



scitech

Annual Report 2022-23



+





Acknowledgement of Country

Scitech respectfully acknowledges the Whadjuk people of the Noongar nation, who are the traditional owners of the land on which our Discovery Centre and offices are located. We are honoured to be welcomed as guests on lands in regional and remote across Western Australia.

We recognise Aboriginal and Torres Strait Islander peoples as the first STEM practitioners, and value their knowledge as engineers, problem-solvers and innovators of this land.

We pay our respects to the Elders past, present and emerging.



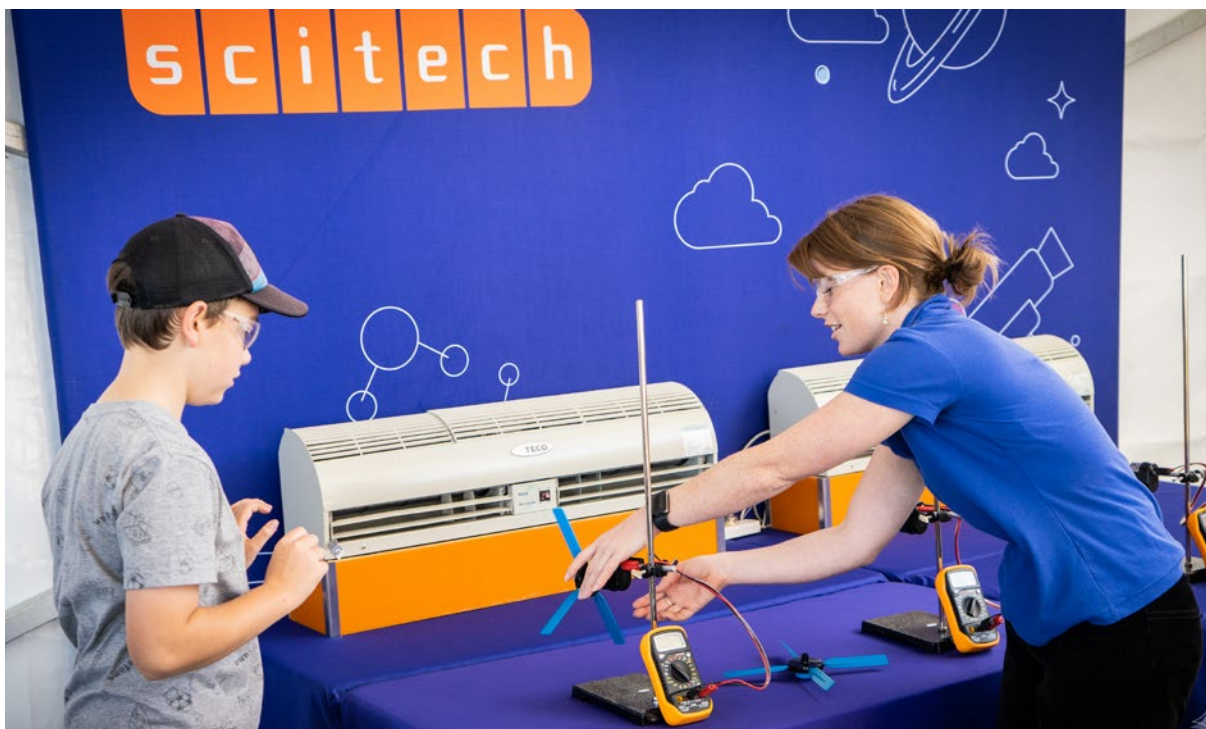
Content

Purpose	5
Values	5
Chair Report	6
CEO Report	7
Leadership	9
Highlights	10
Financials	12
Financial Report	12
Statement of Profit and Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Cash Flows	16
Statement of Changes In Equity	17
Notes to The Financial Statements	18
Responsible Persons Declaration	39
Independent Auditors Report	40



Purpose

To inspire engagement by all Western Australians in science, technology, engineering and mathematics.



Values

Passion

We are passionate about Scitech and our purpose. This passion is the energy that inspires our excellence.

Respect

We are honest, respectful and look out for each other's well-being. We foster a supportive community by being open-minded and welcoming of people of all ages, genders, abilities and cultural backgrounds.

Innovation

We encourage innovation and creativity. We learn and grow by working together.

Fun

We share the fun we have at work by including each other and the community, engaging our own curiosity and encouraging it in others.

Sustainability

We minimise our environmental footprint, responsibly using our resources and energy.

Chair Report

Coming out of the uncertainty of COVID-19, we saw Scitech's operations begin to return to normal in the 2022-2023 financial year, allowing us to come into a period of renewed stability and positive progress.

I am pleased to present the Scitech Annual Report for the 2022-2023 financial year.

