



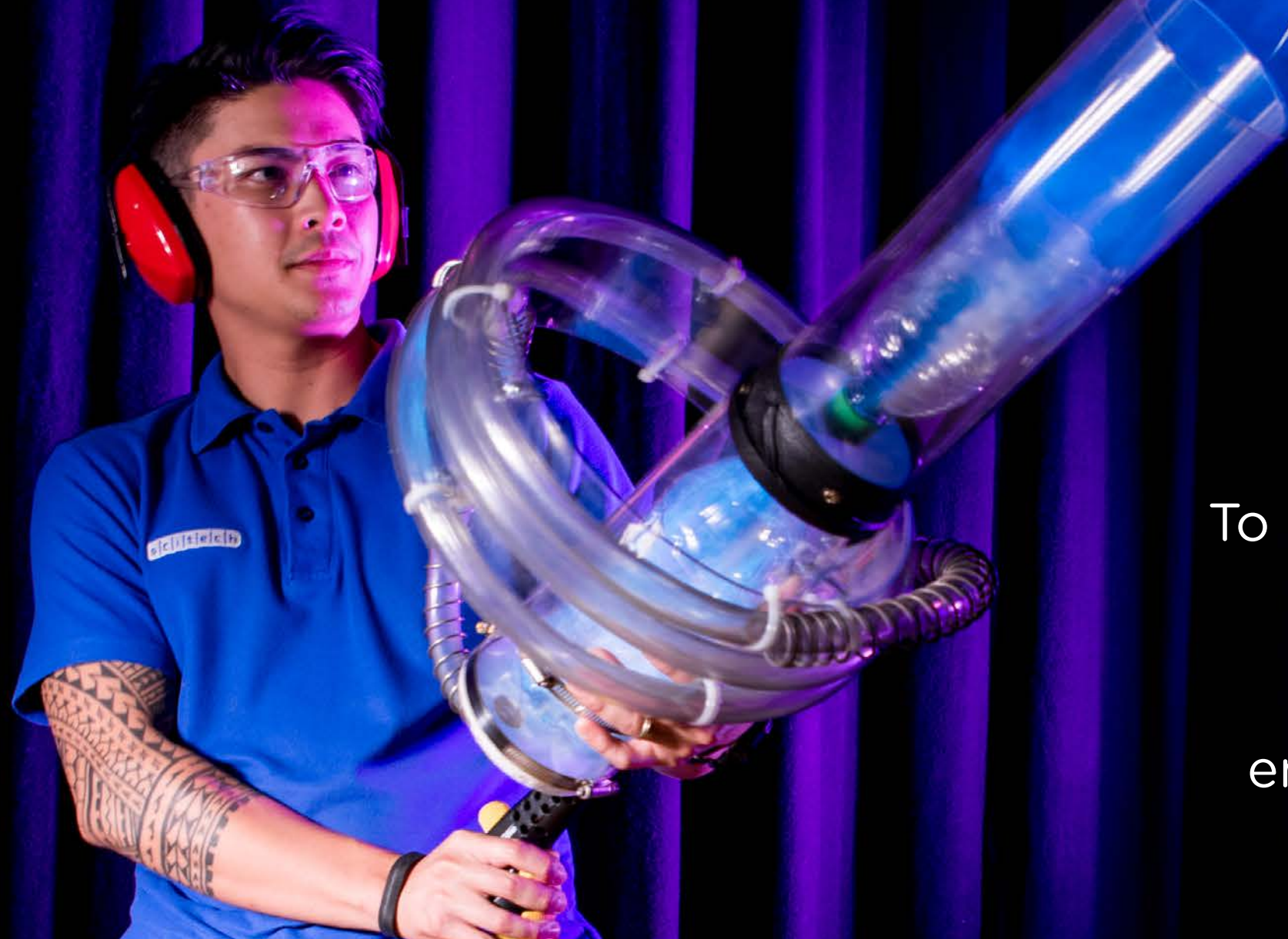
ANNUAL REPORT

2017 – 2018

ABN 55 009 292 700

VISION

Scitech's vision is to be a **world leader** in providing **innovative** and **creative** STEM programs that **inspire, engage** and **develop** citizens for Western Australia's social well-being, economic prosperity and sustainability.



MISSION

To increase **awareness, interest, capability** and participation by **all Western Australians** in science, technology, engineering and mathematics.

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CHAIR'S REPORT



It is my pleasure to present this report on the activities of Scitech over the 2018 financial year.

Scitech holds a special place in the hearts of Western Australians. It creates engaging, inspiring experiences that foster a lifelong curiosity and positive attitude towards some of the most important aspects of modern life; Science, Technology, Engineering and Mathematics, or STEM as it is known.

Every year more than 500,000 Western Australians directly engage with STEM through Scitech, as well as many others online and around the world. It's an incredible achievement, and it's no surprise that after 30 years, Western Australians hold Scitech in the highest regard.

However, in today's rapidly changing environment, we cannot rest on our past achievements. The population of Western Australia is growing. Technology is advancing rapidly. The world is shifting in so many ways. The needs of our future workforce are changing and as a result, we need to change; to respond to these changes, and to deliver more of our constitutional remit to more people. That requires us to be more innovative, and to be commercially sustainable.

Motivated by that relentless imperative, over the past year the Board and I have had two major priorities:

1) Getting our new CEO on board

After 17 years at the helm, Alan Brien stepped down as CEO late in 2017. He left a strong legacy. There were big shoes to fill.

So this year, we welcomed his replacement, Ms Deb Hancock.

Deb has now been in the role for a year, and we couldn't be happier. She has picked up the intricacies of the job quickly, and has impressed everyone with her energy, vision and passion.

Critically, she has embraced the Board's vision for the next generation of Scitech – the New Scitech Strategy as we call it. In a short time, she has energetically and thoughtfully driven the articulation and promotion of the strategy with her great team.

Thank you Deb.

2) Introducing our 'New Scitech' Strategy

The Board and I have invested significant time and effort in developing our vision for 'New Scitech' with Deb and her team, our supporters and our community. The key question is: what do we want the next version of Scitech to look like, taking into account all of the forces at play I mentioned above? Our bold 'New Scitech' strategy will see Scitech

change to become more digitally focused in the way we deliver STEM education and awareness. Through this strategy, Scitech will empower all Western Australians to be equipped with the 21st century skillset needed now and for the future.

Our plans to execute and realise this vision are progressing every day. The full strategy is outlined on page 16 of this report.

That isn't all we have been doing of course. The Board has been thrilled with Scitech's collaboration with the Chief Scientist on the State STEM strategy for WA.

I would like to thank my fellow Board members, who are all volunteers, for their commitment and support of this inspiring, not-for-profit organisation. You each bring a unique set of experiences and perspectives, and I am grateful for your effort, frank contributions, and camaraderie.

Of course, Scitech would not be what it is today without its people. I would like to acknowledge the dedicated work of our staff and volunteers. You make this place very special.

To the Executive Leadership Team, thank you for your great work in a big year of change – it's been important, indeed exciting, but it's been hard work. I look forward to seeing you and your teams create the Scitech of the future.

