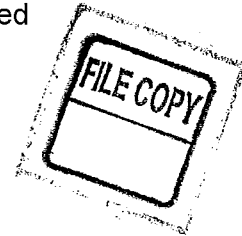




FAIR WORK
AUSTRALIA

7 November 2012

Ms Illana Halliday
Chief Executive Officer
Aged & Community Services Association of NSW & ACT Incorporated
PO Box 3124
RHODES NSW 2138



Ms Illana Halliday

Re: Lodgment of Financial Statements and Accounts - *Fair Work (Registered Organisations) Act 2009* - Aged & Community Services Association of NSW & ACT Incorporated – for year ending 30 June 2012 (FR2012/366)

I refer to the above financial statements and accounts that were received by Fair Work Australia on 22 October 2012.

The documents have been filed. However I draw your attention to the following matters:

1. Auditor's report must be dated

The Auditor's report was not dated. Section 257(9) of the Fair Work (Registered Organisations) Act 2009 provides as follows: "*The auditor's report must be dated as at the date that the auditor signs the report.....*"

I would ask that the Auditor's attention be drawn to this omission and that future audit reports be dated.

2. Operating Report disclosures

There are several items in the Operating Report that are not disclosed strictly as the Act and regulations require. The organization has not had these matters drawn to its attention in the past, so I set these out for future reference. The issues I have identified should not represent onerous modifications to the reporting content or presentation of the documentation and represent issues of detail and/or interpretation. It may be broadly stated that recent amendments to the Act, which include requirements for training for officers with financial duties in the future, emphasize the importance of not only transparency in financial reporting but also of strict technical compliance with the provisions of the legislation. Accordingly I set out these details.

(i) Number of employees as "Full-time equivalent"

Regulation 159(b) requires that the Operating Report disclose the number of employees, both full-time and part-time, as measured on a "full-time equivalent basis". Your Operating Report stated that the number of employees was 29. This figure might include both full-time and part-time employees, and so it is not clear whether it conforms to the regulation. Strict compliance requires that the total number of both full-time and part-time employees be expressed as a full-time equivalent, and accordingly this phrase should be explicitly used.

(ii) Results of principal activities

Section 254(2)(a) requires the operating report to “*contain a review of the reporting unit’s principal activities during the year, the results of those activities and any significant changes in the nature of those activities during the year*”.

Your Operating Report complies partly in that it lists the principal activities, and confirms “there has been no significant change in the nature of the Association’s principal activities from the previous year”. It does not however contain a review of “the results of those activities”. Rather it reports an “Operating Result” expressed as a “surplus of \$696,514”.

Subsection 254(2)(a) does not require a financial result of this kind, and is not to be interpreted as such, but instead requires a description of the non-financial results from the principal activities listed. For example, a result of the activity described as “offering an extensive training program” for members might include the number of members and of their staff who completed training during the year; a result of the activity described as “representing as the peak body and registered employers association” might include the number of agreements negotiated, the number of disputes resolved satisfactorily, increases in membership and so on, just to name a few that spring to mind.

In future, the Operating Report must set out a brief description of the results of the principal activities it mentions.

(iii) Changes in financial affairs

Section 254(2)(b) requires the operating report to “give details of any significant changes in the reporting unit’s financial affairs during the year”.

Your Operating Report states that “there were no significant changes in the state of affairs of the Association during the financial year”. It is not completely clear whether this was intended to refer to financial or non-financial affairs.

As a general approach, where a requirement is expressed in explicit terms, those terms ought to be used in order to confirm that the organisation’s mind has turned to the provision and in order to satisfy the requirement. In future, the Operating Report must indicate whether or not there were any significant changes in the “financial affairs of the Association”.

Section 272 Notice must be included

The report did not include the Notice required by section 272 of the Act. Subsection 272(5) provides: (5) *[Notice in reports] A general purpose financial report prepared under section 253, must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.*”

Subsections 272(1), (2) and (3) are worded as follows:

(1) *A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.*

(2) *The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*

(3) *A reporting unit must comply with an application made under subsection (1).*

Future financial reports must include the above wording to comply with the requirement to include the Notice. The Notice is usually located with the Notes to the Financial Statements.