At the beginning of the year, we launched the Scitech Strategy 2030, which sets out our longer-term vision on how we will support Western Australians with their STEM capabilities. Within the first year of the strategy, it is encouraging to see that the strategic priorities are being actively embraced by the whole organisation and as a result we are making good progress. Through this strategy, we can continue to encourage more children and young adults to study STEM subjects to develop the skills they need for tomorrow's jobs and increase STEM literacy to engage and develop the broader community towards economic prosperity and sustainability.

I would like to thank the Scitech leadership team for their passion and dedication in leading the organisation through some incredible successes and growth this year. One example is the increase in engagement across programs and visitation to the Science Centre. The hard work of all teams across the organisation is leading to these great results and fulfilling our purpose to inspire engagement by all Western Australians in STEM. Thank you also to all staff and volunteers for their hard work and ongoing commitment to continuing to inspire our audiences in STEM engagement.

I would like to thank the Government of Western Australia, former Premier Mark McGowan, Premier Roger Cook and Minister Stephen Dawson for their ongoing support. We are also grateful to the Department of Jobs, Tourism, Science and Innovation for their continued partnership and investment which allows us to create outstanding STEM experiences in the community. We are grateful to have received additional funding for the 2023-2024 year from the State Government in the May budget, which will go towards funding

some of the planned exhibition expansions in the Scitech Discovery Centre to enhance visitor experiences.

We also appreciate the incredible support we receive from educational, community and corporate partners. Working together with shared purposes gives us the ability to increase our reach, awareness, and STEM engagement with our audiences in Western Australia.

While we have, and continue to face economic challenges in Western Australia, we have achieved significant results and impact in the last 12 months whilst also evolving as an organisation. As we reflect on our achievements, we look forward with great confidence in the important role that Scitech has, and the benefits it brings to the Western Australian community.



Chris Palandri
Chair of the Board of Directors

CEO Report

Scitech has been looking to engage Western Australians in STEM before the term even existed.

In the 1980s, three influential Western Australian figures - physicist Emeritus Professor John de Laeter, mining leader Sir Laurence Brodie-Hall, and politician and computing pioneer the Hon. Mal Bryce – asked the question: “If our future depends on science and technology, how can we get people inspired?” The answer was Scitech, opening our doors in 1988 with a mission to inspire the entire state’s collective curiosity.

This continues to be our mission now and is not only as relevant as it was 35 years ago but is possibly more relevant than ever. We have long understood the importance of getting young people engaged in STEM subjects to inspire them to pursue career pathways in STEM industries. This has evolved as technology has become more integrated across more industries, requiring STEM skills and literacy in a variety of occupations. Now as technology is incorporated into so many aspects of our lives, STEM skills and digital literacy are needed every day. As we reflect over the year, we recognise that Scitech’s purpose has become even more crucial, to inspire STEM engagement and ensure our community is equipped with essential STEM skills now and into the future.

It has been a remarkable year for Scitech with the 2022-2023 financial period seeing some incredible results and a few all-time records reached. We have seen the best ever number of general public visitation through the Scitech Discovery Centre including record numbers in April and our membership numbers are the best they’ve been in five years. This shows the quality and effectiveness of our programs and offerings that not only do people want to check out the exciting and fun STEM experiences on offer, but they’re also wanting to come back multiple times a year for more.

Outside of the Discovery Centre, our Statewide team saw 140,438 engagements with students, teachers and people in Perth and regional areas.

We also saw 51,075 people engaged at community events such as the WA Day Festival and The Perth Royal Show, which offered Scitech a unique opportunity to be part of these Western Australian celebrations and further our reach in the community with STEM engagement.

A definite highlight of the year was the Ningaloo Total Solar Eclipse in April, which allowed us to engage audiences locally and internationally in the science behind this astronomical event. We had resources and content across multiple platforms and in several different locations from the Scitech Discovery Centre to Exmouth as well as a livestream collaboration with Science Centre Singapore and the Gravity Discovery Centre and Observatory, which gave us an incredible opportunity to bring on the ground coverage of this rare phenomenon to people around the world.

None of this would have been possible this year without the extraordinary efforts of Scitech staff and volunteers, whose passion, creativity and dedication to delivering on Scitech’s purpose for the benefit of all Western Australians is reflected in this report.

It is an honour to present the 2022-2023 Scitech Annual Report.