Scitech would not be possible without the support and investment of the State Government of WA. I wish to acknowledge the strong support of Premier McGowan and Minister Kelly. Our partnership with the Department of Jobs, Tourism, Science and Innovation is strong and the whole community benefits from it. Thank you.

Finally, we have an extraordinary group of corporate, educational and community partners (named later in this report) who are fundamental to what Scitech is. Your support is very much valued and acknowledged.

I look forward to a transformative year and a bright STEM-enabled future for Western Australia.

Tony Joyner
Chair, Scitech Board of Directors

CEO'S REPORT



Over the past 30 years, Scitech has developed an iconic presence in the Western Australian community. Today, STEM engagement and literacy are as important and relevant as ever.

The future of work is changing. A new workforce is taking shape. Research shows that 75% of the fastest growing occupations now require STEM skills and knowledge¹. Scitech has an important role in preparing all Western Australians for a positive future by ensuring that everyone has access to the development of STEM skills.

Our 'New Scitech' strategy has been designed to address the above challenges and opportunities, while retaining what has made Scitech so successful over the last 30 years. This strategy will ensure that we remain relevant and continue to make STEM exciting and accessible for all Western Australians.

As a result of this new strategy, Scitech has experienced a year of significant change. When I was appointed CEO, I was tasked by the Board of Directors with not just 'running' Scitech, but 'transforming' Scitech to deliver this new strategy. My job is to lead the transformation of Scitech so that we, as a business, remain relevant and sustainable into the future, while remaining true to our mission. 'New Scitech' involves the following:

- Becoming more digital, innovative, contemporary and future focussed with investments in new systems and processes;
- Moving Scitech into a new home and determining how this will be planned, designed, funded and facilitated;
- Becoming more commercially sustainable;
- Aligning more closely to our mission as stated in our Constitution, i.e.: engaging ALL Western Australians in STEM; and
- Changing our business model and structure to enable all of the above, while also keeping the wheels turning operationally and delivering on our mission.

The scope of this task is significant. What I appreciate, is the energy and enthusiasm that each and every Scitech employee has shown, by rolling up their sleeves and actively working to make this future vision our reality. Our employees' continued commitment to deliver the best STEM experience for all West Australians is truly admirable. I extend my sincerest thanks to all of our employees and volunteers, for their energy, dedication and passion that has delivered some fantastic results over the past 12 months, on our transformation journey, including:

- We now have annual operational plans that align to budgets for each business area so that we can share our program of work with clarity across our business;
- We've designed and delivered new and revitalised shows and programs to the farthest corners of this State thanks to our ever-travelling Statewide crew;
- We have begun our process of redesigning some of our programs so that they are financially sustainable, e.g. our birthday parties and the Perth Science Festival;
- Our Science Centre, Statewide, Learning Futures (Professional Learning and STEM Learning Project) teams have delivered some amazing results with new streamlined processes and continued dedication to upskilling, inspiring and engaging students, teachers and families;
- Our design, build and maintenance staff in the workshop, and electronics teams have kept our Science Centre looking top notch, have seen our travelling exhibitions program continue to kick goals and have delivered a wonderful revamped 'Discoverland.'

- We have invested very heavily in our Human Resources processes and policies, training and development frameworks, change management, and new workplace health and safety processes have also been also rolled out.
- Our investment in increased IT security and cloud-based infrastructure has improved the stability and security of our work environment. We now have a paperless online Employee Self Service leave system. We have also made great progress on our Business Systems Project which will see a new Finance and CRM system delivered.
- Our Bookings and Finance teams have worked tirelessly to provide the 'behind-the-scenes' backbone support to the whole organisation and there have been a raft of improvements in these areas that benefit us all, including a new Purchasing and Procurement Policy.
- Our Strategy & Planning team has been incredibly busy too, scoping and delivering all our exciting new projects and systems that will make our 'new way of working' (new Operating Model) and our new home a reality.
- The Engagement and Partnerships team have driven changes in our digital engagement approach that has resulted in Particle audience engagement going through the roof! We've also signed exciting new corporate partnerships which will see us doing more hackathons and other exciting new programs.
- Our new website project is building momentum and is set to deliver a breathtaking 'digital doorway' for our customers into Scitech interactions.

- Our recent implementation of our new online ticketing service has shown amazing and immediate results and increased customer satisfaction.

I am also very thankful for the collaborative and collegiate leadership approach taken by my Chairman and Board of Directors. Thank you for the trust and faith that you have demonstrated in me, and for your strength, kindness, wisdom and strategic guidance. Thank you also for your commitment and dedication. I consider myself privileged to have the opportunity to work with each of you.

It is with great pleasure that we present the 2017/18 Annual Report for Scitech Discovery Centre and I look forward to another exciting year ahead.

Deb Hancock
Chief Executive Officer

HIGHLIGHTS



NEW SCITECH STRATEGY

Scitech's bold vision for the future was developed in 2017/18, with four new areas of strategic focus enabled by Business Growth and Sustainability: a State of the Art Science Centre, Targeted Deeper Reach Beyond the Centre, a Highly Connected STEM Community and an Informed Public Voice for STEM.



DIGITAL

Scitech's online presence has continued to grow with 426,893 website sessions, 28,132 Facebook followers, 4,337 Twitter followers and 2,649 Instagram followers. Particle continues to bring Western Australian science alive, with 159,596 individual website sessions in 2017/18.



PUBLIC ENGAGEMENT IN STEM

In 2017/18 we achieved 498,158 public engagements in STEM. We attracted 294,057 visitors to our City West premises, 196,022 took part in one of our many Statewide programs.



SCITECH EXHIBITIONS

"Bionic Me" marks the nineteenth show introduced into the American market and is leased on a 12-month contract.

"Planet Pioneers" was produced in 2017/18 and also introduced to the travelling exhibition suite. Over one million visitors went through Scitech's exhibitions in the USA during the financial year.

We also added a new, permanent exhibition to the Scitech floor, Kaartadjin Koorliny.



PROFESSIONAL LEARNING

Offering our State's classroom teachers professional development in science, maths and the digital and technology areas of the curriculum is a critical part of Scitech's mission. We reached a record 8,079 teachers and pre-service teachers.

OUR PARTNERS AND STAKEHOLDERS

SCITECH PARTNERS FOR 2017/18

PRINCIPAL PARTNER AND FUNDER

- State Government of Western Australia—
Department of Jobs, Tourism, Science and
Innovation

CORPORATE PARTNERS

- Alcoa Foundation
- BDO
- BHP
- Chevron Australia
- Coogee Chemicals
- Fluor
- GE
- Hawaiian
- Jacobs
- Lycopodium
- Mitsui Iron Ore Development
- Perth Airport
- RAC of WA
- Rio Tinto
- Shell
- The Stan Perron Charitable Foundation
- Vekta
- WESCEF
- Western Power
- Woodside

INDUSTRY IN-KIND PARTNERS

- Accenture
- Edwards Wines
- Matso's Broome Brewery
- Neverfail
- Sharp Perth

GOVERNMENT PARTNERS

- Chem Centre
- City of Perth
- CSIRO Education, and Minerals and Resources
- Department of Education
- Department of Agriculture and Food
- Department of Finance
- Department of Fisheries
- Lotterywest
- Metropolitan Redevelopment Authority
- Questacon
- Water Corporation
- Western Australian Museum

