



Annual Financial Report

Alliance Française de Perth
For the year ended 31 December 2021

Contents

3	Committee's Report
5	Income and Expenditure Statement
6	Assets and Liabilities Statement
7	Statement of Changes in Equity
8	Statement of Cash Flows
9	Notes to the Financial Statements
14	Statement by Members of the Committee
15	Auditor's Report

Committee's Report

Alliance Francaise de Perth

For the year ended 31 December 2021

Committee's Report

Your committee members submit the financial report of Alliance Francaise de Perth for the financial year ended 31 December 2021.

Committee Members

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

Committee Member	Position
Ms Di Ingelse	President
Ms Grace Tan	Vice President
Mr Henry Boston	Vice President (elected 31 March 2021)
Mrs Marguerite Howell-Senesse	Honorary President
Ms Stephanie Beard	Secretary
Mr Ludovic Isautier	Treasurer
Mr Thomas Feldstein	Director, Ex Officio committee member (appointed 1 Sept 2021)
Ms Audrey Lureau	Director, Ex Officio committee member (returned to France 7 May 2021)
Mrs Sue Frawley	Committee Member
Ms Anne Griffin-Appadoo	Committee Member
Ms Aneeshta Guiness	Committee Member (elected 31 March 2021)
Mrs Simone Menager	Committee Member
Mrs Christine Smith	Committee Member
Mr Hemal Rukshen Weerasooriya	Committee Member
Mrs Liz Whowell	Committee Member
Mrs Pat Young	Committee Member

Principal Activities

The principal activity of Alliance Francaise de Perth during the year was the provision of French language courses for students of all ages and staging events to promote a stronger engagement and understanding of French culture in Western Australia.

Courses Taken

In 2021, there were more adult courses and teaching hours purchased compared to the previous year. In particular, 1,709 adult courses were purchased (1,527 in 2020) and there was a slight increase in children's courses and teaching hours purchased compared to the previous year with 435 children's courses purchased (415 in 2020).

Schools Exams Competition

Of particular note is the number of students who participated in the Alliance Française exam competition. This is very popular with the schools in Western Australia as evidenced by the number of participants in 2021. Specifically, 1,576 primary and secondary school students sat these exams in 2021 (1277 in 2020).

French Film Festival

The key event for the organisation is the annual French Film Festival held each year around March/April. 2021 is the year of records wherein 18642 people (+22% compared to 2020) viewed 42 feature films for its 32nd edition.

Other Events

Alliance Francaise held 32 other events during the year including the Quiz Night with 660 attendees in total, with an income of \$4,931.

Significant Changes

No significant change in the nature of these activities occurred during the financial year.

Operating Results

The deficit to member funds amounted to \$658,477 in 2021.

This deficit is largely the result of the inclusion of the cost of remediating historical wage and salary underpayments for affected employees across the entire Association.

While affected team members have or will receive back payments with interest, the Committee is disheartened that this has occurred and is focused on ensuring that updated systems and processes are implemented to ensure compliance with the various Industrial Awards applicable to the Association.

The issue of underpayments has affected numerous small, medium and large employers nationally over recent years and illustrates the challenges employers face under Australia's extremely complex industrial relations systems. In the Association's circumstances, it demonstrates that, unfortunately, seeking and relying on advice from Workplace Relations Specialists is not sufficient. That said, the Committee believe it acted swiftly and in accordance with the Association's values to identify the errors, resolve to compensate affected current and former team members, and in reaffirming its determination to ensure that remuneration outcomes take appropriate account of team members' efforts and community expectations at all time.

Whilst, the majority of the impact of the employee underpayments has been provided for in this year's results, it is understood that an additional lot of underpayments will need to be accounted for in the year ended 31 December 2022.

Going Concern

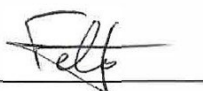
This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Association to continue to operate as a going concern is dependent upon the ability of the Association to generate sufficient cashflows from operations to meet its liabilities. The members of the Association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:



Ms Di Ingelse (President)

Date 26 / 04 / 2022



Mr Thomas Feldstein (Executive Director)

Date 26 / 04 / 2022

Income and Expenditure Statement

Alliance Francaise de Perth

For the year ended 31 December 2021

	2021	2020
Revenue		
Income from Operations	950,080	941,458
Interest Received	2,203	14,643
JobKeeper Subsidy	36,000	303,000
Cash Flow Boost	-	100,000
Grants	809	20,600
Total Revenue	989,092	1,379,701
Gross Surplus	989,092	1,379,701
Expenditure		
Employee benefits expense	1,197,129	745,878
Depreciation	6,864	5,030
Other Expenses	443,576	260,892
Total Expenditure	1,647,569	1,011,801
Net Current Year (Deficit)/Surplus	(658,477)	367,901

