<u>(3,726,035)</u>
Deficit for the year	19	(60,140)	(169,121)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(60,140)</u></u>	<u><u>(169,121)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Playgroup WA (Inc)
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	1,520,029	1,887,583
Trade and other receivables	11	16,749	21,052
Investments	12	-	183,759
Other	13	60,359	79,209
Total current assets		<u>1,597,137</u>	<u>2,171,603</u>
Non-current assets			
Property, plant and equipment	14	<u>2,048,606</u>	<u>1,722,147</u>
Total non-current assets		<u>2,048,606</u>	<u>1,722,147</u>
Total assets		<u>3,645,743</u>	<u>3,893,750</u>
Liabilities			
Current liabilities			
Trade and other payables	15	575,548	742,598
Employee benefits	16	328,397	329,018
Other	17	94,297	114,398
Total current liabilities		<u>998,242</u>	<u>1,186,014</u>
Non-current liabilities			
Employee benefits	16	<u>22,158</u>	<u>22,253</u>
Total non-current liabilities		<u>22,158</u>	<u>22,253</u>
Total liabilities		<u>1,020,400</u>	<u>1,208,267</u>
Net assets		<u>2,625,343</u>	<u>2,685,483</u>
Equity			
Reserves	18	1,970,466	1,804,657
Retained surpluses	19	<u>654,877</u>	<u>880,826</u>
Total equity		<u>2,625,343</u>	<u>2,685,483</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Playgroup WA (Inc)
Statement of changes in equity
For the year ended 30 June 2025

	Reserves	Retained profits	Total equity
	\$	\$	\$
Balance at 1 July 2023	1,926,507	928,097	2,854,604
Deficit for the year	-	(169,121)	(169,121)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(169,121)	(169,121)
Transfer to reserves	(121,850)	121,850	-
Balance at 30 June 2024	<u>1,804,657</u>	<u>880,826</u>	<u>2,685,483</u>

	Reserves	Retained profits	Total equity
	\$	\$	\$
Balance at 1 July 2024	1,804,657	880,826	2,685,483
Deficit for the year	-	(60,140)	(60,140)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(60,140)	(60,140)
Transfer to reserves	165,109	(165,109)	-
Balance at 30 June 2025	<u>1,969,766</u>	<u>655,577</u>	<u>2,625,343</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Playgroup WA (Inc)
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,301,976	3,685,800
Payments to suppliers and employees (inclusive of GST)		<u>(3,548,218)</u>	<u>(3,699,845)</u>
Net cash used in operating activities	27	<u>(246,242)</u>	<u>(14,045)</u>
Cash flows from investing activities			
Payments for investments		-	(16,883)
Payments for property, plant and equipment	14	(362,688)	(117,396)
Proceeds from disposal of investments		183,759	-
Proceeds from disposal of property, plant and equipment		5,455	-
Interest received		<u>52,162</u>	<u>22,288</u>
Net cash used in investing activities		<u>(121,312)</u>	<u>(111,991)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(367,554)	(126,036)
Cash and cash equivalents at the beginning of the financial year		<u>1,887,583</u>	<u>2,013,619</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>1,520,029</u></u>	<u><u>1,887,583</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 1. Material accounting policy information

The accounting policies that are material to the association are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Western Australian legislation the Associations Incorporation Act 2015, the Charitable Collections Act 1946 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 1. Material accounting policy information (continued)

Client contributions

Client contributions include mainly membership fees, and it is received based on a calendar year period, from January to December. The amount received in advance for the ensuing year is recognised as a contract liability – revenue received in advance.

Donations

Donations are recognised at the time the pledge is made, which is generally at the time of receipt.

Grants

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied. The amount of deferred revenue is reflected as contract liability.

All revenue is stated net of the amount of goods and services tax.

Income tax

As the association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Playgroup WA recognises the imputation credits that arise from the receipt of dividends throughout the financial year, and dividends that are receivable at the reporting date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the association has transferred substantially all the risks and rewards of ownership.

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 1. Material accounting policy information (continued)

Impairment of financial assets

The association recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the association's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New standards and amendments to AASB that are mandatory effective for the current year

New standard	Overview of changes	Affected entities
AASB 2020-1 / AASB 2022-6 (Classification of liabilities as current or non-current; non-current liabilities with covenants)	<p>AASB 2020-1 / AASB 2022-6 introduces amendments and clarifies when a liability is non-current (focus on rights at reporting date) and adds guidance/disclosure for liabilities with covenants.</p> <p>Focus on Relevance: The emphasis is on balance sheet: possible reclassification of borrowings.</p> <p>Disclosure: Entities are required to disclose additional covenant information.</p> <p>Ratios: Impact on current ratio and gearing ratio.</p>	All entities.
AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Noncurrent Liabilities with Covenants: Tier 2	Introduces changes to simplified disclosure (SDS) requirements for classifying and disclosing borrowings with covenants.	All entities.