COMMUNITY AND RESEARCH GROUPS

- Academy of Technological Sciences and
Engineering
- Astronomy WA
- Australian Academy of Science
- Centre for Integrated Bee Research
- Engineers Australia
- Engineers Without Borders
- Fogarty Foundation / CoderDojo WA
- Geological Survey Western Australia
- Headspace Australia
- Inspiring Australia Regional Science Co-
ordinating Committees
- International Centre for Radio Astronomy
Research
- National Science Week Co-ordinating Committee
- Playgroup WA
- RoboCup
- Spacecubed
- Women in Technology WA
- Sustainable Schools Alliance WA

HIGHER EDUCATION PROVIDERS

- Curtin University
- Edith Cowan University
- Murdoch University
- The University of Western Australia
- North Metropolitan TAFE
- South Metropolitan TAFE

WESTERN AUSTRALIAN SCHOOLS

- Ashdale Secondary College and the Ashdale
Cluster Schools
- Balcatta Greenwood Warwick Network
- Bunbury North Network
- Bunbury South Network
- Cecil Andrews College
- Curtin Community Network
- Karratha Cluster Network
- Leda Primary School
- Moorditj Noongar Community College
- Wesley College

STAKEHOLDER MEMBERSHIP

- Asia Pacific Network of Science and Technology
Centres
- Association of Perth Attractions
- Association of Science and Technology Centres
- Australasian Planetarium Society
- Australasian Science and Technology
Engagement Network
- Australian Science Communicators
- Chamber of Commerce and Industry Western
Australia
- Committee for Economic Development of
Australia
- Council of Australasian Museum Directors
- European Network of Science Centres (Ecsite)
- Network of Australasian Museum Exhibitors

EDUCATION PARTNERS

- Association of Independent Schools of Western
Australia
- Career Education Association of Western
Australia
- Catholic Education Office
- Earth Sciences Western Australia
- Educational Computing Association of Western
Australia
- Flaktest Gaming
- Mathematical Association of Western Australia
- Science Teachers' Association of Western
Australia

MEDIA PARTNERS

- GWN7

PARTICLE

- Archae-Aus
- Australian Institute of Marine Sciences
- Bankwest Curtin Economics Centre
- Black Lab
- Canberra Deep Space Communication Complex
- Centre for Human and Cultural Values
- Cornell University
- CSIRO
- Curtin University
- Deakin University
- Department of Biodiversity, Conservation and Attractions
- Department of Primary Industries and Regional Development
- Edith Cowan University
- EQuS
- European Space Agency
- Flinders University
- Genome.one
- Geraldton Astronomy Group
- Gingin Observatoy
- Gravity Discovery Centre
- Harry Perkins
- Headspace
- Heart Foundation
- ICRAR
- Indian Ocean Marine Research Centre
- James Cook University
- John de Laeter Centre
- Kaarakin Black Cockatoo Conservation Centre
- Kalfresh
- Kanyana Wildlife Centre
- La Trobe University
- Maalinup Gallery
- Macquarie University
- Main Roads Western Australia
- Maritime Archaeological Association of Western Australia
- Monash University
- Murdoch University
- Museums Victoria
- Nanollose Ltd
- NASA
- Northern Agricultural Catchments Council WA
- Numbat Taskforce
- Oxford Brookes University
- Pawsey Supercomputing Centre
- Perth Zoo
- PICA
- Plant Energy Biology
- Playup Perth
- Power Ledger
- Recfishwest
- Regional Laboratory Technician Group
- Repair Café
- RMIT
- Sea Around Us
- Startup WA
- State Library of Western Australia
- Stirfire Studios
- Telethon Kids Institute
- The Marshall Centre
- University of Essex
- University of Notre Dame
- University of Ontario Institute of Technology
- University of Oregon
- University of Regensburg
- University of Tasmania
- University of Victoria
- University of Western Australia
- UWA Oceans Institute

- Victoria University
- Western Australian Herbarium
- Western Australian Museum
- Western Australian Police Force
- Western Australian Screen Academy ECU
- WABSI
- Water Corporation
- Western Australian Marine Science Institution
- Western Power
- Wheatbelt Science Hub
- Whipper Snapper Distillery

ACKNOWLEDGEMENTS

A special thank you to Scitech’s energetic and dedicated staff and volunteers who bring STEM to life, every day, for the people of Western Australia. Their commitment and passion for their work at the Science Centre, across regional and remote WA, or behind the scenes making it all happen is what makes Scitech unique.

The Board wishes to acknowledge the strong support of the Hon. Premier Mark McGowan MLA, Premier of Western Australia and the Hon. Dave Kelly MLA, Minister for Science. Our close working relationship with the staff at the Department of Jobs, Tourism, Science and Innovation, under the leadership of Ms Fiona Roche, is very much appreciated and valued. The Board also recognises the Chief Scientist of Western Australia, Professor Peter Klinken, for his ongoing support. The Board also wishes to acknowledge the support and investment of the Hon. Sue Ellery MLC, Minister of Education and the Department of Education.