Please do not hesitate to contact me on (02) 6723 7237 if you have any queries in relation to the the financial reporting requirements.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Kellett', with a long horizontal stroke extending to the right.

Stephen Kellett
Regulatory Compliance Branch

cc. Mira Sandre, Office Manager

18 October 2012

Mr Stephen Kellett
Organisations, Research & Advice
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011



Aged & Community Services
Association of NSW & ACT
Incorporated



Dear Mr Kellett

**RE LODGEMENT OF FINANCIAL DOCUMENTS FOR YEAR ENDED 30 JUNE 2012 – FAIR
WORK (REGISTERED ORGANISATIONS) ACT 2009 ("THE FW(RO) ACT") – AGED &
COMMUNITY SERVICES ASSOCIATION OF NSW & ACT INCORPORATED (FR2012/366)**

The Association is required to prepare and lodge audited financial accounts and statements in accordance with Fair Work (registered organisations) Act 2009.

The following documents are now being lodged:

1. Audited annual financial statements for year ending 30 June 2012.
2. Certificate of Authorised Officer.
3. Completed Annual Report to the Members.
4. Signed Auditors report of completed financial statements.

Should you require anything further please don't hesitate to contact Mira Sandré, Office Manager on 02 8754 0400.

Yours faithfully

Illana Halliday
CHIEF EXECUTIVE OFFICER

STEWART, BROWN & CO.

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TOWER 1
495 VICTORIA AVE
CHATSWOOD NSW 2067
AUSTRALIA
TELEPHONE (02) 9412 3033
ABN 63 271 338 023

CORRESPONDENCE
PO BOX 5515
CHATSWOOD WEST 1515
FAX (02) 9411 3242
INTERNATIONAL FAX
612 9411 3242

CHARTERED ACCOUNTANTS

www.stewartbrown.com.au

10 September 2012

Ms Vivienne Allanson
Vice President
Aged & Community Services Association of NSW & ACT Inc
PO Box 324
RHODES NSW 2138

Dear Vivienne,

Re: Final Report on the audit of Aged & Community Services Association of NSW & ACT Inc for the year ended 30 June 2012

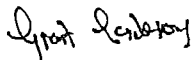
We have now completed our audit of the financial statements of Aged & Community Services Association of NSW & ACT Inc for the year ended 30 June 2012 and are pleased to present our final report to the Directors and Management on the results of our audit which is attached to this letter.

The purpose of this report is to clarify any outstanding issues that may exist, outline the key findings of our audit and discuss independence issues as well as any matters that may impact on the future of the financial report and audit.

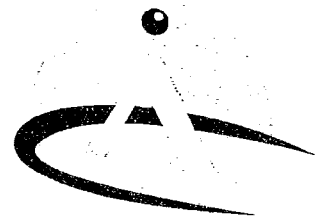
If you have any questions regarding this report please contact the writer.

Yours faithfully

Stewart, Brown & Co.
Chartered Accountants



Grant Corderoy
Partner



Aged & Community Services
Association of NSW & ACT
Incorporated

DESIGNATED OFFICER'S CERTIFICATE OR OTHER AUTHORISED OFFICER

S268(c) of the Fair Work (*Registered Organisations*) Act 2009 ("The Act")

I, Illana Halliday being the Chief Executive Officer and Public Officer for Aged & Community Services Association of NSW & ACT Incorporated certify:

- That the documents attached herewith are copies of the full report, referred to in s253(2) of the Fair Work (Registered Organisations) Act 2009 ("The Act"); and
- That the Auditor's Report was signed and presented to ACS Board of Directors on 10 September; and
- That the Financial Report was published on the ACS Website for all Members to view on 17 September and within 5 months of the end of financial year; and
- That on 02 October 2011 the full report was presented to the Annual General Meeting of the Members in accordance with s266 of the Fair Work (Registered Organisations) Act 2009 ("The Act").