Dr John Chappell
Scitech Chief Executive Officer



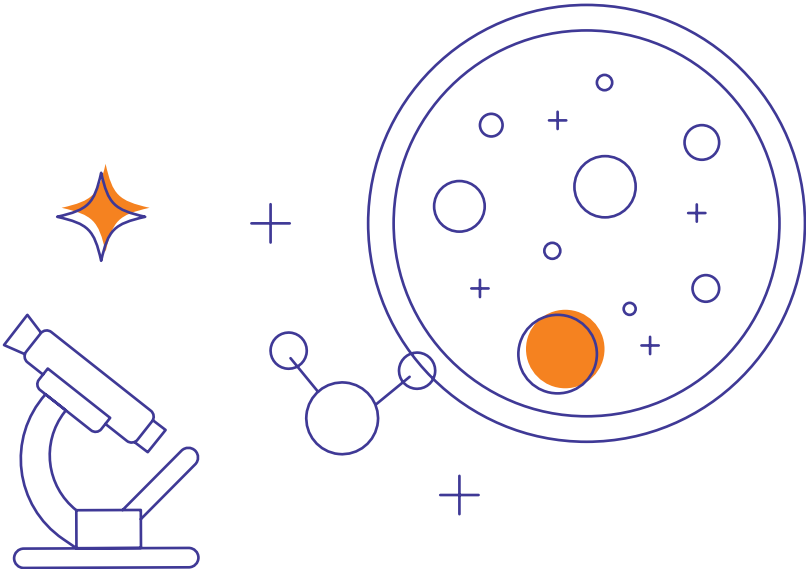
Leadership

Scitech Board of Directors

Mr Chris Palandri	Chairperson
Dr Karen Murcia	Director
Ms Rowena Albones	Director
Ms Linda Dawson	Director
Ms Liz Macknay	Director
Mr Jim Bell	Director
Mr Joel Pember	Director
Ms Devyani Sethi	Director
Mr James Sawyer	Director
Mr Jayne Baird	Director
Ms Elaine Purser	Company Secretary
Mr Martin Kirkness	(resigned 24 November 2022)
Mr Shaun Gregory	(resigned 31 May 2023)
Dr Max Hills	(resigned 31 May 2023)

Scitech Leadership Team

Dr John Chappell	Chief Executive Officer
Craig Bloxsome	General Manager, Delivery
Denise Hoskin	General Manager, Finance
Elaine Purser	General Manager, Corporate Services
Lisa Larsen-Henry	General Manager, Creative Engagement
Megan O’Sullivan	General Manager, Commercial & Partnerships
William Peng	General Manager, Exhibitions & Operations



Highlights

296,025

People visited
Scitech Discovery
Centre



31,405



Primary & Secondary students took part in school excursions

140,438

Statewide engagements with students, teachers and people in Perth and regional areas



430,134

Digital STEM
engagement



2,936

Students reached through the Aboriginal Education Program



5,085

Puppet, Planetarium and Science Theatre Shows



2,382

Teachers engaged in Professional Learning Programs

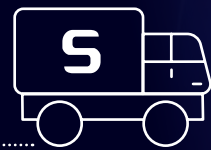


51,075

People engaged at Community Events

72,000 km

Statewide travelled across regional tours



11

Scitech exhibitions were touring internationally





Financial Report

For the year ended 30 June 2023

Directors

The following persons have been a Director of the Company during the whole of the financial year and until the date of this report unless otherwise stated:

- Mr Chris Palandri (Chair)
- Ms Rowena Albones
- Dr Karen Murcia
- Ms Linda Dawson
- Ms Elizabeth Macknay
- Mr Jim Bell
- Mr Joel Pember
- Ms Devyani Sethi
- Mr Martin Kirkness (resigned 24 November 2022)
- Mr James Sawyer (appointed 28 February 2023)
- Mr Shaun Gregory (resigned 31 May 2023)
- Dr Max Hills (resigned 31 May 2023)
- Mr Danny Woodall (appointed 31 May 2023)
- Ms Jayne Baird (appointed 31 May 2023)

Directors' meetings

The Company's Board of Directors held 7 meetings during the year and the number of meetings attended by each Director was as follows:

Director	Eligible	Attended
Mr Chris Palandri	5	5
Ms Rowena Albones	5	3
Dr Karen Murcia	5	5
Ms Linda Dawson	5	5
Ms Elizabeth Macknay	5	5
Mr Jim Bell	5	2
Mr Joel Pember	5	5
Ms Devyani Sethi	5	4
Mr Martin Kirkness	5	3
Mr James Sawyer	1	1
Mr Shaun Gregory	5	4
Dr Max Hills	5	3
Mr Danny Woodall	0	0
Ms Jayne Baird	0	0

Operating results

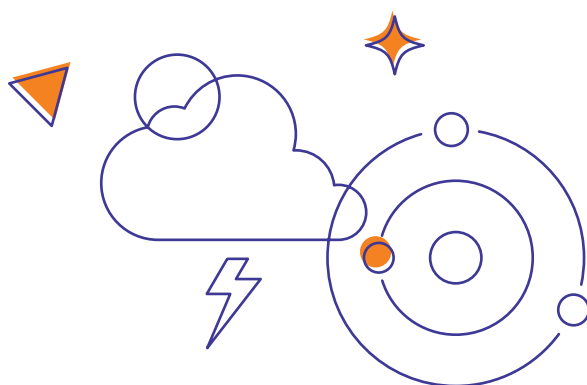
The net profit for the financial year ended 30 June 2023 was \$96,498 (2022: loss \$1,724,604) reflecting a financially stable and sustainable operation.