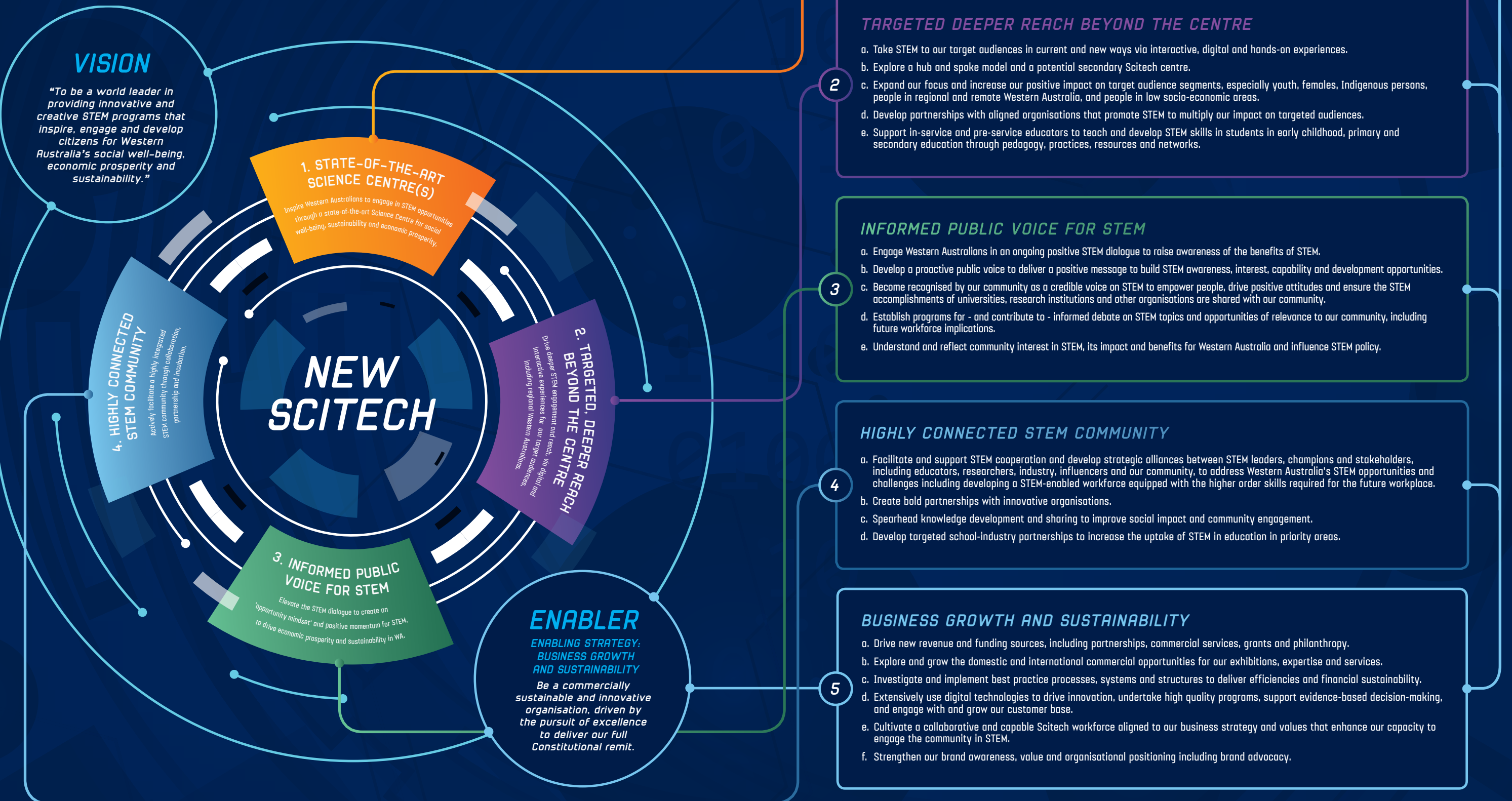
LOOKING FORWARD

NEW SCITECH STRATEGY

Scitech is now at a crossroads. We have a once in a generation opportunity to re-invent the face of STEM engagement in Western Australia and take our impact to the next level.

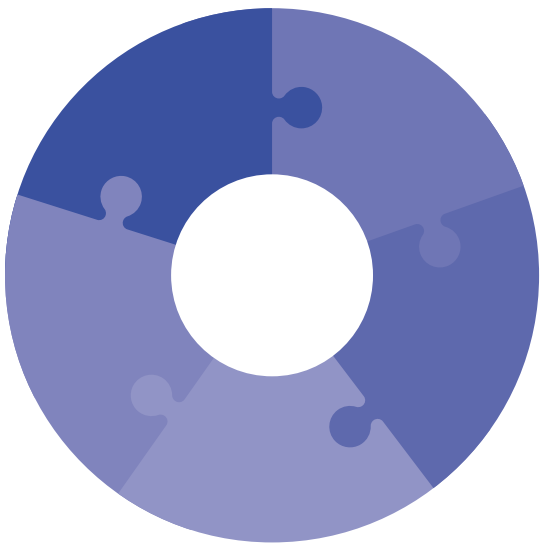
Having outgrown the current Scitech location at City West, we are investigating opportunities for new premises and resetting how we deliver our new vision in the digital age.

We have developed a bold strategy to achieve a new vision for Scitech.



SCITECH'S NEW BALANCED SCORECARD

Going forward, a new balanced scorecard will be implemented to measure and keep track of our success.



BUSINESS GROWTH AND INNOVATION

- Reputation
- Partnerships
- Communications
- Digital connections
- Marketing
- Innovation
- Intellectual property
- Networks

CUSTOMER EXPERIENCE AND ENGAGEMENT

- Reach
- Perceptions
- Impact
- Membership
- Content
- Professional Learning
- Volunteers
- Particle
- Other services
- Knowledge development

PEOPLE AND LEARNING

- Staff
- Culture
- Leadership
- Workplace health and safety
- Learning

BUSINESS PROCESSES AND EFFICIENCY

- Data analysis
- Process efficiencies
- Information technology
- Governance

FINANCIAL FRAMEWORK

- Assets
- Revenue
- Revenue sources
- EBITDA
- ROI
- Research and development

The following annual KPIs will be used for each key strategic focus area of the New Scitech Strategy. They are supported by additional internal measures as per the Scitech Balanced Scorecard and Performance Reporting.

STATE OF THE ART SCIENCE CENTRE

1. General public visitors to City West
2. Primary school visitors to City West
3. Secondary school visitors to City West
4. Audience satisfaction with the science centre programs and services
5. Number of memberships (rolling average)

TARGETED, DEEPER REACH BEYOND THE CENTRE

6. General public engagement with Statewide programs
7. Primary school engagement with Statewide programs
8. Secondary school engagement with Statewide programs
9. Teachers and pre-service teachers participating in a Professional Learning session
10. Indigenous students and Indigenous teachers receiving services through the Aboriginal Education Program (AEP)
11. STEM career information sessions
12. Audience satisfaction with programs and services provided beyond the science centre

INFORMED PUBLIC VOICE FOR STEM

(In addition to Particle performance reporting)

13. Digital audiences directly engaged
14. Audience satisfaction with informed public voice for STEM services

HIGHLY CONNECTED STEM COMMUNITY

15. Community partner engagement
16. Industry-school linkages facilitated
17. Audience satisfaction with highly connected STEM community services

BUSINESS GROWTH AND SUSTAINABILITY

18. EBITDA (earnings before interest, tax, depreciation and amortisation)
19. Ratio of State contribution to Scitech self-generated revenue
- 20.Total expenditure

NEW CEO AND EXECUTIVE LEADERSHIP TEAM

In 2017/18 Scitech welcomed new CEO, Deb Hancock and a new look leadership team to drive transformational change and implement the New Scitech vision.

DEB HANCOCK

CHIEF EXECUTIVE OFFICER

As former Chief Executive Officer of the Cairns Chamber of Commerce, Deb is an experienced, energetic and passionate CEO. Deb brings a wealth of leadership and executive management experience from the private and public sectors, and has a strong track record of engaging with government and the community to grow businesses and make a difference.



DANIELLE GILES

EXECUTIVE MANAGER, EXPERIENCE AND CONTENT

Danielle leads a team of content developers, customer research analysts and project planners to set Scitech's STEM agenda, based on future sustainability, impact, innovation and relevance. Responsible for driving a customer centric culture, Danielle and her team will research, design and develop new and innovative customer centric products, services and STEM content.



NICK WOOD

CHIEF OPERATIONS OFFICER

Nick oversees Scitech's day to day business operations and acts as the deputy to the CEO. He is responsible for the effectiveness and efficiency of all organisational processes with a view to improving the overall performance of the business. Nick manages the teams that design and build our exhibits and exhibitions, interact and engage with our visitors at the City West Science Centre and lead the Scitech experiences in regional Western Australia.

VERONIKA GOUSKOVA

EXECUTIVE MANAGER, ENGAGEMENT AND PARTNERSHIPS

Veronika leads a team of creative professionals who share all the diverse work Scitech achieves across Western Australia through communications, public relations and marketing. She manages the Scitech brand and organisational positioning, and drives business development and revenue sources for commercial sustainability through existing and new partnerships. Veronika also oversees the Creative Studio of designers and digital producers for Scitech and for Particle, Scitech's digital news platform.