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 1. Material accounting policy information (continued)

The Entity has concluded that the above new standards have been complied with and that they do not have a material impact on the financial statements of the Association.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2025. The association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Revenue recognition – grants and service contracts

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the entity has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the entity has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g., activity work plans) and holding discussions with relevant parties. Income recognition from grants received by the entity has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 3. Grants

	2025	2024
	\$	\$
Autism Queensland	263,575	250,795
Department of Communities	319,130	306,311
Department of Social Services	1,353,063	1,105,125
Lotterywest	1,151	43,995
National Indigenous Australians Agency	772,110	643,445
Ngala Community Services	71,614	160,169
North Metropolitan Health	-	202,000
Playgroup Australia	-	158,904
The Smith Family	-	132,089
WA Department of Education	272,727	272,727
Western Australia Police	917	4,366
	<u>3,054,287</u>	<u>3,279,926</u>

Note 4. Client contributions

	2025	2024
	\$	\$
Memberships	197,016	212,458

Note 5. Investment income

	2025	2024
	\$	\$
Earnings /(loss) on investments	2,501	20,532

Note 6. Program

	2025	2024
	\$	\$
Workshop and program materials and consumables	55,016	83,423
Workshop and program expenses	29,279	35,059
Venue hire	16,827	165,359
Subcontracts	113,232	69,381
	<u>214,354</u>	<u>353,222</u>

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 7. Administration

	2025	2024
	\$	\$
Accountancy, audit fees, bookkeeping	16,405	14,570
AGM and board expenses	10,372	6,429
Computer and office equipment repairs and maintenance	57,810	61,810
General insurance	78,275	70,483
Printing, postage and stationery	12,101	25,276
Software licencing	21,334	41,079
Subscriptions and memberships	5,481	3,553
Telephone and internet	14,350	21,512
Other	4,358	5,891
	<u>220,486</u>	<u>250,603</u>

Note 8. Property

	2025	2024
	\$	\$
Repairs and maintenance - building	39,071	26,386
Rates and taxes	31,554	17,909
Other	6,298	13,824
	<u>76,923</u>	<u>58,119</u>

Note 9. Promotional expense

	2025	2024
	\$	\$
Promotional events	53,794	29,951
Promotional advertising	68,009	66,971
	<u>121,803</u>	<u>96,922</u>

Note 10. Cash and cash equivalents

	2025	2024
	\$	\$
Current assets		
Cash on hand	193	248
Cash at bank	1,519,836	1,877,719
Cash at bank - restricted	-	9,616
	<u>1,520,029</u>	<u>1,887,583</u>

Cash at bank – restricted represents funds held in trust towards Lotterywest grants to Playgroups, as stated in Note 3.

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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Note 11. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	140	2,255
Accrued income	<u>16,609</u>	<u>18,797</u>
	<u>16,749</u>	<u>21,052</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Accrued income is recognised at fair value.

Note 12. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Asgard capital management	<u>-</u>	<u>183,759</u>

Note 13. Other

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	<u>60,359</u>	<u>79,209</u>

Playgroup WA (Inc)
Notes to the financial statements
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Note 14. Property, plant and equipment

	2025 \$	2024 \$
Non-current assets		
Land and buildings - at independent valuation	1,600,000	1,600,000
Building improvements - Work in progress	-	12,600
Computer equipment - at cost	47,966	47,966
Less: Accumulated depreciation	(47,966)	(47,966)
	-	-
Website and database improvements	118,705	102,133
Less: Accumulated depreciation	(80,065)	(76,882)
	38,640	25,251
Membership database	427,383	84,296
Less: Accumulated depreciation	(17,417)	-
	409,966	84,296
	2,048,606	1,722,147

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Website and database improvement \$	Membership database \$	Work in progress \$	Total \$
Balance at 1 July 2024	1,600,000	25,251	84,296	12,600	1,722,147
Additions	-	16,572	343,087	3,029	362,688
Transfers / write off	-	-	-	(15,629)	(15,629)
Depreciation expense	-	(3,183)	(17,417)	-	(20,600)
Balance at 30 June 2025	1,600,000	38,640	409,966	-	2,048,606

Accounting policy for property, plant and equipment

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings consist of two strata property Lots 4 and 5 at 1-3 Woodville Lane, North Perth. Land and buildings were originally valued in August 2021. In September 2023, property appraisals by two different professional valuers were carried out and the average estimated appraisal value of the two strata property lots was very close to the original valuation of \$1,600,000. The directors do not believe that there has been a material movement in fair value since the original revaluation date.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	2-5 years
Website and database improvements	3-5 years
Membership database	8 years

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Note 14. Property, plant and equipment (continued)

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	20,502	52,439
Employee benefits	520	372
Contract liabilities	415,218	496,866
Contract liabilities – Membership fees received in advance	65,138	75,837
Credit card payables	435	(757)
BAS payable	68,986	105,966
Other payables	4,749	11,875
	<u>575,548</u>	<u>742,598</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Entity has transferred the goods or services to the customer.