Revenue derived from the Science Centre increased to \$4,266,274 (2022: \$2,908,689) reflecting a commitment to educational programs, engaging exhibits and visitor experience. Revenue from International exhibitions remained strong with a net revenue of \$2,511,879 (2022: \$1,691,253), helped in part by international bookings outside of the USA which generated more revenue. Profitability was also supported by a \$580,310 profit on the sale of Speed exhibition.

Total expenditure for the period has slightly increased to \$20,302,635 (2022: \$18,741,378). Scitech completed a benchmarking exercise and created new salary bands for all staff, in line with market and Not-For-Profit industry rates, which resulted in pay increases for most staff. The easing of post-pandemic travel restrictions has resulted in increased travel and accommodation expenditure. There has also been a greater investment in IT infrastructure and system upgrades.

Financial position

The net assets of the Company have remained stable at \$8,109,889 (2022: \$8,013,391). There has been an increase in both right-of-use assets and lease liabilities due to new lease contracts commencing in the next financial year. There have been no other significant movements.



Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from continuing operations	2.1	19,818,823	17,016,774
Expenses			
Salaries and wages	3.1	(9,685,794)	(8,710,391)
Rent outgoings expense		(946,017)	(935,220)
Exhibition rental expenses		(1,408,529)	(563,751)
Program delivery and operations	2.3	(2,156,962)	(1,821,935)
Marketing expenses		(912,463)	(915,631)
IT expenses		(1,258,447)	(994,844)
Administration expenses	2.4	(1,169,958)	(1,428,951)
Depreciation on fixed assets	5.1	(1,162,097)	(1,943,326)
Amortisation on intangibles		-	(32,974)
Depreciation on right-of-use assets	6.2	(1,486,316)	(1,454,660)
Interest expense		(39,975)	(109,896)
Other income (expense)		(76,077)	170,201
Total expenses		(20,302,635)	(18,741,378)
Other income			
Sale of exhibition	5.2	580,310	-
Profit / (loss) for the year		96,498	(1,724,604)
Total comprehensive income / (loss)		96,498	(1,724,604)

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

Statement of Financial Position

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	4.1	7,798,107	8,594,953
Trade and other receivables	4.2	1,159,873	581,984
Inventories	2.6	80,706	72,685
Total current assets		9,038,686	9,249,622
Non-current assets			
Property, plant and equipment	5.1	2,484,341	2,843,080
Intangible assets		-	52,264
Right-of-use assets	6.2	7,145,496	4,114,052
Total non-current assets		9,629,837	7,009,396
Total assets		18,668,523	16,259,018
Current liabilities			
Trade and other payables	4.3	540,396	455,803
Contract liabilities and other revenue received in advance	2.5	1,664,909	2,478,768
Lease liabilities	6.3	1,193,915	1,623,496
Employee benefits	3.2	836,562	675,318
Total current liabilities		4,235,782	5,233,385
Non-current liabilities			
Lease liabilities	6.3	5,953,916	2,637,381
Employee benefits	3.2	118,936	124,861
Provisions	7.1	250,000	250,000
Total non-current liabilities		6,322,852	3,012,242
Total liabilities		10,558,634	8,245,627
Net assets		8,109,889	8,013,391
Equity			
Retained earnings		8,013,391	9,737,995
Current year profit / (loss)		96,498	(1,724,604)
Total equity		8,109,889	8,013,391

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

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flow from operating activities			
Receipts from customers		18,639,483	16,907,262
Interest income		135,107	11,167
Payments to suppliers & employees		(16,364,748)	(13,563,462)
Interest paid on lease liabilities		(39,975)	(109,895)
Lease payments for leases of low-value assets		(80,336)	(74,295)
Variable lease payments not included in the lease liability		(937,272)	(780,993)
Net cash flows from operating activities	4.1(a)	1,352,259	2,389,784
Cash flow from investing activities			
Proceeds from property, plant and equipment		580,310	51,000
Payment for property, plant and equipment		(751,095)	(669,673)
Payment to term deposits		(347,515)	-
Net cash flows used in investing activities		(518,300)	(618,673)
Cash flow from financing activities			
Lease liability (principal)		(1,630,805)	(1,514,872)
Net cash flows used in financing activities		(1,630,805)	(1,514,872)
Net increase / (decrease) in cash & cash equivalents		(796,846)	256,239
Cash & cash equivalents at beginning of year		8,594,953	8,338,714
Cash & cash equivalents at end of year	4.1	7,798,107	8,594,953