KALIEN SELBY

EXECUTIVE MANAGER, STRATEGY AND PLANNING

Kalien is responsible for analysing, programming and delivering priority strategic initiatives and projects. Core projects include Scitech's premises project, operating model implementation and business systems transformation. Kalien also oversees enterprise performance management, data, systems and process improvement as well as project and change management processes.



CHRIS SHIRLEY

CHIEF FINANCIAL OFFICER

Chris manages Scitech's centralised services in support of all staff goals and objectives, while ensuring the financial health, sustainability and viability of the organisation. He leads the team that empowers staff for Human Resources and WHS requirements, as well as managing IT support. Chris oversees shared services that facilitate bookings, events, logistics and administration, while also providing financial reporting and accounts, commercial advice, business and financial modelling and financial systems and process development.

INFORMATION ON DIRECTORS

(AS AT 30 JUNE 2018)

DIRECTORS

The names of Directors in office during the year ended 30 June 2018 and up to the date of this report are:

- Mr Tony Joyner - Chair
- Dr Alan Bye
- Ms Fiona Roche
- Mr David Axworthy
 - Leave of Absence (February – June 2018)
 - Resigned (June 2018)
- Mr Matthew Weaver
- Mr David Joyce
- Associate Professor Kristen Nowak
- Professor Grady Venville (Resigned on February 2018)
- Mr Martin Kirkness
- Dr Max Hills (Appointed May 2018)
- Mr Shaun Gregory
- Mr Lindsay Hale (Appointed July 2018)
- Dr Karen Murcia

MEETINGS OF DIRECTORS

The number of meetings of the company’s Board of Directors held during the year ended 30 June 2018 and the number of full meetings attended by each Director were:

Total Meetings Held		5
Director	No. of Meetings Eligible	No. of Meetings Attended
Mr Tony Joyner	5	5
Ms Fiona Roche	5	5
Mr Matthew Weaver	5	5
Associate Professor Kristen Nowak	5	5
Mr Martin Kirkness	5	4
Mr Shaun Gregory	5	4
Dr Karen Murcia	5	3
Dr Alan Bye	5	3
Mr David Axworthy	3	3
Mr David Joyce	5	4
Professor Grady Venville	3	2
Dr Max Hills	0	0
Mr Lindsay Hale	0	0

DIRECTORS’ DECLARATION

The Directors of Scitech Discovery Centre declare that:

the financial statements, comprising the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the additional disclosures included in the Annual Report are in accordance with the ACNC Act 2012 and comply with Australian Accounting Standards (including the Australian Accounting Interpretations), the ACNC Regulations 2013 and other mandatory professional reporting requirements; and

- a. give a true and fair view of the Company’s financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.
- b. In the Directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by



Martin Kirkness
(Acting) Chair of the Board

Dated this 28 September 2018 at Perth, Western Australia

AUDITOR INDEPENDENCE DECLARATION

The auditor’s independence declaration as required under section 307c of the Corporations Act 2001 is included on page 46 of the financial report. Auditor BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors made on 28 September 2018.



Martin Kirkness
(Acting) Chair of the Board

Dated this 28 September 2018 at Perth, Western Australia



FINANCIAL RESULTS OVERVIEW

OPERATING RESULTS

The net profit (loss) for the financial year ended 30 June 2018 was a loss of (\$1,460,390) compared to a net profit of \$265,506 for the prior period ended 30 June 2017.

The net loss result was in line with management expectations for the period, which included significant capital and operational investment in line with strategic priorities.

Revenue for the period increased from \$18,152,962 in FY 2017 to \$18,658,606 in FY 2018 due to growth in funding through Partnerships and Exhibition Rental income which was partially offset by reduced non-recurring government funding.

Expenditure for the period increased by \$2,231,540, from \$17,887,456 in FY 2017 to \$20,118,996 in FY 2018. Increased expenditure related predominantly to planned growth in Salaries & Wages (\$682,558), Program Delivery & Operations (\$607,635), and increased expenditure in relation to strategic focus areas including IT Systems Expenses (\$360,061) and Strategy & Business Development costs (\$317,537). Additionally, a provision of \$250,000 was recognised for make good liabilities under the current lease which are likely to be incurred in the event of the company relocating.

On a cash basis the company recorded a net outflow of (\$1,185,504) compared to (\$239,273) in the previous period. It is noted that the 17-18 net cash outflow result represented a positive variance of \$661,264 compared to the budgeted cash loss of (\$1,846,768), due primarily to savings from lower than expected investment in IT expenses deferred until 2018-19, and savings in operational expenditures made through improvements in cost control and business processes.

FINANCIAL POSITION

The net assets of the company decreased from \$13,582,174 as at 30 June 2017 to \$12,121,784 as at 30 June 2018. Key aspects of this result included:

- draw down on cash reserves to fund the planned activities for the period represented by a \$1,185,504 net cash outflow. Cash & Cash equivalents at 30 June 2018 was \$8,859,622.
- a decrease in the carrying value of Plant & Equipment of (\$508,948) due to Depreciation and Impairment expenses of \$2,781,607 which was offset by capital purchases of \$2,272,659.
- Decrease in Trade & Other Payables of (\$289,816) resulting in a balance of \$1,832,541 at 30 June 18, compared to \$2,122,356 at 30 June 2017. This was primarily due to a reduction of \$599,902 in Trade Payables owing which was offset by an increase in Other payables (Accrued expenses) of \$310,087.

On 18 June 2018 the company signed a three-year funding agreement with the State Government to secure ongoing funding of \$25,800,000.

FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Revenue from continuing operations	2	18,658,606	18,152,962
Salaries and Wages		(8,573,413)	(7,890,856)
Rent & Outgoings Expense		(2,873,743)	(2,767,509)
Program Delivery & Operations		(2,971,839)	(2,364,204)
Strategy & Business Development		(1,294,784)	(977,247)
IT Systems Expenses		(960,985)	(600,924)
Administration Expenses		(662,625)	(656,703)
Depreciation	3	(2,781,607)	(2,630,014)
Total Expenses		(20,118,996)	(17,887,456)
Profit/(loss) before income tax		(1,460,390)	265,506
Income tax expense/(benefit)		-	-
Profit/(loss) for the year		(1,460,390)	265,506
Other comprehensive income		-	-
Total comprehensive income		(1,460,390)	265,506

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018	2017
Current assets			
Cash and cash equivalents	4	8,859,622	10,045,126
Trade & Other Receivables	6	1,807,048	1,704,259
Inventories		81,646	105,760
Total current assets		10,748,352	11,855,145
Non-current assets			
Property, plant & equipment	7	7,590,641	8,099,589
Total non-current assets		7,590,641	8,099,589
Total Assets		18,338,993	19,954,734
Current liabilities			
Trade & Other Payables	8	(1,832,541)	(2,122,356)
Contract Liability	9	(3,417,413)	(3,554,026)
Provisions	10	(586,079)	(550,597)
Total current liabilities		(5,836,032)	(6,227,340)
Non-current liabilities			
Leave & Other Provisions	10	(381,177)	(145,221)
Total non-current liabilities		(381,177)	(145,221)
Total liabilities		(6,217,209)	(6,372,561)
Net Assets		12,121,784	13,582,174
Equity			
Current Year Profit/Loss		(1,460,390)	265,506
Retained Earnings		13,582,174	13,316,668
Total Equity		12,121,784	13,582,174