Note 16. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Employee benefits	<u>328,397</u>	<u>329,018</u>
<i>Non-current liabilities</i>		
Long service leave	<u>22,158</u>	<u>22,253</u>
	<u>350,555</u>	<u>351,271</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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Notes to the financial statements
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Note 16. Employee benefits (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 17. Other

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Accrued expenses	94,297	114,398
	<u>94,297</u>	<u>114,398</u>

Note 18. Reserves

	2025	2024
	\$	\$
Revaluation Surplus Reserve	956,595	956,595
Capital Reserve	633,018	633,018
Learning Together with Play Intergenerational Program Reserve	8,456	17,685
Enhanced Transition to School Program Reserve	518	25,640
PlayConnect+ Program Reserve	-	86,271
Regional WA Early Childhood Development Services Program Reserve	318,268	12,000
Ngaanyatjarra Lands Early Years Program Reserve	-	41,506
Swan Alliance Communities for Children Reserve	8,321	-
Sector Support Reserve	15,290	-
Playgroups Are for Everyone Program Reserve	30,000	31,942
	<u>1,970,466</u>	<u>1,804,657</u>

Revaluation surplus reserve

This is a non cash asset revaluation reserve of land and buildings at 1 -3 Woodville Lane, North Perth, WA 6006.

Capital reserve

The capital reserve is an internally restricted reserve for the purpose of holding a reasonable amount of funds available for capital expenditure on office relocation or refurbishment as required.

Learning Together with Play Intergenerational Program Reserve

Learning Together with Play Intergenerational Program Reserve represents amounts set aside to expend in the future years.

Enhanced Transition to School Program Reserve

Enhanced Transition to School Program Reserve represents amounts set aside to expend in the future years.

PlayConnect+ Program Reserve

PlayConnect+ Program Reserve represents amounts set aside to expend in the future years.

Playgroup WA (Inc)
Notes to the financial statements
30 June 2025

Note 18. Reserves (continued)

Regional WA Early Childhood Development Services Program Reserve

Regional WA Early Childhood Development Services Program Reserve represents amounts set aside to expend in the future years.

Ngaanyatjarra Lands Early Years Program Reserve

Ngaanyatjarra Lands Early Years Program Reserve represents amounts set aside to expend in the future years.

Swan Alliance Communities for Children Reserve

Swan Alliance Communities for Children Reserve represents amounts set aside to expend in the future years.

Sector Support Program Reserve

Sector Support Program Reserve represents amounts set aside to expend in the future years.

Playgroups Are for Everyone Program Reserve

Playgroups Are for Everyone Program Reserve represents amounts set aside to expend in the future years.

Note 19. Retained surpluses

	2025	2024
	\$	\$
Retained surpluses at the beginning of the financial year	880,826	928,097
Deficit for the year	(60,140)	(169,121)
Transfer from reserves	-	121,850
Transfer to reserves	(165,809)	-
	<u>654,877</u>	<u>880,826</u>
Retained surpluses at the end of the financial year	<u>654,877</u>	<u>880,826</u>

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to board members and other members of key management personnel of the association is set out below:

	2025	2024
	\$	\$
Aggregate compensation	<u>211,638</u>	<u>194,457</u>

Note 21. Contingent liabilities

The incorporated association had no contingent liabilities as of 30 June 2025.

Note 22. Commitments

The incorporated association had no commitments for expenditure as of 30 June 2025.

Note 23. Related party information

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Remuneration of the Board of management

The members of the Board do not receive nor are entitled to any remuneration or superannuation contribution, apart from those directors mentioned above.

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Note 23. Related party information (continued)

Related party transactions

There were no related party transactions requiring disclosure during the financial year.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

Note 25. Segment information

Playgroup WA (Inc) operates predominantly in one business and geographic segment, being in to support all young children, families and communities to enjoy, learn and grow through playgroup.

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Australian Audit , the auditor of the association:

	2025 \$	2024 \$
<i>Audit services - Australian Audit</i>		
Audit of the financial statements	9,000	9,000
<i>Other services - Australian Audit</i>		
Preparation of financial statement	2,500	3,900
	11,500	12,900

Note 27. Reconciliation of deficit to net cash used in operating activities

	2025 \$	2024 \$
Deficit for the year	(60,140)	(169,121)
Adjustments for:		
Depreciation and amortisation	20,600	20,527
Interest received	(52,162)	(22,288)
Other adjustments	10,175	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	4,303	210,606
Decrease in other operating assets	18,849	8,360
Decrease in trade and other payables	(167,049)	(138,762)
Increase/(decrease) in employee benefits	(716)	61,292
Increase/(decrease) in other operating liabilities	(20,102)	15,341
Net cash used in operating activities	(246,242)	(14,045)