Illana Halliday
CHIEF EXECUTIVE OFFICER

18 October 2012

Operating Report

The Directors present the operating report of Aged & Community Services Association of NSW & Act Inc. for the year ending 30 June 2012 and report as follows:-

Names of Directors

The names and positions of the Directors who held office during the year were:

NAME OF DIRECTOR	POSITION HELD
Mr Christopher Rigby	President
Ms Vivienne Allanson	Vice President
Mr Philip Armstrong	Director
Mr Rob Evers	Director (retired October 2011)
Mr Rob Freeman	Director (elected October 2011)
Dr Stephen Judd	Director
Mr Rex Leighton	Director
Mr Ross Low	Director (elected April 2012)
Ms Nieves Murray	Director (resigned April 2012)
Ms Elizabeth Orr	Director
Mr Raad Richards	Director
Mr Paul Sadler	Director
Mr Mark Sewell	Director
Ms Barbara Squires	Director
Mr Steve Teulan	Director (elected February 2012)
Mr Stephen Walkerden	Director

The directors were in office for the whole of the financial year unless otherwise stated.

Operating Report

Principal Activities

The principal activities are detailed in the annual report provided to all members of the Association prior to the Annual General Meeting.

The principal activities of Aged and Community Services Association of NSW & ACT Inc. (ACS) are:-

1. Representing as the peak body and registered employers association, religious, charitable and community based not-for-profit providers of aged and community care services in NSW and ACT. ACS also offers services to for-profit organisations through our Industry Advice Scheme.
2. Offering members a range of services, including policy and advice on best practice in the areas of industrial relations, human resource management, clinical care, organisational change and financial management. This covers the full range of issues for residential aged care, community care and retirement villages.
3. Offering as a registered training organisation an extensive training program, ensuring member organisations and their staff are able to upgrade skills and keep abreast of ongoing changes in aged and community care.
4. Offering advice and encouragement to members to help them achieve best practice in compliance with the legislation governing aged and community care, including the *Aged Care Act 1997*, *NSW Retirement Villages Act 1999* and *ACT Retirement Villages Industry Code of Practice (1999)*.

There has been no significant change in the nature of the Association's principal activities from the previous year.

Operating Result

The operating result of the Association for the financial year was an operating surplus of \$696,514 (2011: \$811,716).

Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the Association during the financial year.

Other Information


In compliance with S254(2) of the *Fair Work (Registered Organisations) Act 2009* and Regulation 159 of the *Fair Work (Registered Organisations) Regulations 2009*, the directors provide the following additional information:

1. The Association at the end of the financial year had 272 members.
2. The Association had 29 employees at the end of the financial year.
3. The Superannuation affairs of the Association are conducted by independent fund managers on behalf of the employees. No director, officer or member of the Association has any involvement with the Association's Superannuation. Employees choose their own superannuation fund.
4. Members have the right to resign from the Association at any time by furnishing written notice. This right means the Association rules meet the requirements of S174 of the *Fair Work (Registered Organisations) Act 2009*.

This report is made in accordance with a resolution of the Board made on 17 September 2012 and is signed for and on behalf of the Board by:



Vivienne Allanson
Vice President



Stephen Walkerden
Director

Statement of Financial Position as at 30 June 2012

ASSETS	Note	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	4	4,305,459	5,380,890
Trade and other receivables	5	398,409	693,328
Total current assets		4,703,868	6,074,218
Non-current assets			
Property, plant and equipment	6	316,874	286,251
Total non-current assets		316,874	286,251
TOTAL ASSETS		5,020,742	6,360,469
LIABILITIES			
Current liabilities			
Trade and other payables	7	2,055,473	4,043,632
Provisions	8	175,336	226,564
Total current liabilities		2,230,809	4,270,196
Non-current liabilities			
Provisions	8	19,661	16,515
Total Non-Current Liabilities		19,661	16,515
TOTAL LIABILITIES		2,250,470	4,286,711
NET ASSETS		2,770,272	2,073,758
EQUITY			
Retained earnings		2,770,272	2,073,758
TOTAL EQUITY		2,770,272	2,073,758