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
Total equity at the beginning of the financial year	13,582,174	13,316,668
Net profit after income tax expense for the year and total comprehensive income	(1,460,390)	265,506
Total equity at the end of the financial year	12,121,784	13,582,174

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Cashflow from operating activities			
Receipts from admissions, events & retail		4,145,945	4,028,931
Receipts from sales contracts, agreements and grants		13,883,459	13,665,180
Interest Received		258,743	304,411
Payments to suppliers and employees		(17,200,992)	(14,542,105)
Net cash inflow (outflow) from operating activities	14(i)	1,087,155	3,456,418
Cashflow from investing activities			
Payment for property, plant and equipment		(2,272,659)	(3,695,691)
Net cash outflow from investing activities		(2,272,659)	(3,695,691)
Net increase/(decrease) in cash and cash equivalents held		(1,185,504)	(239,273)
Cash and cash equivalents at the beginning of the financial year		10,045,126	10,284,398
Cash and cash equivalents at the end of the financial year		8,859,622	10,045,125
Cash and cash equivalents at the end of the financial year is comprised of:	14(ii)		
Cash on hand		69,330	19,330
Cash on deposit		8,790,292	10,025,796
		8,859,622	10,045,126

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

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 taxation authority, are presented as operating cash flow.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general-purpose financial statements, which have been prepared in accordance with the ACNC Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board.

These financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements of Scitech also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(a) Income Tax

The company is exempt from income tax under the provisions of Division 50-5 of the Income Tax Assessment Act 1997.

(b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the Statement of Financial Position.

(c) Foreign currency translation

Transactions in foreign currency are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle of inventory management.

(e) Significant accounting judgement, estimates and assumptions

(i) Significant accounting judgement

In the process of applying the Company's policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Refer to note 7 for Property, Plant and Equipment

(f) New accounting standards and interpretations

Certain new accounting standards have been published that are not mandatory for 30 June 2018 reporting periods. The Company has not applied the following in preparing this report:

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date:	Impact on Initial Application
AASB 16 (issued February 2016)	Leases	<p>AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.</p> <p>There are some optional exemptions for leases with a period of 12 months or less and for low value leases.</p> <p>Lessor accounting remains largely unchanged from AASB 117.</p>	Annual reporting periods beginning on or after 1 January 2019.	<p>To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.</p> <p>Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years.</p> <p>There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.</p>

(g) Changes in Accounting Policies

(i) AASB 9 Financial Instruments – Impact of Adoption

Impairment of financial assets

The Company’s financial assets subject to AASB 9’s new expected credit loss model are cash and trade receivables, which arise from the provision of services and sale of goods.

The impact of the impairment requirements of AASB 9 on cash and cash equivalents has not resulted in a material impact to the financial statements.

Under AASB 9, the Company was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model. This change in methodology has not had a material impact on the financial statements. The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure or a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

(ii) AASB 9 Financial Instruments – Accounting Policies Applied from 1 July 2017

Classification

From 1 July 2017, the Company classifies its financial assets in the following measurement categories:

those to be measured subsequently at fair value (either through OCI, or through profit or loss), and those to be measured at amortised cost.

The classification depends on how the Company manages the financial assets and the contractual terms of the cash flows. At year end, all of the Company’s financial assets have been classified as those to be measured at amortised cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

From 1 July 2017, the Company assesses expected credit losses associated on a forward-looking basis. For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) AASB 1058 Income of Not-for-profit Entities in conjunction with AASB 15 Revenue from Contracts with Customers – Impact of Adoption

The Company has adopted AASB 1058 Not-for-profit Entities in conjunction with 15 Revenue from Contracts with Customers from 1 July 2017 which resulted in changes to accounting policies but no adjustments to the amounts recognised in the financial statements.

(iv) AASB 1058 Income of Not-for-profit Entities in conjunction with AASB 15 Revenue from Contracts with Customers – Accounting Policies

Scitech has determined that the initial recognition of revenues under AASB 1058 does not currently apply to any classes of company revenues, as Scitech does not have classes of revenue which meet the scope of the standard due to the consideration being consistent with the fair value of assets received in the form of cash, or in some cases being received for purposes other than furthering the objectives of the Company.

Revenue received in relation to admissions, events, and retail income (point of sales income) is considered commercial in nature and is not received principally to enable the entity to further its objectives. Accordingly, AASB 1058 does not apply to these transactions, which have been recognised as income in line with relevant accounting standards and concepts.

The company has significant sources of revenue under contracts with customers which are accounted for under AASB 15, including Partnership Agreements, State Government funding, Service agreements, and Rental agreements. Liabilities in the form of performance obligations are sufficiently specific to constitute consideration which is equivalent to the fair value of the asset (namely cash) received under the agreements. Accordingly, revenue is recognised as performance obligations are satisfied, with a corresponding reduction in the liability.

The Company has no material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

Scitech does not receive volunteer services which can be measured reliably per the requirements of AASB 1058 paragraphs 18 and 19. Subsequently no income or related amounts in relation to volunteer services have been recognised in the financial statements.

2. REVENUE

	2018	2017
Revenue from continuing operations		
Admissions	2,676,847	2,635,887
Events & Other Fee Income	793,080	861,557
Retail Income	432,832	452,801
Partnership Income	3,043,035	2,415,308
Exhibition Rental	2,303,018	1,899,750
State Government Funding	8,947,802	9,366,998
Federal Government Funding	203,250	216,250
Interest Income	258,743	304,411
Total Revenue	18,658,606	18,152,962

Revenue recognition

Revenue is recognised in accordance with AASB 1058 in conjunction with AASB 15 and other relevant accounting standards.

Company revenues consist of the following elements:

- Sales of Goods & Services*
 - Income from the sale of goods and services where payment is received at the point of sale includes admissions, memberships, event income, and retail income from the sale of goods. Income is recognised at the point of sale, as service obligations are fulfilled in concert with payment.
- Partnership Income*
 - Partnership income consists of revenues under agreements with businesses which support the Company to fulfill its objectives and include commitments in relation to the delivery of programs and services. Contracts are generally between three and five years. Income is recognised over the contract term inline with AASB 15 Para. 35. A liability for deferred revenue is recorded in the accounts in relation to outstanding performance obligations for partner income as at 30 June 2018.
- Exhibition Rental*
 - Revenues are earned under rental Agreements for the hiring out of exhibitions to domestic and international exhibition centres. Revenues earned in relation to the rental agreements are recognised over the term of the exhibition hire in line with para 35 (Performance obligations satisfied over time).
- State Government Funding*
 - Income of \$8.6 Million was received from the Department of Jobs, Tourism, Science and Innovation under a general Financial Assistance Agreement. The agreement includes performance obligations which are reported on and satisfied on an annual basis, with income being recognised over time in line with the reporting period.
 - The company has a service agreement with the Department of Education in relation to the

delivery of professional learning materials and training, with revenue recognizable on the basis on completion of deliverable products which must be completed within the contract period. Revenues are recognised based on weight percentage completion of contracted products. No incomes were recognised for the year ended 30 June 2018.