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

Assets and Liabilities Statement

Alliance Francaise de Perth

As at 31 December 2021

	NOTES	31 DEC 2021	31 DEC 2020
Assets			
Current Assets			
Cash and Cash Equivalents	2	968,907	2,105,476
Trade and Other Receivables	3	23,795	2,122
Inventories on Hand		7,976	12,541
Total Current Assets		1,000,677	2,120,139
Non-Current Assets			
Plant Property and Equipment	5	2,678,675	644,557
Total Non-Current Assets		2,678,675	644,557
Total Assets		3,679,352	2,764,696
Liabilities			
Current Liabilities			
Trade and Other Payables	6	199,931	108,938
ATO Liabilities Payable		9,625	23,735
Provisions	8	429,209	48,714
Total Current Liabilities		638,765	181,386
Total Liabilities		638,765	181,386
Net Assets		3,040,587	2,583,309
Member's Funds			
Building Revaluation Reserve		1,115,754	-
Current Year Earnings		(658,477)	367,901
Retained Earnings		2,583,309	2,215,409
Total Member's Funds		3,040,587	2,583,309

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

Statement of Changes in Equity

Alliance Francaise de Perth

For the year ended 31 December 2021

	2021	2020
Equity		
Opening Balance	2,583,309	2,215,409
Increases		
Profit for the Period		
Current Year Earnings	(658,477)	367,901
Total Profit for the Period	(658,477)	367,901
Other Increases		
Building Revaluation Reserve	1,115,754	-
Total Other Increases	1,115,754	-
Total Increases	457,277	367,901
Total Equity	3,040,587	2,583,309

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached audit report.

Statement of Cash Flows

Alliance Francaise de Perth

For the year ended 31 December 2021

	2021	2020
Operating Activities		
Cash receipts from customers (includes government incentives)	1,032,379	1,364,900
Payments to suppliers and employees	(1,245,423)	(954,456)
Net Cash Flows from Operating Activities	(213,044)	410,444
Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of Assets	(925,728)	-
Interest received	2,203	14,643
Net Cash Flows from Investing Activities	(923,525)	14,643
Financing Activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Other cash items from financing activities	-	-
Net Cash Flows from Financing Activities	-	-
Net Cash Flows	(1,136,569)	425,087
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,105,476	1,680,389
Cash and cash equivalents at end of period	968,907	2,105,476

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached **aud** report.

Notes to the Financial Statements

Alliance Francaise de Perth
For the year ended 31 December 2021

1. Summary of Significant Accounting Policies

The financial statements cover Alliance Francaise de Perth Inc as an individual entity. Alliance Francaise de Perth Inc is an association incorporated in Western Australia and operating pursuant to the Associations Incorporation Act 2015 (WA).

Accounting Policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The board has determined that the Association is not a reporting entity. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 : *Presentation of Financial Statements*, AASB 107 : *Cash Flow Statements*, AASB 108 : *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 : *Interpretation of Standards* and AASB 1054 : *Australian Additional Disclosures*.

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) 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.

(b) Property, Plant and Equipment

Freehold land and buildings are carried at market value.

The Association's management committee has obtained an independent valuation of the freehold land and buildings subsequent to these renovations. The freehold land and buildings have been valued at \$2,650,000.

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached **aud** report.

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 item.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings 50 years

Plant and equipment 4-10 years

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.

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.

(c) Accounts receivable and other debtors

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(d) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

A full-time position is being provided at no cost to the Association by a third party.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current liabilities. The liability is measured as 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.

(e) Cash and cash equivalents

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

(f) Accounts payable 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.

(g) Goods and services tax (GST)

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

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 ATO is included with other receivables or payables in the statement of financial position.

(h) Inventories on hand

Inventories held for sale are measured at the lower of cost and net realisable value.