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income

for the year ended 30 June 2012

	Note	2012 \$	2011 \$
REVENUE	2	7,331,764	5,405,492
		7,331,764	5,405,492
EXPENSES			
Current Expenses			
Staff costs		(2,168,709)	(1,696,011)
Administration expenses		(659,424)	(416,989)
Consultancy		(46,562)	(45,331)
Depreciation and amortisation	3	(93,859)	(98,565)
Events		(1,089,464)	(609,992)
Learning Centre expenses		(202,888)	(271,193)
Office accommodation		(316,502)	(270,346)
Project expenses		(1,799,304)	(953,403)
Subscriptions		(258,538)	(231,946)
		(6,635,250)	(4,593,776)
PROFIT			
Profit before income tax		696,514	811,716
Income tax expense		-	-
Profit for the year		696,514	811,716
INCOME			
Other comprehensive income		-	-
Total comprehensive income for the year		696,514	811,716

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the year ended 30 June 2012

	Retained Earnings \$	Total \$
Balance as at 30 June 2010	1,262,042	1,262,042
Profit for year ended 30 June 2011	811,716	811,716
Other comprehensive income	-	-
Balance at 30 June 2011	2,073,758	2,073,758
Profit for year ended 30 June 2012	696,514	696,514
Other comprehensive income	-	-
Balance as at 30 June 2012	2,770,272	2,770,272

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AGED & COMMUNITY SERVICES ASSOCIATION OF NSW & ACT INCORPORATED ANNUAL REPORT 2011/12

Statement of Cash Flows for the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and government		5,844,526	6,766,896
Payments to suppliers and employees		(7,069,483)	(5,127,876)
Donations received		-	4,545
Interest received		293,126	184,712
Net cash flows from operating activities		(931,831)	1,828,277
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		80,487	26,819
Purchase of property, plant and equipment		(224,087)	(141,549)
Net cash flows from investing activities		(143,600)	(114,730)
Net increase (decrease) in cash and cash equivalents		(1,075,431)	1,713,547
Cash and cash equivalents at the beginning of the financial year		5,380,890	3,667,343
Cash and cash equivalents at the end of the financial year	4	4,305,459	5,380,890

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2012

NOTE 1 | Statement of Accounting Policies

REPORTING ENTITY

The financial report is for the Aged and Community Services Association of NSW & ACT Inc. as an individual entity and domiciled in Australia. The Association is incorporated in New South Wales under the *Associations Incorporation Act 2009*.

The financial statements were approved by the Board of Directors on 17 September 2012.

BASIS OF PREPARATION

The directors have elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. As a consequence, the company has also early adopted the following Amending Standards containing reduced disclosure requirements:-

- AASB 2011-2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements*; and
- AASB 2011-6: *Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements*.

The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), the requirements of the *Associations Incorporation Act 2009* and *Fair Work (Registered Organisations) Act 2009*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except::

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties, and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

- Members' subscriptions**
The subscription fee paid by members of the Association entitles member organisations to receive services at prices lower than those charged to non-members and access to a variety of free services and publications. Income from membership fees is recognised on a basis that reflects the timing, nature and value of the benefits provided.
- Grants (including government grants) and donations**
Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:
 - the Association obtains control of the contribution or the right to receive the contribution;
 - it is probable that the economic benefits comprising the contribution will flow to the Association; and

Notes to the Financial Statements for the year ended 30 June 2012

NOTE 1 | Statement of Accounting Policies (continued)

- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.
- (iii) Sale of goods and services
Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.
- (iv) Interest
Revenue from interest is recognised on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less a provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets and capitalised lease assets is depreciated on a straight line basis over the asset's useful life to the Association, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation effective life used for each class of depreciable assets is:

Motor vehicles	5 years
Leasehold improvements	5 years
Office equipment, furniture and fittings	5 years
Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of assets

At each reporting date, the Association reviews the carrying costs of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less the costs to sell the value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of the individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Financial instruments

The Association's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the Association commits itself to either purchase or sell the asset.

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

Notes to the Financial Statements for the year ended 30 June 2012

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost

The Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Non-derivative financial assets

With the exception of cash and cash equivalents, the only other non-derivative financial assets held by the Association are classified as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its non-derivative financial assets at initial recognition and re evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Association provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in receivables in current assets in the statement of financial position, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non current assets.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. 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 Association for similar financial instruments.

Impairment

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Notes to the Financial Statements for the year ended 30 June 2012

Long service leave

The liability for long service leave is recognised in the provision for employee benefits 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

Leases

Leases of property, plant and equipment where the Association has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over their estimated useful lives.