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

Statement of Changes in Equity

For the year ended 30 June 2023



	2023 \$	2022 \$
Total equity at beginning of year	8,013,391	9,737,995
Net profit / (loss) for the year	96,498	(1,724,604)
Total equity at end of year	8,109,889	8,013,391

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

Notes to the Financial Statements

For the year ended 30 June 2023

Section 1 – About Scitech

1.1 Corporate information

Scitech Discovery Centre (the Company) is a public company limited by guarantee, incorporated and domiciled in Australia. The principal activities of the Company include the provision of educational programs and content which aim to develop greater interest, awareness and participation in STEM (Science, Technology, Engineering and Mathematics) in Western Australia.

The Company is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC), holds deductible gift recipient status and is exempt from income tax.

The financial report of the Company for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 28 September 2023.

The Company's registered office, as at the date of this report, is:

Ground Floor
1 Campbell Street
West Perth WA 6005

The Company's 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 2023, there were 34 members.

1.2 Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards, Accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Where an accounting policy is specific to one note, the policy is included in the note to which it relates.

(a) Historical cost

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.

(b) Foreign currency

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions in foreign currency are translated at the foreign exchange rate 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 at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other 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.

(c) Income tax

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

(d) 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.

(e) Significant accounting judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. Specific accounting judgements and estimates are discussed in the relevant note.

(f) New accounting standards and interpretations

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

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

(g) Economic dependence

The company is dependent on the funding from contracts awarded by the WA Department of Jobs, Tourism, Science and Innovation (JTSI) and its commercial partners for a significant portion of its annual revenue, which allows Scitech to continue to deliver STEM programs. At the date of this financial report the directors have no reason to believe the WA Department of JTSI and its commercial partners will not continue to support the company for the term of these contracts.

Section 2 – Programs, Goods & Services

2.1 Revenue

	2023 \$	2022 \$
Exhibition rentals	3,920,408	2,255,004
Partnership income	2,289,467	2,527,194
Science Centre income	4,266,274	2,908,689
External programs and events income	407,204	417,177
State Government grants & funding	8,600,000	8,600,000
Federal Government funding	161,345	235,910
Interest income	135,107	11,165
Other income	39,018	61,635
Total revenue	19,818,823	17,016,774

Revenue recognition accounting policy

Revenue is recognised in accordance with AASB 1058 Income of Not-for-Profit Entities, in conjunction with AASB 15 Revenue from Contracts with Customers and other relevant accounting standards.

Sales of good and services

Income from the sale of goods and services where payment is received at the point of sale are noted under Science Centre income and include 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 at the time of payment.

Partnership income

Partnership income is earned under agreements with businesses which support the Company and under which delivery of programs and services are required. Partnership income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when each performance obligations is satisfied. Contracts are generally between one and three years. Income is recognised over the contract term in accordance with paragraph 35 of AASB 15

Revenue from Contracts with Customers. A liability is recorded in the accounts in relation to outstanding performance obligations for partner income at the end of the reporting period.

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 accordance with paragraph 35 of AASB 15 Revenue from Contracts with Customers.

State Government funding

Income of \$8.6m (2022: \$8.6m) 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.

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 accordance with paragraph 35 of AASB 15 Revenue from Contracts with Customers. A liability for deferred revenue is recorded in the accounts in relation to outstanding obligations for Federal Government funding income at the end of the reporting period.

Interest

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

Significant judgement

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement. Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

2.2 Expenses

Net profit includes the following specific expenses:

	2023 \$	2022 \$
Interest expense of lease liability	39,975	109,896
Cost of sales of retail goods	183,454	152,880
Auditors Remuneration		
Amounts paid to BDO Audit (WA) Pty Ltd for:		
Audit of the financial report	36,463	35,648
	36,463	35,648

Expenses accounting policy

All expenditure is accounted for on an accruals basis.

2.3 Program delivery and operations

	2023 \$	2022 \$
Travel	399,533	196,238
Consultancy	128,893	209,981
Program Delivery	522,884	517,756
Operations	1,105,652	897,960
	2,156,962	1,821,935

2.4 Administration expense

	2023 \$	2022 \$
Purchases	209,203	176,938
Consultancy and employment	342,865	758,534
Insurance	263,080	217,673
Other	354,810	275,806
	1,169,958	1,428,951

2.5 Contract liabilities and other revenue received in advance

	2023 \$	2022 \$
Grant monies received in advance	712,269	879,080
Hiring of travelling exhibitions and other services prior to delivery	952,640	1,599,688
	1,664,909	2,478,768

Contract liabilities accounting policy

The Company receives assets in the form of cash contributions under contract with partners and government bodies. The Company has raised a liability for the outstanding performance obligations contained within these contracts in compliance with AASB 15 Revenue from Contracts with Customers. Additionally, the applicability of AASB 1058 Income of Not-for-Profit Entities has been assessed for each contract with a customer that the Company enters into. The Company's

liabilities in the form of performance obligations under the contract are the sole consideration provided for obtaining 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.