	2021	2020
2. Cash and Cash Equivalents		
Cash and Cash Equivalents	159	159
Cash at Bank	968,747	2,105,317
Total Cash and Cash Equivalents	968,907	2,105,476

	2021	2020
3. Trade and Other Receivables		
Trade Receivables		
Accounts Receivable	2,426	2,122
Total Trade Receivables	2,426	2,122
Other Receivables		
Deposits Paid	21,369	-
Total Other Receivables	21,369	-
Total Trade and Other Receivables	23,795	2,122

4. Related Party Transactions

Interest in Contracts

During the year the Association did not enter into any contracts to provide services to the Association with any person or any company associated with a person who is a committee member of the Association,

	2021	2020
5. Property Plant and Equipment		
Property		
Property at Cost	370,000	370,000
Initial Works	144,438	144,438
Renovation & extension	130,119	130,119
Renovation 2021	889,689	-
Building Revaluation	1,115,754	-
Total Property	2,650,000	644,557
Plant and Equipment		
Plant and Equipment at Cost	126,858	90,820
Accumulated Depreciation of Plant and Equipment	(98,184)	(90,820)
Total Plant and Equipment	28,675	-
Total Property Plant and Equipment	2,678,675	644,557

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached **aud** report.

6. Trade and Other Payables

Trade Payables		
Accounts Payable	43,479	8,974
Total Trade Payables	43,479	8,974
Other Payables		
Student Credit	10,694	-
Prepaid Enrolment Fees	97,621	93,409
Accrued Wages	26,388	-
Superannuation Payable	21,750	6,555
Total Other Payables	156,452	99,964
Total Trade and Other Payables	199,931	108,938

7. Tax Payable – No Tax is Payable**8. Provisions**

Provision for Annual Leave	26,937	15,646
Provision for Long Service Leave	31,381	33,068
Accrued Backpay	370,891	-
Total Provisions	429,209	48,714

Remuneration Underpayments

During the current financial year, the Association engaged legal counsel, accounting and workplace relations specialists to determine the extent of payment shortfalls to current and former employees, including superannuation contributions.

As a result of this review a total expenditure of \$534,828 was recognised in the Income and Expenditure Statement in 2021. This expenditure comprises as follows:

	\$
Wage Arrears	480,000
Interest on Wage Arrears	30,000
Superannuation Guarantee on Wage Arrears	24,828

Remedial payments in the amount of \$163,937 were made during the year, leaving a provision for Backpay of \$370,891 as at 31 December 2021.

Prior year numbers have not been restated for the remediation underpayments identified in 2021 and it is understood that an additional lot of underpayments may need to be provided for in 2022.

Statement by Members of the Committee

Alliance Francaise de Perth For the year ended 31 December 2021

The Committee has determined that Alliance Francaise De Perth Inc is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Committee of the Association declares that:

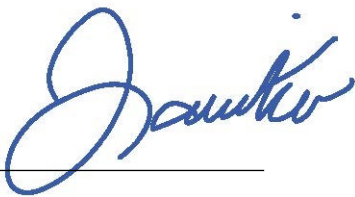
1. The financial statements and notes as set out on pages 5 to 13 are in accordance with *Association Incorporation Act 2015 (WA)*, the *Australian Charities and Not-For-Profit Commission Act 2012* and
 - a) Comply with the Australian Accounting Standards applicable to the Association and
 - b) Give a true and fair view of the Association's financial position as at 31 December 2021 and on its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the opinion of the Committee, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution for the Committee and is signed for and on behalf of the Committee, and is in accordance with subsection 60.15(2) on the Australian Charities and Not-For- Profit Commission Regulations 2013.



Ms Di Ingelse (President)

Date 26 / 04 / 2022



Mr Ludovic Isautier (Treasurer)

Date 27 / 04 / 2022

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached **aud** report.

Auditor's Independence Declaration

To the Committee of Alliance Francaise De Perth Inc

In accordance with the requirements of the Australian Charities and Not for Profit Commission Act 2012, in relation to our audit of the financial report of Alliance Francaise De Perth Inc for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not for Profit Commission Act 2012 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



LEANNE OLIVER
DIRECTOR
RCA 463021

AUDIT PARTNERS AUSTRALIA
EAST VICTORIA PARK WA

Dated at Perth, Western Australia this 6th April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE FRANCAISE DE PERTH INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alliance Francaise De Perth Inc (the "Association"), which comprises the statement of financial position as at 31 December 2021, 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 statement by members of the Committee.

In our opinion, the accompanying financial report of Alliance Francaise De Perth Inc is in accordance with the *Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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 qualified opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act 2015 (WA)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the Association'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 the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

LEANNE OLIVER CPA RCA
DIRECTOR
RCA 463021

AUDIT PARTNERS AUSTRALIA
EAST VICTORIA PARK WA

Dated at Perth, Western Australia this 28th of April 2022