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 (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease. Lease income from operating leases is recognised in income on a straight line basis over the lease term.

Critical accounting estimates and judgments

The Association evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates

Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Impairment - carbon price

There is presently uncertainty in relation to the impacts of the carbon pricing mechanism recently introduced by the Australian Government. This carbon pricing system could potentially affect the assumptions underlying value-in-use calculations used for asset impairment testing purposes. The Association has not incorporated the effect of any carbon price implementation in its impairment testing at 30 June 2012.

Notes to the Financial Statements for the year ended 30 June 2012

	2012 \$	2011 \$
NOTE 2 Revenue		
Revenue		
Members subscriptions	1,873,789	1,892,313
Courses income	522,494	727,236
Events income	1,627,410	1,060,204
Projects income	2,634,236	1,082,796
Consultancy income	286,394	272,450
Industrial services income	43,102	72,549
Other operating revenue	54,641	74,709
	7,042,066	5,182,257

Other revenue		
Donations received	-	4,545
Interest income	289,698	218,690
	289,698	223,235
Total revenue and other income	7,331,764	5,405,492

NOTE 3 Expenses		
Amortisation - intangible assets		
Depreciation and amortisation		
Leasehold improvements	5,685	414
Plant and equipment	36,218	40,904
Motor Vehicles	51,956	57,247
Total depreciation and amortisation	93,859	98,565
Provision for impairment - doubtful debts	-	(6,152)
Net loss on disposal of property, plant and equipment	19,118	1,302
Rental expenses relating to operating leases	253,041	216,040

NOTE 4 Cash and Cash Equivalents		
Cash at bank and on hand	322,455	1,520,831
Short term bank deposits	3,983,004	3,860,059
Total cash and cash equivalents	4,305,459	5,380,890

Notes to the Financial Statements for the year ended 30 June 2012

	2012 \$	2011 \$
NOTE 5 Trade and other Receivables		
Current		
Trade receivables	223,945	377,387
Provision for impairment	(3,000)	(3,000)
	220,945	374,387
Other receivables	100,218	117,980
Prepayments	77,246	200,961
Total current trade and other receivables	398,409	693,328

Provision for impairment

Balance at the beginning of the financial year	3,000	9,152
Increase (decrease) in provision	-	(6,152)
Balance at the end of the financial year	3,000	3,000

NOTE 6 | Property, Plant and Equipment

	Leasehold Improvements \$	Furniture and Equipment \$	Work in Progress \$	Motor Vehicles \$	Total \$
At 30 June 2011					
Cost	67,460	371,539	-	297,185	736,184
Accumulated depreciation	(67,046)	(313,426)	-	(69,047)	(449,933)
Net carrying amount	-	58,113	-	228,138	286,251
Movements in carrying amounts					
Net carrying amount at 1 July 2011	-	58,113	-	228,138	286,251
Additions	52,576	57,652	23,520	90,339	224,087
Disposals	-	(533)	-	(99,072)	(99,605)
Depreciation charge for the year	(5,685)	(36,218)	-	(51,956)	(93,859)
Net carrying amount at 30 June 2012	46,891	79,014	23,520	167,449	316,874
At 30 June 2012					
Cost	120,036	426,134	23,520	249,474	819,164
Accumulated depreciation	(73,145)	(347,120)	-	(82,025)	(502,290)
Net carrying amount	46,891	79,014	23,520	167,449	316,874

Notes to the Financial Statements for the year ended 30 June 2012

	2012 \$	2011 \$
NOTE 7 Trade and other Payables		
CURRENT		
Trade payables	193,050	216,857
Subscriptions received in advance	306,753	87,151
Project funding received in advance	1,185,819	2,932,025
Seminars income received in advance	146,629	451,085
Sponsorship received in advance	-	22,877
Liabilities to employees	184,689	201,099
Other payables	38,533	132,538
Total current trade and other payables	2,055,473	4,043,632

NOTE 8 Provisions		
CURRENT		
Employee entitlements - long service leave	175,336	226,564
Total current provisions	175,336	226,564
NON-CURRENT		
Employee entitlements - long service leave	19,661	16,515
Total non-current provisions	19,661	16,515

NOTE 9 | Events occurring after balance date

There were no significant events occurring after balance date.