- Income from Lotterywest recognised in the financial statements relates to a contract for capital funding. The performance obligations are the expenditure of the funds on the approved capital project. At the balance date, the total amount of expenditure under the project has been recognised as accrued income, as the organisation is currently entitled to the funds. The receipt of the funds is subject to the completion of reporting, which has subsequently been fulfilled.

Federal Government Funding

- Income received from the Department of Industry, Innovation and Science for the delivery of science programs is recognised over the life of the contract in line with AASB 15 Para. 35. A liability for deferred revenue is recorded in the accounts in relation to outstanding performance obligations for Federal Government Funding Income as at 30 June 2018

Interest

- Revenue is recognised in line with AASB 9, as the interest accrued (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

3. NET PROFIT

Net Profit includes the following specific expenses:

	2018	2017
Depreciation of		
Exhibits	1,881,833	1,744,929
Leasehold improvements	463,063	137,281
Plant & equipment	289,243	286,411
Motor vehicles	35,561	17,986
Total depreciation	2,669,701	2,186,607
Asset impairment losses	111,906	443,407
Transfer to provisions for		
Annual leave	29,540	43,382
Long service leave	(8,463)	(26,249)
Relocation expenses	250,000	-
	271,077	17,133

4. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management

The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The main risks the Company is exposed to through its financial instruments are interest rate risk and liquidity risk.

(b) Credit Risk

Credit Risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with credit worthy customers with a sound financial background as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis.

The Company does not have any significant credit risk exposure to a single third party or any Company of entities having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company’s maximum exposure to credit risk.

Financial assets that are neither past due nor impaired are as follows:

Trade receivables - counterparties without external credit rating	2018	2017
Existing customers with no defaults in past	388,734	612,268
New customers (less than 6 months)	7,098	26,750
Existing customers with some defaults in the past	-	-
	395,832	639,018
Cash and cash equivalent (AA rating)	8,859,622	10,045,126

(c) Interest Rate Risk

The Company’s exposure to interest rate risk, which is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates, is limited by its policy of investing only in large and recognised banking institutions where exposure to volatile interest rates is minimal.

The effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2018	Floating	Non-interest	Total
Financial assets			
Cash	8,859,622	-	8,859,622
Trade and other receivables	-	1,807,084	1,807,084
			-
Financial liabilities			-
Trade and other payables	-	1,832,541	1,832,541
Weighted average interest rate	2.13%		
2017	Floating	Non-interest	Total
Financial assets			
Cash	10,045,126	-	10,045,126
Trade and other receivables	-	1,704,260	1,704,260
Financial liabilities			
Trade and other payables		2,673,314	2,673,314
Weighted average interest rate	2.27%		

Sensitivity analysis relating to interest rate risk has not been disclosed as any impact is not considered material to the profit or loss of the Company.

(d) Fair Value Estimation

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining appropriate cash to ensure that the Company is operating with sufficient cash supplies whilst maximising its investment return on surplus funds.

Management monitors rolling forecasts of the Company’s liquidity on the basis of anticipated cash flow. Forecast liquidity reserves for the twelve-month period ending 30 June 2019 are as follows:

- Opening Balance for the Period 8,859,622
- Cash Inflows from Activities 18,492,532
- Cash Outflows from Activities 19,677,016
- Closing Balance for the Period 7,675,138

Longer term liquidity forecasts are primarily geared to the timing of State funding instalments set down in the 2018-2021 Business Plan accompanying the three-year Funding Agreement signed by the Company and by the State on 18 June 2018 running from 1 July 2018 through to 30 June 2021.

Maturities of financial liabilities

The table below analyses the entity’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months	6 months - 1 year	1-2 years	Over 2 years	Total contractual cash flows	Carrying amount
2018						
Trade and other payables	1,832,541				1,832,541	1,832,541
2017						
Trade and other payables	2,122,356				2,122,356	2,122,356

5. AUDITORS' REMUNERATION

	2018	2017
Amounts due and receivable by the auditors for:		
Auditing services	26,500	26,500

6. TRADE AND OTHER RECEIVABLES

Current Assets:		
Trade receivables	1,086,671	1,111,801
Other receivables	478,793	303,047
Prepayments	241,621	289,412
	1,807,084	1,704,259

Trade receivables are recognised at fair value and are subject to an ongoing assessment of the carrying amount in relation to the impairment of cash receivable through utilisation of the expected credit loss model in line with AASB 9.

The company applies the simplified approach to the recognition of lifetime expected Credit Losses (ECL) and considers forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates.

Adjustments to the Fair Value of Trade Receivables as the result of an impairment in the ECL valuation are recognised in Other Comprehensive Income.

There are no impairment adjustments for Trade Receivables for the year ended 30 June 2018.

Other receivables

These transactions refer primarily to anticipated refunds of GST paid on acquisitions, to operating expense prepayments and to accrued income on government grants.

Ageing of trade receivables past due not impaired

As at 30 June 2018 (\$Nil) and 30 June 2017 (\$Nil) there were no trade receivables past due not impaired.

Ageing of impaired trade receivables

As at 30 June 2018 and 30 June 2017 there were no trade receivables impaired.

7. PROPERTY, PLANT AND EQUIPMENT

Non-Current Asset

	2018	2017
Leasehold improvements at cost	8,062,592	7,855,747
Less: Accumulated amortisation	(6,364,580)	(5,901,517)
	1,698,012	1,954,230
Exhibits at cost	32,559,990	30,671,272
Less: Accumulated depreciation	(27,839,396)	(25,845,657)
	4,720,593	4,825,615
Plant and equipment at cost	7,351,190	7,217,152
Less: Accumulated depreciation	(6,754,344)	(6,465,101)
	596,847	752,051
Motor vehicles at cost	7,351,190	7,217,152
Less: Accumulated depreciation	(6,754,344)	(6,465,101)
	596,847	752,051
Construction work in progress		
Exhibits	341,048	443,431
Business Systems Project	145,441	-
	486,489	443,431
Total cost of property, plant and equipment	49,226,184	47,098,966
Total accumulated depreciation & amortisation	(41,635,543)	(38,999,377)
Total property, plant and equipment	7,590,641	8,099,589

	Leasehold Improvements	Motor Vehicles	Plant & Equipment	Exhibits	Work in Progress	Total
Carrying amount at 1 July 2017	1,954,230	124,262	752,051	4,825,615	443,431	8,099,589
Additions/ Construction of Assets	206,845	-	134,039	-	2,354,982	2,695,865
Transfers in/ out of Work in Progress				1,888,718	(1,888,718)	-
Work in progress expensed					(423,207)	(423,207)
Impairment charge	(111,906)					(111,906)
Depreciation/ amortisation	(351,157)	(35,561)	(289,243)	(1,993,740)	-	(2,669,701)
Carrying amount at 30 June 2018	1,698,012	88,701	596,847	4,720,593	486,489	7,590,641

	Leasehold Improvements	Motor Vehicles	Plant & Equipment	Exhibits	Work in Progress	Total
Carrying amount at 1 July 2016	519,717	46,500	894,334	5,298,574	274,788	7,033,913
Additions/ Construction of Assets	1,654,320	95,748	150,960		2,386,091	4,287,119
Transfers in/ out of Work in Progress	-	-	-	1,626,019	(1,626,019)	-
Work in progress expensed					(591,429)	(591,429)
Impairment charge	(82,526)	-	(6,832)	(354,049)		(443,407)
Depreciation/ amortisation	(137,281)	(17,986)	(286,411)	(1,744,929)		(2,186,607)
Carrying amount at 30 June 2017	1,954,230	124,262	752,051	4,825,615	443,431	8,099,589

Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus incidental costs to the acquisition.

