WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC

ABN: 22 106 585 976

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC

ABN: 22 106 585 976

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WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC
ABN: 22 106 585 976
DIRECTORS' DECLARATION

At the meeting of the directors on

THE DIRECTORS RESOLVED:

1. That in their opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;

2. That in their opinion, the Association's figures presented in the financial statements for the year ended 30 June 2026 and notes are in accordance with the *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 as well as Divisions 5, 6 and 7 of the Associations Incorporations Act (WA) 2015,*

   (i) complying with Australian Accounting Standards – Simplified Disclosure Requirements and;

   (ii) providing a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the Association.

Signed in accordance with a resolution of directors pursuant to Regulation 60.15 of the ACNC Regulation 2022 and in accordance with Part 5 of the Association InAssociations Act 2015.



Chairperson



Director

Dated this 30 day of Sept 2026

ARMADA
AUDITING

T (08) 6165 4090 F (08) 6165 4067
A 18 Sangiorgio Court Osborne Park WA 6017
P Locked Bag 4 Osborne Park DC WA 6916
E info@armada.com.au

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Auditor's Independence Declaration
under Subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012*
to the Board of WA Network of Alcohol & Other Drug Agencies Inc.

I declare that, to the best of my knowledge and belief, for the audit during the year ended 30 June 2026 there has been:

i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Armada Audit & Assurance

ARMADA AUDIT & ASSURANCE PTY LTD

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NIGEL DIAS
DIRECTOR
Perth, Dated 30 September 2026

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INDEPENDENT AUDIT REPORT ON THE FINANCIAL REPORT TO THE MEMBERS OF WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC

Opinion

We have audited the financial report of WA Network of Alcohol & Other Drug Agencies Inc. ('the Association') which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of WA Network of Alcohol & Other Drug Agencies Inc is in accordance with 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 30 June 2026 and of its financial performance for the year then ended; and

b) Complying with Australian Accounting Standards – *Simplified Disclosures* and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.*

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 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 confirm that the independence declaration required by *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the members of the committee, would be in the same terms if given to the members of the committee as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Board Members' Responsibility for the Financial Report

The Board of Directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements (SDS) and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board of Directors determine is necessary to enable the preparation of the 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 Board of Directors are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. The Board are also responsible for overseeing the 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 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. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our audit report.

Armada Audit & Assurance

ARMADA AUDIT & ASSURANCE PTY LTD

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NIGEL DIAS
DIRECTOR
Perth, Dated 30 September 2026

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WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC
ABN: 22 106 585 976
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue			
Grant revenue			
Unearned revenue carried forward		7,201	265,199
Grant funding - current year		1,606,278	1,701,764
Conference fees		35,795	213,601
		1,649,274	2,180,564
Unearned Conference Fee Revenue		(1,569)	(54,693)
Grant balance transferred to unearned revenue	15	(82,953)	(22,081)
Repayments of Grant Funds		-	(50,939)
Total grant revenue	4	**1,564,752**	**2,052,851**
Other income	5	**282,336**	**226,029**
Total revenue and other income		**1,847,088**	**2,278,880**
Expenditure			
Salaries, benefits and associated expenses	6	(1,303,072)	(1,253,054)
Amortisation of right-of-use assets	16	(66,431)	(68,612)
Depreciation	11	(10,217)	(4,213)
Computer		(40,874)	(34,731)
Consultancy		(59,376)	(253,332)
Employee assistance program		(152,470)	(111,050)
Interest expense		(11,712)	(4,426)
Other expenses	7	(202,398)	(354,595)
Total expenditure		**(1,846,550)**	**(2,084,013)**
Net Surplus for the year		**538**	**194,867**
Other Comprehensive Income			
Other comprehensive income for the year		**-**	**-**
Total comprehensive income/ (loss) for the year		**538**	**194,867**

The accompanying notes form part of these financial statements.

WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC
ABN: 22 106 585 976
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,184,724	2,323,390
Trade and other receivables	9	99,638	48,619
Other current assets	10	21,049	23,389
TOTAL CURRENT ASSETS		**2,305,411**	**2,395,398**
NON-CURRENT ASSETS			
Property, plant & equipment	11	44,058	10,777
Right-of-use asset	16	359,811	68,612
TOTAL NON-CURRENT ASSETS		403,869	79,389
TOTAL ASSETS		**2,709,280**	**2,474,787**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	91,093	116,185
Amounts due to ATO	13	55,046	69,872
Provisions	14	176,516	155,155
Contract liabilities	15	248,950	226,871
Lease liabilities	16	44,872	141,650
TOTAL CURRENT LIABILITIES		**616,477**	**709,733**
NON-CURRENT LIABILITIES			
Provisions	14	5,783	-
Lease liabilities	16	321,428	-
TOTAL NON-CURRENT LIABILITIES		**327,211**	-
TOTAL LIABILITIES		**943,688**	**709,733**
NET ASSETS		**1,765,592**	**1,765,054**
EQUITY			
Reserves	20	-	221,418
Retained earnings		1,765,592	1,543,636
TOTAL EQUITY		**1,765,592**	**1,765,054**

WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC
ABN: 22 106 585 976
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

	Reserves	Retained Earnings	Total
	$	$	$
Balance at 1 July 2024	176,182	1,394,005	1,570,187
Net Surplus for the year	-	194,867	194,867
Transfers from retained earnings	45,236	(45,236)	-
Other comprehensive income	-	-	-
Balance at 30 June 2025	221,418	1,543,636	1,765,054
Balance at 1 July 2025	221,418	1,543,636	1,765,054
Net Surplus for the year	-	538	538
Transfers from retained earnings	(221,418)	221,418	-
Other comprehensive income	-	-	-
Balance at 30 June 2026	(0)	1,765,592	1,765,592

The accompanying notes form part of these financial statements.

WA NETWORK OF ALCOHOL & OTHER DRUG AGENCIES INC
ABN: 22 106 585 976
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,727,389	1,992,196
Payments to suppliers and employees		(1,769,946)	(1,899,686)
Interest received		90,760	72,881
Net cash provided by operating activities	18	48,203	165,391
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(43,499)	(6,404)
Net cash used in investing activities		(43,499)	(6,404)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities	16	(143,370)	-
Net cash used in financing activities		(143,370)	-
Net (decrease)/ increase in cash held		(138,666)	158,987
Cash and cash equivalents at beginning of financial year		2,323,390	2,164,403
Cash and cash equivalents at end of financial year	8	2,184,724	2,323,390

The accompanying notes form part of these financial statements.

1 REPORTING ENTITY

The WA Network of Alcohol and Other Drug Agencies (WANADA) is an independent, membership-driven not-for-profit organisation that takes a 'whole-of-community' approach to alcohol and other drug issues. WANADA was established in 1984.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards –Simplified Disclosure Requirements (AASB-SDRs) (including Australian Interpretations), adopted by the Australian Accounting Standards Board and the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

The financial statements are prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. They are presented in Australian dollars ($AUD) and are rounded to the nearest dollar.

This annual financial report was authorised for issue by the Board of Directors on the date the directors declaration was signed.

(b) Financial Position

The Association reported a net profit of $538 for the year ended 30 June 2026 (2025: net surplus of $194,867) and has a working capital surplus of $1,688,934 at 30 June 2026 (2025: surplus of $1,685,655). The financial report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Association’s primary source of funding comprises grants from Federal and State agencies with whom the Association enters into funding agreements for periods ranging from one to three years. The Board is confident that the majority of the existing funding agreements will be renewed when they expire or be replaced by other grant funding agreements. Based on the above, the Directors consider the going concern basis of preparation to be appropriate.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, Plant and Equipment

(i) Recognition and Measurement

Land and buildings is reported at fair value, less any subsequent accumulated depreciation and impairment losses. Independent valuations are obtained every 2 to 3 years. Increases in the carrying amounts arising on revaluation of land and building are credited, to other reserves in members' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same class of asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the same class of asset; all other decreases are charged to the statement of profit and loss.