Revenue recognised during the year that was included in contract balances at the beginning of the period.

	2023 \$	2022 \$
Grant monies received in advance	879,080	907,752
Hiring of travelling exhibitions and other services prior to delivery	963,030	754,051
	1,842,110	1,661,803

2.6 Inventories

	2023 \$	2022 \$
Goods purchased for resale	80,706	72,685

Inventories accounting policy

Inventories comprise goods for resale available for purchase at the Company's Science Centre. 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.

Section 3 – Directors, Employees and Other Related Parties

3.1 Employee benefits expense

	2023 \$	2022 \$
Wages and salaries	8,629,921	7,870,265
Superannuation	900,554	765,088
Movements in employee benefits provisions	155,319	75,038
	9,685,794	8,710,391

3.2 Employee provisions

	2023 \$	2022 \$
Annual leave – current	508,958	453,152
Long service leave – current	327,604	222,166
Long service leave – non-current	118,936	124,861
	955,498	800,179

Employee benefits comprise wages and salaries, annual leave, and long service leave and contributions to superannuation plans. Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date in respect of employees' services up to the reporting date are recognised at the amounts expected to be paid when the liabilities are settled.

The liability for long-term benefits is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service.

3.3 Related parties and related party transactions

(a) Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services.

Director Rowena Albones is Chief Financial Officer of Rio Tinto, Iron Ore, Director Shaun Gregory and Director Jayne Baird are Vice Presidents of Woodside Energy, Director Max Hills and Director Danny Woodall are Executives with Chevron Australia. Rio Tinto, Woodside Energy, and Chevron Australia all provided partnership funding to the company during the 2022-2023 Financial Year.

Dr Karen Murcia is a member of the Academic Board at Curtin University that provided financial support for specific programs held by the company during the year.

Director Linda Dawson is Deputy Director General with the Department of Jobs, Tourism, Science and Innovation, Scitech's primary State funding department.

Elizabeth (Liz) Macknay is a Legal Practitioner at Herbert Smith Freehills. HSF provide legal advice to the company on commercial terms and conditions.

(b) Transactions with director-related entities

	2023 \$	2022 \$
Financial support received	1,820,235	1,510,000
Funding received	8,600,000	8,600,000
Legal advice provided	22,631	62,871
	10,442,866	10,172,871

(c) Key management personnel

	2023 \$	2022 \$
Short-term employee benefits	1,350,391	1,173,141

Section 4 – Financial Assets and Liabilities (Excluding Lease Liabilities)

4.1 Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank and on hand	3,706,837	2,858,041
Short-term deposits	4,091,270	5,736,912
	7,798,107	8,594,953

(a) Cash flow information

Reconciliation of profit / (loss) for the year to net cash flows from operating activities:

		2023 \$	2022 \$
Profit / (loss) for the year		96,498	(1,724,604)
<i>Non-cash adjustments:</i>			
Depreciation of fixed assets	5.1	1,162,097	1,943,326
Depreciation of right-of-use assets	6.2	1,486,316	1,454,660
Amortisation of intangibles		-	32,974
<i>Non-operating cash flows:</i>			
Profit on sale of exhibition	5.2	(580,310)	-
<i>Changes in assets and liabilities:</i>			
(Increase) / decrease in trade and other receivables	4.2	(230,375)	13,557
(Increase) / decrease in inventories	2.6	(8,021)	1,248
Increase / (decrease) in trade and other payables	4.3	84,593	141,736
Increase / (decrease) in employee provisions	3.2	155,320	75,038
Increase / (decrease) in contract liabilities	2.5	(813,859)	451,849
Net cash flows from operating activities		1,352,259	2,389,784

Cash accounting policy

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 purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

4.2 Trade and other receivables

	2023 \$	2022 \$
Trade receivables	146,854	274,396
Other receivables and accrued income	628,222	69,035
Prepayments	384,797	238,553
	1,159,873	581,984

Trade and other receivables accounting policy

Trade receivables, which comprise amounts due under commercial agreement for hiring of science exhibitions, primarily in the United States, and amounts owed for the provision of services under grant agreements with government and business customers, are recognised and carried at original invoice amount less an allowance for expected credit loss. All expected credit losses relate to receivables arising from contracts with customers for the hiring of science exhibitions in the United States.