The Company adopts a policy of expensing individual assets purchased or constructed for less than \$1,500.

Depreciation and Amortisation

Asset additions are depreciated from the beginning of the month of their purchase or from the beginning of the month in which construction was completed.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Exhibits – 5 years
- Plant and equipment – 2 to 5 years
- Leasehold improvements – 10 years
- Capitalised Development Costs – 3 Years
- The assets' residual values, useful lives and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

Non-current assets constructed by the company

The cost of non-current assets constructed by the company includes the cost of all materials and direct labour used in construction and a provision for salary on-costs and overheads.

Revaluations

Following initial recognition at cost, property and plant and equipment are carried at revalued amounts, which represent the fair value at the date of the revaluation less any subsequent accumulated depreciation and any subsequent impairment losses.

Impairment of assets

The Company determines whether property, plant and equipment are impaired whenever indicators of impairment exist such as events or changes in circumstances which may result in the carrying value exceeding the recoverable amount.

The recoverable amount of property and plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses if any are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Disposal

An item of property and plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss on derecognition of the asset is included in the Statement of Profit and Loss and Other Comprehensive Income.

8. TRADE AND OTHER PAYABLES

Current Liabilities	2018	2017
Trade payables	524,803	1,124,706
Other payables	1,307,737	997,651
	1,832,541	2,122,356

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

9. CONTRACT LIABILITY

Current Liabilities	2018	2017
Performance Obligations Liability	3,417,413	3,554,026

The Company receives Assets in the form of cash contributions under contract with customers, i.e. partners and government funding bodies. The Company has raised a liability for the outstanding performance obligations contained within these contracts in compliance with AASB 15. Additionally, the applicability of AASB 1058 has been assessed for each contract with a customer the entity enters. The entities liability in the form of performance obligations under the contract are the sole consideration provided for the obtaining of the asset under the enforceable contract (i.e. cash funding), with performance obligations specific enough to allow the observance of their satisfaction. Accordingly, the liability for performance obligations is drawn down as the performance obligations are satisfied, either over time or at a point in time, in line with AASB 15.

10. PROVISIONS

Current Liabilities	2018	2017
Employee Leave Entitlements	586,079	550,957
Non-Current Liabilities		
Employee Leave Entitlements	131,177	145,221
Provision for Relocation	250,000	0
Total Provisions	967,256	696,178

Employee entitlements

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long Service Leave

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. As at 30 June 2018, the number of full-time equivalent employees was 118.12.

11. EXPENDITURE COMMITMENTS

	2018	2017
(a) Operating lease commitments		
Payable - not later than one year	2,455,200	2,578,405
later than one year but not later than two years	2,219,287	374,852
later than two years but not later than five years	2,238,325	49,235
later than five years		-
	6,912,812	3,002,492

Operating lease commitments for Scitech's two operating sites include rent payable under a revised lease to the value of approximately \$1.4 Million per annum plus outgoings from 1 July 2018, with 2% CPI payable per year. The lease runs to June 2023, however features an early termination clause effective at 30 June 2021; consequently only 3 years of commitments are included in Note 11.

The remainder of the commitments pertain to service agreements for IT services and motor vehicle leases.

(a) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised as income on a straight line basis over the lease term.

Finance leases

Leases which effectively transfer substantially all of the risks and rewards incidental to ownership of the leased item to the Company are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

	2018	2017
(b) Capital commitments - Payable not later than one year		
estimated aggregate amounts of contracts for capital expenditure not provided for in the accounts:	2,870,000	3,377,700

12. LEGAL FORM

Scitech Discovery Centre is a public company limited by guarantee and incorporated under the Corporations Law of Western Australia. Its registered office as at the date of this report is Second Floor, 27-31 Troode Street, West Perth, in the State of Western Australia. Its ABN is 55 009 292 700.

Every member of the company undertakes to contribute an amount to the assets of the company in the event of it being wound up, not exceeding \$100 per member. As at 30 June 2018, there were 38 members.

13. RELATED PARTIES

Board Directors received no emolument from the company and no payments to superannuation funds for the provision of retirement benefits were made on their behalf.

Transactions with related parties

Director David Joyce is Global Head of Rio Tinto Projects, Director Shaun Gregory is a Vice President of Woodside Energy, Director Max Hills is an Executive with Chevron Australia and Dr Alan Bye is a Vice President within the BHP Billiton organisation. Rio Tinto, Woodside Energy, Chevron Australia and BHP Billiton all provided partnership funding to the company during the 2017-2018 year.

Dr Karen Murcia is a member of the Academic Board at Curtin University, and Kristen Nowak is on staff at the University of Western Australia. Both universities provided financial support for specific programs held by the company during the year.

Director Fiona Roche is an Executive Director with the Department of Jobs, Tourism, Science and Innovation, Scitech’s primary State funding department.

Director Lindsay Hale is an Executive Director with the Department of Education which provided grants to the company for the delivery of professional development workshops for teachers and STEM Learning Project materials to Department schools.

Chairperson Tony Joyner is a managing partner at Herbert Smith Freehills. HSF provided legal advice to the company on commercial terms and conditions during 2017-18.

Aggregate amounts of each of the above types of transactions with Directors were as follows:

	2018	2017
Financial support received	3,043,035	2,415,308
Funding received	8,947,802	9,366,998
Legal advice provided	32,882	17,442

14. NOTES TO THE CASH FLOW STATEMENT

i) Reconciliation of net cash inflows from operating activities

to net profit after income tax:

	2018	2017
Net Profit (Loss) after income tax	(1,460,390)	265,506
Depreciation	2,669,701	2,630,014
Asset Impairment Losses	111,906	-
(Increase)/decrease in trade and other receivables	(102,825)	(599,719)
(Increase)/decrease in inventories	24,114	(24)
Increase/(decrease) in trade and other payables	(289,816)	678,157
Increase/(decrease) in provisions	271,077	17,133 0
Increase/(decrease) in deferred income	(136,613)	465,351
Net cash inflow from operating activities	1,087,155	3,456,418

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

ii) Financing arrangements

At reporting date there were no credit facilities available to the Company.

15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There has been no matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

INDEPENDENT AUDITOR'S REPORT

To the members of Scitech Discovery Centre

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Scitech Discovery Centre (the registered entity), which comprises the statement of financial position as at 30 June 2018, 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 report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Scitech Discovery Centre, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards 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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (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.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the registered 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.

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 28 September 2018



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF SCITECH DISCOVERY CENTRE

As lead auditor of Scitech Discovery Centre for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2018