All other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment that has been contributed at no cost or for nominal cost is valued at the fair value of the asset at the date it is acquired.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included net in other revenue in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Subsequent Costs

The cost of replacing a part of an item of property plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The costs of day to day servicing and maintenance of property, plant and equipment is recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of the asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property plant and equipment, since this most closely reflects the pattern of consumption of future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative period are as follows:

- Computers - 3 years
- Fixtures and fittings (term of lease) - 2 years
- Furniture - 10 years

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(b) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement
Financial assets are subsequently measured at:
— amortised cost;
— fair value through other comprehensive income; or
— fair value through profit or loss.

On the basis of the two primary criteria:
— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:
— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
— the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities
Financial liabilities are subsequently measured at:
— amortised cost; or
— fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
— a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
— held for trading; or
— initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(b) Financial Instruments (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
— incurred for the purpose of repurchasing or repaying in the near term;
— part of a portfolio where there is an actual pattern of short-term profit taking; or
— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:
— the right to receive cash flows from the asset has expired or been transferred;
— all risk and rewards of ownership of the asset have been substantially transferred; and
— the Association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(c) Income Tax

WANADA is a Public Benevolent Institution and is exempt from Income Tax under Division 50 of the Income Tax Assessment Act 1997.

(d) Leases and right of use assets

The Association, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16 Leases. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Association will recognise a right-of-use asset and a lease liability at the lease commencement date.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Right-of-use asset

At the commencement of the lease the Association recognises a right-of-use asset and associated lease liability for the lease term. Where the Association believes it reasonably certain that a lease extension period will be exercised, this is included in the lease term. The right-of-use asset is measured initially using the cost model where initial recognition comprises the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is amortised on a straight-line basis over the lease term and is assessed for impairment in accordance with the Association's accounting policies.

Lease liability

Initial measurement of the lease liability is at the value of the remaining lease payments, discounted to the present value using the rate implicit in the lease. Where this cannot be readily determined, the incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. Where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based, the lease liability will be remeasured and the right-of-use asset adjusted (or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero).

(e) Impairment

(i) Impairment of non-financial assets

At the end of each reporting period, theAssociation assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the cash generating assets which the assets belong to by comparing the recoverable amount of the asset through cash generating untit ("CGU") (the group of assets that generating cash which are independent from other assets), being the higher of the CGU's fair value less costs to sell and value in use to the CGU's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(ii) Impairment of financial assets

The Association uses forward-looking information to recognise expected credit losses – the expected credit loss ("ECL") model.

Recognition of credit losses is no longer dependent on the Association first identifying a credit loss event. Instead the Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(f) Revenue and Other Income

Revenue is recognised under AASB 15 *Revenue from Contracts with Customers* (AASB 15) under the 5 step model which involves:

(i) Identifying the contract with the customer;
(ii) Identifying the performance obligations in the contract;
(iii) Determining the transaction price;
(iv) Allocating the transaction price to the performance obligations; and
(v) Recognising revenue when (or as) the performance obligations are satisfied.

The Association's key revenue accounting sources are disclosed below:

(i) Capital Grants
The Association may receive cash or other financial assets to construct or acquire a non-financial asset (e.g. building) for its own use (i.e. a capital grant). Such capital grants can be received from Government departments, private sector entities or individuals. The Association initially recognises a liability representing the Association's obligation to acquire or construct the non-financial asset.

The liability in relation to acquiring or constructing the non-financial asset is initially measured at the carrying amount of the financial asset received from the transferor that is not attributable to related amounts for performance obligations under AASB 15, contributions by owners, etc. The liability is recognised until such time when (or as) the entity satisfies its obligations under the transfer.

(ii) Volunteer Services
A not-for-profit entity may in accordance with AASB 1058 *Income for not-for-profit entities*, as an accounting policy choice, elect to recognise volunteer services, as revenue, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been provided. The Association has elected not to recognise services in-kind as revenue as the fair value cannot be measured reliably in accordance with AASB 13 *Fair Value.*

(iii) Grant Revenue Contracts
Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the new accounting standard AASB 15. If revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that as are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than AASB 1058 *Income for Not-For-Profit Entities.* Government grants are recognised in the period in which the sufficiently specific criteria are met.

If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with AASB 1058. A contract liability is recognised for any funds received for performance obligations that are not satisfied at the reporting period. Furthermore, if the contract contains a requirement to return unspent funds such amounts are recognised as a provision in accordance with AASB 137 *Provisions, Contingent Asset and Liabilities.*

(iv) Other Income
Interest income is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Association has received the payment.