NOTE 10 | Commitments

Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	230,000	230,000
Later than one year but not later than five years	95,834	306,667
	325,834	536,667

The property lease was renewed effective from November 2010 and is a noncancellable lease expiring in November 2013, with rent payable monthly in advance. An option exists to renew the lease at the end of the term for an additional terms of three years. The lease allows for subletting.

NOTE 11 | Related Party Transactions

Directors' remuneration

In accordance with the Association's Constitution, the directors of the Association hold that position in an honorary capacity and thus receive no remuneration or retirement or superannuation benefits for their services.

Professional services received by directors and associates

Certain directors are employed by or associated with company's who are members of the Association. These membership services are provided to those company's on an arms length basis and upon normal commercial terms.

Board of Directors Statements for the year ended 30 June 2012

On 17 September 2012 the Board of Directors of Aged and Community Services Association of NSW & ACT Inc. passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2012.


The Board declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations);
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statement and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Board were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) there is only one reporting unit and there are no branches; and
 - (v) no information or request has been made by a member of the reporting unit or by a Registrar duly under Section 272 of the RAO Schedule; and
 - (vi) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.
- (f) there has been no recovery of wages activity.

Signed on behalf of the Board in accordance with a resolution of directors:



Vivienne Allanson
Vice President



Stephen Walkerden
Director

17 September 2012

Independent Auditor's Report to the members

OF AGED AND COMMUNITY SERVICES ASSOCIATION OF NSW & ACT INC.

Report on the Financial Report

We have audited the accompanying financial report of the Aged and Community Services Association of NSW & ACT Inc. which comprises the statement of financial performance as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the Board of Directors.

Directors' Responsibility for the Financial Report

The directors of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Associations Incorporation Act NSW 2009*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

The financial report of the Aged and Community Services Association of NSW & ACT Inc. is in accordance with the *Associations Incorporation Act NSW 2009* including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Associations Incorporation Act NSW 2009*.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Association in accordance with section 257(5) of the *Fair Work (Registered Organisations) Act 2009*. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Incorporated Associations Act 2009*. These additional procedures included obtaining an understanding of the internal control structure and associated record keeping and other requirements pursuant to the *Fair Work (Registered Organisations) Act 2009*.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Fair Work (Registered Organisations) Act 2009* has been formed on the above basis.

Independent Auditor's Report to the members

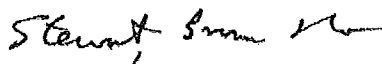
OF AGED AND COMMUNITY SERVICES ASSOCIATION OF NSW & ACT INC.

Auditor's opinion

Pursuant to the requirements of Section 257(5) of the *Fair Work (Registered Organisations) Act 2009* we report that, in our opinion:

- a) the financial report is presented fairly in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
- b) the Association maintained satisfactory accounting records in relation to the year ended 30 June 2012 including records of the sources and nature of income (including income from members) and records of the nature & purposes of the expenditure of the Association; and
- c) we were provided with all the information and explanations as requested from the officers or employees of the Association.

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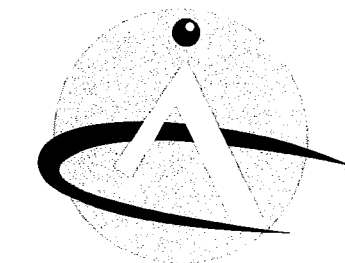
Stewart, Brown & Co.
Chartered Accountants



R.M. Barnes
Partner
Registered Company Auditor

18 October 2012

Mr Stephen Kellett
Organisations, Research & Advice
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2011



Aged & Community Services
Association of NSW & ACT
Incorporated



Dear Mr Kellett

**RE LODGEMENT OF FINANCIAL DOCUMENTS FOR YEAR ENDED 30 JUNE 2012 – FAIR
WORK (REGISTERED ORGANISATIONS) ACT 2009 ("THE FW(RO) ACT") – AGED &
COMMUNITY SERVICES ASSOCIATION OF NSW & ACT INCORPORATED (FR2012/366)**

The Association is required to prepare and lodge audited financial accounts and statements in accordance with Fair Work (registered organisations) Act 2009.