Normal terms of settlement vary from 30 days to 90 days. No collateral is held in respect of these receivables.

Significant judgements and estimates

The Company uses significant judgement in the assessment of expected credit loss, as the risk of default is primarily related to commercial agreements with overseas museums and science centres for the hiring of exhibitions.

The Company does not utilise an expected loss rate percentage model to estimate losses as a small number of significant contracts make up the value of the receivables. An individual assessment of the recoverability is made for each contract.

The assessment notes the age of the receivable, the customer's payment history and an assessment of the customer's ongoing financial sustainability and ability to pay as evidence on which to make the assessment.

All other revenues from credit sales are in relation to long-term grant agreements with large corporations and government bodies that have close to nil credit risk.

4.3 Trade and other payables

	2023 \$	2022 \$
Trade payables	(380,622)	(351,741)
Other payables	(159,774)	(104,062)
	(540,396)	(455,803)

Trade creditors and other payables accounting policy

Trade creditors and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

4.4 Financial risk management

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

Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in a financial loss to the Company. The Company

has adopted a policy of only dealing with creditworthy 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 group of entities having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of expected credit losses, represents the Company's maximum exposure to credit risk.

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

	2023 \$	2022 \$
Trade receivables – counterparties without external credit rating:		
Existing customers with no defaults in the past	146,854	274,396
Cash and cash equivalent (AA rating)	7,798,107	8,594,953

Foreign Exchange risk

The Company is exposed to foreign exchange risk primarily through hiring of travelling exhibitions. Transactions in foreign currency are translated at the foreign exchange rate at the date of the transaction. Balances subject to foreign exchange rate risk are as follows.

	2023 \$	2022 \$
Receivables	97,413	160,863

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:

	Floating interest \$	Non-interest bearing \$	Total \$
Year ended 30 June 2023			
Financial assets			
Cash and cash equivalents	7,714,718	83,389	7,798,107
Trade and other receivables		775,076	775,076
	7,714,718	858,465	8,573,183
Financial liabilities			
Trade and other payables		540,396	540,396
Year ended 30 June 2022			
Financial assets			
Cash and cash equivalents	8,358,041	236,912	8,594,953
Trade and other receivables		343,431	343,431
	8,358,041	580,343	8,938,384
Financial liabilities			
Trade and other payables		455,803	455,803

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

Fair value estimation

The carrying value less expected credit loss of trade receivables 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.

Section 5 – Long-Term Non-Financial Assets (Excluding Leases)

5.1 Property, plant and equipment

	2023 \$	2022 \$
Leasehold improvements at cost	2,205,712	2,205,712
Less: accumulated depreciation	(2,140,442)	(2,111,790)
	65,270	93,922
Motor vehicles at cost	-	238,769
Less: accumulated depreciation	-	(238,769)
	-	-
Plant and equipment at cost	2,849,142	2,477,276
Less: accumulated depreciation	(2,385,005)	(2,347,448)
	464,137	129,828
Exhibits at cost	18,318,031	18,771,701
Less: accumulated depreciation	(16,638,780)	(16,256,904)
	1,679,251	2,514,797
Construction work in progress		
Exhibits	275,683	104,533
	275,683	104,533
Total cost of property, plant and equipment	23,648,568	23,797,991
Total accumulated depreciation	(21,164,227)	(20,954,911)
Total property, plant and equipment	2,484,341	2,843,080

	Leasehold improvement	Plant & equipment	Exhibits	Work in progress	Total
Carrying amount at 1 July 2022	93,922	129,828	2,514,797	104,533	2,843,080
Additions / construction of assets		435,381		435,242	870,623
Transfers in/out WIP			264,092	(264,092)	
Disposals			(67,265)		(67,265)
Depreciation	(28,652)	(101,072)	(1,032,373)		(1,162,097)
Balance at 30 June 2023	65,270	464,137	1,679,251	275,683	2,484,341

	Leasehold improvement	Motor vehicles	Plant & equipment	Exhibits	Work in progress	Total
Carrying amount at 1 July 2021	114,489	17,561	187,816	3,478,426	373,728	4,172,020
Additions / construction of assets	8,053	-	62,697	582,102	-	652,852
Transfers in/out WIP	-	-	-	269,195	(269,195)	-
Disposals	-	-	-	(38,466)	-	(38,466)
Depreciation	(28,620)	(17,561)	(120,685)	(1,776,460)	-	(1,943,326)
Balance at 30 June 2022	93,922	-	129,828	2,514,797	104,533	2,843,080

Property, plant and equipment accounting policies

Acquisition

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 \$5,000.

Depreciation

Assets 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:

Leasehold improvements	3 to 5 years
Motor vehicles	5 years
Plant and equipment	3 to 5 years
Exhibits	5-8 years

Assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each financial year end.