Membership Fees are recognised as revenue over the membership service period.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(g) 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 that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that approximate the expected timing of cash flows.

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets (excluding receivables and payables) 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.

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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in within the estimate is revised and in any future period affected.

Key judgements — Useful lives of property, plant and equipment

Useful lives of property, plant and equipment are reviewed annually. Judgement is applied in determining the useful lives of property, plant and equipment. Any reassessment of useful lives and residual value in a particular year will affect depreciation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTD.)

(k) Critical Accounting Estimates and Judgements (contd.)

Key judgements - Provision for Long Service Leave
Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) New and revised standards effective 1 July 2025

In the year ended 30 June 2026, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Association and effective for the current annual reporting period. As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Association and, therefore, no material change is necessary to the Association’s accounting policies.

(n) Standards and Interpretations in issue not yet adopted

The directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2026. There is no material impact of other Standards and Interpretations in issue not yet adopted on the Association and, therefore, no change is necessary to the Association's accounting policies.

		2026	2025
4	**GRANT FUNDING**	**$**	**$**
	Grant Funding Recognised Over Time		
	Lotterywest	8,761	48,260
	Capacity Building (COAG)	338,151	331,385
	Core Funding (MHC)	1,121,242	1,077,910
	WA DOH Hep C	-	53,711
	WAPHA DASAS	-	291,091
	HCV CC Project	6,958	
	Kimberley Youth	39,705	60,295
	HCV CAT Project	15,708	9,091
	MHC2024035	-	22,200
	Conference Revenue	34,227	158,908
	Total grant revenue	**1,564,752**	**2,052,851**

Refer to Note 15 for the grant funding liability.

5	**OTHER INCOME**		
	Interest income	90,760	72,881
	Members' subscriptions	37,699	35,851
	Employee assistance program	151,738	110,550
	Other income	2,139	-
	Miscellaneous income	-	6,747
	Total other income	**282,336**	**226,029**
	Total Revenue and Other Income	**1,847,088**	**2,278,880**

6	**SALARIES, BENEFITS AND ASSOCIATED EXPENSES**		
	Wages and salaries	1,141,854	1,093,841
	Superannuation	135,751	117,685
	Provision for annual leave (movement)	20,922	26,269
	Provision for long service leave (movement)	441	9,554
	Staff amenities	4,104	5,705
	Total salaries, benefits and associated expenses	**1,303,072**	**1,253,054**

7	**OTHER EXPENSES**		
	Advertising/promotion	1,548	9,061
	Awards and prizes	-	1,716
	Audit and accounting fees	24,441	18,750
	Bank charges	1,285	948
	Childcare	583	984
	General expenses	5,207	6,726
	Insurance	12,015	11,302
	Interpreter access project	6,949	8,239
	Lease expenses	26,192	-
	Legal fees	4,983	266
	Newspapers	436	338
	Police clearances	59	-
	Postage, printing and stationery	10,725	13,249
	Recruitment	460	-
	Subscriptions	8,028	96,349
	Training and supervision	14,362	30,723
	Travel	40,819	85,471
	Venue hire/equipment	33,730	61,269
	Works compensation insurance	10,576	9,204
	Total other expenses	**202,398**	**354,595**