The following documents are now being lodged:

1. Audited annual financial statements for year ending 30 June 2012.
2. Certificate of Authorised Officer.
3. Completed Annual Report to the Members.
4. Signed Auditors report of completed financial statements.

Should you require anything further please don't hesitate to contact Mira Sandré, Office Manager on 02 8754 0400.

Yours faithfully

Illana Halliday
CHIEF EXECUTIVE OFFICER

10 September 2012

Ms Vivienne Allanson
Vice President
Aged & Community Services Association of NSW & ACT Inc
PO Box 324
RHODES NSW 2138

Dear Vivienne,

Re: Final Report on the audit of Aged & Community Services Association of NSW & ACT Inc for the year ended 30 June 2012

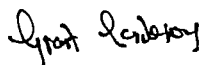
We have now completed our audit of the financial statements of Aged & Community Services Association of NSW & ACT Inc for the year ended 30 June 2012 and are pleased to present our final report to the Directors and Management on the results of our audit which is attached to this letter.

The purpose of this report is to clarify any outstanding issues that may exist, outline the key findings of our audit and discuss independence issues as well as any matters that may impact on the future of the financial report and audit.

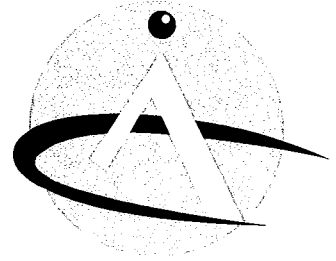
If you have any questions regarding this report please contact the writer.

Yours faithfully

Stewart, Brown & Co.
Chartered Accountants



Grant Corderoy
Partner



Aged & Community Services
Association of NSW & ACT
Incorporated

DESIGNATED OFFICER'S CERTIFICATE OR OTHER AUTHORISED OFFICER

S268(c) of the Fair Work (*Registered Organisations*) Act 2009 ("The Act")

I, Illana Halliday being the Chief Executive Officer and Public Officer for Aged & Community Services Association of NSW & ACT Incorporated certify:

- That the documents attached herewith are copies of the full report, referred to in s253(2) of the Fair Work (Registered Organisations) Act 2009 ("The Act"); and
- That the Auditor's Report was signed and presented to ACS Board of Directors on 10 September; and
- That the Financial Report was published on the ACS Website for all Members to view on 17 September and within 5 months of the end of financial year; and
- That on 02 October 2011 the full report was presented to the Annual General Meeting of the Members in accordance with s266 of the Fair Work (Registered Organisations) Act 2009 ("The Act").

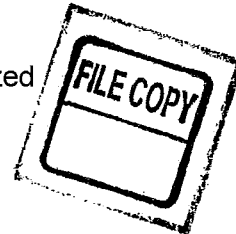
Illana Halliday
CHIEF EXECUTIVE OFFICER

18 October 2012



16 July 2012

Mr Christopher Rigby
President
Aged and Community Services Association of NSW & ACT Incorporated
PO Box 3124
RHODES NSW 2138



Dear Mr Rigby

Lodgement of Financial Documents for year ended 30 June 2012 - Fair Work (Registered Organisations) Act 2009 ("the FW(RO) Act") - Aged and Community Services Association of NSW & ACT Incorporated (FR2012/366)

The financial year of the Aged and Community Services Association of NSW & ACT Incorporated (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within the prescribed time period of 6 months and 14 days of the end of the financial year.

The FW(RO) Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on the Fair Work Australia website. The information can be viewed at [FWA Registered Organisations Fact Sheets](#). This site also contains the General Manager's Reporting Guidelines which set out mandatory financial disclosures.

I draw your particular attention to section 237 of the FW(RO) Act which provides that where the reporting unit makes individual loans, grants or donations exceeding \$1,000, a separate statement containing prescribed particulars must be lodged within 90 days of the end of the financial year, i.e. by 30 September.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 6723 7097 or by email at stephen.kellett@fwa.gov.au

Yours sincerely,

Stephen Kellett
Organisations, Research & Advice
Fair Work Australia