Property, plant and equipment constructed by the Company

The cost of property, plant and equipment 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.

Impairment of property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment

loss, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The Company determines whether property, plant and equipment is 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, 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.

Disposal

An item of property, 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 or Loss and Other Comprehensive Income.

Significant judgements and estimates

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



5.2 Profit on Sale of Exhibition Asset

An exhibition 'Speed' was sold during the year for USD \$421,000 (AUD \$580,310). The exhibition was fully depreciated at the time of sale, resulting in the entire amount being recognised as profit on sale. The exhibition had an original cost price of \$381,480.





Section 6 – Leases

6.1 Terms and conditions of leases

1. Buildings

The Company leases two properties in West Perth, with a retail lease which houses the Science Centre and a commercial lease for the corporate office.

The Company moved its corporate office on 1 July 2023 to 1 Campbell St, West Perth.

The commercial lease of the Company's corporate office expired on 30 June 2023. The Company moved premises and entered into a new 5 year lease agreement expiring 30 June 2028, with a further option term for 2 years.

The lease for the Science Centre expired on 30 June 2023 and was subsequently extended for another 5 years until 30 June 2028.

The Company also leases warehouse space in Kewdale, with lease terms until October 2024. The Company includes options in the lease to provide flexibility and certainty to its operations and reduce the costs of moving premises.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

6.2 Right-of-use assets

	2023 \$	2022 \$
Carrying amount 1 July 2022	4,114,052	2,862,193
Depreciation charge	(1,486,316)	(1,454,660)
Reduction in right-of-use assets due to changes in lease liability	-	3,573
Additions to right-of-use assets	4,517,760	2,702,946
Balance at 30 June 2023	7,145,496	4,114,052

6.3 Lease liabilities

	2023 \$	2022 \$
Current lease liabilities	1,193,915	1,623,496
Non-current lease liabilities	5,953,916	2,637,381
	7,147,831	4,260,877

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2023 \$	2022 \$
< 1 year	1,542,736	1,592,654
1-5 years	6,766,314	2,831,878
Total undiscounted lease liabilities	8,309,050	4,424,532
Lease liabilities included in the Statement of Financial Position	7,147,831	4,260,877

6.4 Lease impact on the Statement of Profit and Loss and other Comprehensive Income

	2023 \$	2022 \$
Interest on lease liabilities	39,975	109,896
Variable lease payments not included in the measurement of lease liabilities	937,272	780,993
Expenses related to leases of low-value assets	80,336	74,295

The Company's total cash outflow for leases in the year ended 30 June 2023 was \$2,688,388 (2022: \$2,480,056).

Lease accounting policies

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over

the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which

the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgements and estimates

Borrowing rate – the Company estimated the incremental borrowing rate applicable to its lease as the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security the funds necessary to obtain an asset of a similar value to the ROU Asset. The estimate was based on a risk-adjusted rate and considered the materiality of the impacts of applying a range of interest rates. The incremental borrowing rate applied is 5%.

Lease term – the Directors considered the extension option on the commercial buildings and have determined that due to the market rent reviews and the remaining term of the non-cancellable lease term, it is not reasonably certain that the company will choose to exercise the option and therefore the lease payments that would arise during the optional extension periods have not been included in the lease liability.



Section 7 – Future Obligations and Outlook

7.1 Provisions

	2023 \$	2022 \$
Make-good provision under leases	250,000	250,000

Make-good provisions costs required to return certain leased premises to their original condition as set out in the lease agreements are recognised as a provision in the financial report.

7.2 Commitments

Capital expenditure commitments

	2023 \$	2022 \$
Estimated aggregate amounts of contracts for capital expenditure not provided for in the accounts	1,080,000	1,300,000

7.3 Events occurring after the reporting period

The Company moved its corporate office to 1 Campbell St, West Perth on 1 July 2023.

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.

Responsible persons declaration for the year ended 30 June 2023

The Responsible Persons declare that, in the Responsible Persons' opinion:

- There are reasonable grounds to believe that the registered entity is able to pay all of its debts as and when they become due and payable; and
- The financial report and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2)
of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Chris Palandri
Chair of the Board
28 September 2022

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 2023, 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 2023 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 Regulations 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 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 (including Independence Standards)* (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 Scitech Discovery Centre'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

Ashleigh Woodley

Director

Perth, 28 September 2023



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF SCITECH DISCOVERY CENTRE

As lead auditor of Scitech Discovery Centre for the year ended 30 June 2023, 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 2021 (ACNC Act)* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light blue horizontal line.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

28 September 2023





Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**

scitech.org.au

Scitech is proudly supported by the Western Australian Government through the Department of Jobs, Tourism, Science and Innovation.