		2026	2025
8	**CASH AND CASH EQUIVALENTS**	**$**	**$**
	Cheque account Bendigo Bank	132,736	113,924
	Petty cash	231	231
	Cash management account Bendigo Bank	-	709,235
	Term Deposit Bendigo Bank 12M	-	1,000,000
	Term Deposit Bendigo Bank 6M	-	500,000
	Beyond Bank Operational	226,656	-
	Beyond Bank - Reserves	250,639	-
	Visa Debit Beyond Bank	13,646	-
	Bank Guarantee Beyond Bank	60,816	-
	Term Deposit Beyond Bank 6M	500,000	-
	Term Deposit Beyond Bank 12M	1,000,000	-
	Total cash and cash equivalents	**2,184,724**	**2,323,390**
9	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	99,638	48,619
	Provision for Doubtful Debts	-	-
	Total trade and other receivables	**99,638**	**48,619**
	Financial assets at amortised cost classified as loans and receivables:		
	Trade receivables	99,638	48,619
	Financial assets at amortised cost	**99,638**	**48,619**
10	**OTHER ASSETS**		
	Prepayments	12,183	10,092
	Security Bond - leased premises	8,666	13,097
	Deposits paid	200	200
	Total other assets	**21,049**	**23,389**
11	**PROPERTY, PLANT & EQUIPMENT**		
	Improvements at Cost	4,722	-
	Improvements Amortisation	(238)	-
		4,484	-
	Equipment at Cost	96,548	57,773
	Equipment - accumulated depreciation	(56,974)	(46,996)
		39,574	10,777
	Furniture & Fixtures at Cost	194,301	194,301
	Furniture & Fixtures - accumulated depreciation	(194,301)	(194,301)
		-	-
	Total property, plant & equipment	**44,058**	**10,777**

	2026	2025
12 TRADE AND OTHER PAYABLES	**$**	**$**
Unsecured liabilities:		
Trade payables	9,535	113
Accrued expenses	-	41,631
Accrued wages and superannuation	44,686	33,764
Social club	1,900	1,469
Accrued audit fees	12,300	12,650
Mastercard Bendigo Bank	1,670	8,474
Income in advance	19,433	18,084
Sponsorship in advance	1,569	-
Total trade and other payables	**91,093**	**116,185**
Financial liabilities at amortised cost classified as trade and other payables:		
Trade and other payables	71,660	98,101
Income in advance	19,433	18,084
Financial liabilities at amortised cost	**91,093**	**116,185**
13 AMOUNTS DUE TO ATO		
PAYG liability	18,800	37,185
GST collected	50,081	49,275
GST paid	(13,835)	(16,588)
Total amounts due to ATO	**55,046**	**69,872**
14 PROVISIONS		
Current		
Provision for annual leave	98,483	77,562
Provision for long service leave	78,033	77,593
Total current provisions	**176,516**	**155,155**
Non-Current		
Make Good Provision	5,783	-
Total non-current provisions	**5,783**	**-**
Movement in Provisions		
Provision for annual leave		
Opening balance at 1 July	77,562	51,291
Net amounts accrued/(used) during the year	20,921	26,271
Balance at 30 June	**98,483**	**77,562**
Provision for long service leave		
Opening balance at 1 July	77,593	68,038
Net amounts accrued/(used) during the year	440	9,555
Balance at 30 June	**78,033**	**77,593**

15 CONTRACT LIABILITIES

	2026 $	2025 $
Transfer to unexpended fees		
Conference	30,148	54,693
Total transfer to unexpended fees	**30,148**	**54,693**
Grant balance carried forward		
Workforce Strategic Framework Initiatives (MHC)	-	15,709
HCV CAT Project	-	6,372
HCV CC Project 2026	17,543	-
NAHS AOD Wiluna	28,248	-
LotteryWest RRR	37,162	-
Total grant balance carried forward	**82,953**	**22,081**
Employment assistance program balance carried forward	**135,849**	**150,097**
Total contract liabilities (government grants)	**248,950**	**226,871**

The unearned revenue relates to liabilities resulting from the contracts with customers when payment is received for performance obligations that are not satisfied at the reporting date. Please refer below for Grant Liability details per contract.

16 LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

The Association had an office lease at 1 Nash Street in Perth, which ceased on 11 November 2025.

A new lease was entered into on 12 November 2025 at Level 1, 46 Parliament Place, West Perth 6005. The new lease is for a 7 year term. The cessation of the old lease and commencement of the new lease has been accounted for as a lease modification in accordance with AASB 16.

	2026 $	2025 $
(a) Amounts recognised in the balance sheet		
Right-of-use asset		
Balance as at 1 July	68,612	137,224
Lease modifications during the year	357,630	-
Less: Amortisation	(66,431)	(68,612)
Closing balance as at 30 June	**359,811**	**68,612**
Lease liability		
Balance as at 1 July	141,650	137,224
Lease modifcations during the year	357,630	-
Add: Interest charges for the year	10,390	4,426
Less: Payments during the year[1]	(143,370)	-
Closing balance as at 30 June	**366,300**	**141,650**
Current lease liability	44,872	141,650
Non-current lease liability	321,428	-
Total lease liabilities	**366,300**	**141,650**
(b) Amounts recognised in the statement of profit or loss		
Amortisation on right-of-use asset	66,431	68,612
Interest expense on lease liability	10,390	4,426

[1] Movement in leases as per Statement of Cash Flows includes interest.

17 KEY MANAGEMENT PERSONNEL COMPENSATION	2026 $	2025 $
Compensation paid	230,187	223,032
	230,187	**223,032**

18 RECONCILIATION OF CASHFLOW FROM OPERATIONS

Reconciliation of cash flows from operating activities with loss for the year		
Net Surplus for the year	538	194,867
Non-cash flows in loss		
— amortisation expense	66,431	68,612
— depreciation expense	10,217	4,213
— interest expense	10,390	4,426
Changes in assets and liabilities		
— change in trade and other receivables	(51,019)	(37,894)
— change in other current assets	2,340	(12,776)
— change in contract liabilities	22,079	(175,909)
— change in employee provisions	27,145	35,825
— change in trade and other payables	(39,918)	84,027
Net cash generated from/ (used in) operating activities	**48,203**	**165,391**

19 FINANCIAL RISK MANAGEMENT

The totals for each category of financial instrument, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2026 $	2025 $
Financial Assets			
Cash and cash equivalents	8	2,184,724	2,323,390
Trade and other receivables	9	99,638	48,619
Total Financial Assets		**2,284,362**	**2,372,009**
Financial Liabilities			
Financial Liabilities at Amortised Cost:			
Other payables	12	71,660	98,101
Income in advance	12	19,433	18,084
Contract liabilities	15	248,950	226,871
Lease liabilities	16	366,300	141,650
Total Financial Liabilities		**706,343**	**484,706**

19 FINANCIAL RISK MANAGEMENT (CONTD.)

Credit risk
Credit risk is the risk of financial loss to the Association is a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers.

(i) Cash and cash equivalents
The Association limits its exposure to credit risk by only investing in liquid securities and only with major Australian financial institutions.

(ii) Trade and other receivables
The Association's trade and other receivables relate to revenue from contracts with customers.

The Association has determined that its credit risk exposure on all other trade receivables is low, as customers are considered to be reliable and have short contractual payment terms. Management does not expect any of these counterparties to fail to meet their obligations.

The carrying amount of the Association's financial assets represents the maximum credit exposure. The Associations' maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2026	2025
	$	$
Cash and cash equivalents	2,184,724	2,323,390
Trade and other receivables	99,638	48,619
Total	**2,284,362**	**2,372,009**

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash. Due to the dynamic nature of the underlying operations, the Board aims at maintaining flexibility in funding through management of its cash resources.

Interest rate risk
The Association's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is minimal.

Net Fair Values
The net fair value of assets and liabilities approximates their carrying value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

20 RELOCATION RESERVE

	2026 $	2025 $
Balance as at 1 July	221,418	176,182
Transfer from retained earnings	(221,418)	45,236
Closing balance as at 30 June	-	**221,418**

21 EVENTS AFTER THE REPORTING PERIOD

There are, at the date of this report, no matters or circumstances that have arisen since the end of the period that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future years.

22 AUDITOR'S REMUNERATION

	2026 $	2025 $
Remuneration of the auditor for:		
— auditing the financial statements	12,300	12,750
	12,300	**12,750**

The auditor of the Association is Armada Audit & Assurance Pty Ltd. Auditor remuneration is for audit of the financial report and for audit of the relevant grant acquittals required by the various funding bodies.

23 CAPITAL AND LEASING COMMITMENTS

No capital commitments existed at 30 June 2026 or at 30 June 2025.

The lease commitments at 30 June 2026 and 30 June 2025 have been recognised as a lease liability and right-of-use asset on the statement of financial position. See Note 16 for more details.

24 CONTINGENT LIABILITIES AND ASSETS

No contingent liabilities or contingent assets existed at 30 June 2026 or at 30 June 2025.