



FAIR WORK  
AUSTRALIA

16 February 2011

Mr Bryan de Caires  
Chief Executive Officer  
Australian Security Industry Association Limited  
PO Box 1338  
CROWS NEST NSW 1585



Dear Mr de Caires

**Lodgment of Financial Statements and Accounts – Australian Security Industry Association Limited - for year ended 30 June 2010 (FR2010/2765)**

Thank you for your letter of 15 February 2011 and I note the information you provided that confirms the members were provided with copies of the report at least 21 days prior to presentation at the Annual General Meeting.

The documents have been filed.

I had the opportunity of speaking with your auditor on the other matters my letter had raised, and I am grateful for his bringing to my attention that section 239 applied where the financial report for 2010 was concerned. That was an oversight on my part and had I taken the date of the organisation's registration into account I would have written a different letter to you.

I am more than happy to receive the draft of the next financial report to ensure our understandings of the legislative requirements correspond, and appreciate your offer to provide a draft.

Thank you for your prompt response to my letter, and please feel welcome to contact me by telephone on [REDACTED] or by email at [stephen.kellett@fwa.gov.au](mailto:stephen.kellett@fwa.gov.au) at any time regarding any queries in relation to requirements under the *Fair Work (Registered Organisations) Act 2009*.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia



Australian Security Industry  
Association Limited

*The peak body for  
security professionals*

15 February 2011

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia  
Terrace Towers  
80 William Street  
East Sydney  
NSW2011



Dear Mr. Kellett,

Thank you for your letter dated 8<sup>th</sup> February 2011 regarding lodgement of ASIAL's financial statement and accounts.

I would like to clarify that in accordance with Section 265 (5), members were advised on the 2<sup>nd</sup> September 2010 (by email), 24<sup>th</sup> September (by mail) and 27<sup>th</sup> October (by email) that the financial statement and accounts were available for review. The information was also posted on the Association's web site at the beginning of September.

I am advised that our auditor Foster Raffan & Associates has spoken with you and addressed the issues raised in your letter. As I understand it, as we were registered during the course of the past financial year, Section 239 applies.

Before submitting our financial return for the current financial year, I would welcome the opportunity of providing you with a draft to ensure that we have covered all of the requirements expected of us.

Yours sincerely

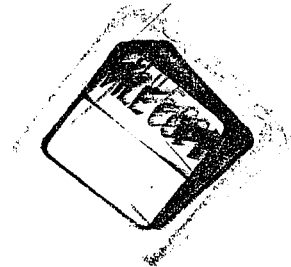
Bryan de Caires  
Chief Executive Officer



FAIR WORK  
AUSTRALIA

8 February 2011

Mr Bryan de Caires  
Chief Executive Officer  
Australian Security Industry Association Limited  
PO Box 1338  
CROWS NEST NSW 1585



Dear Mr de Caires

**Lodgment of Financial Statements and Accounts – Australian Security Industry Association Limited - for year ended 30 June 2010 (FR2010/2765)**

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 13 December 2010.

The documents were deficient in a number of respects, consisting of the following omissions or departures from the formal requirements of the *Fair Work (Registered Organisations) Act 2009* ('the Act') and the General Manager's Reporting Guidelines.

1. The documents were circulated to the members on the same day (23 November 2010) as the presentation at the Annual General Meeting. Section 265(5)(a) requires an interval of 21 days between provision of copies of the report to members and presentation in accordance with s266;
2. The auditor's opinion did not include an opinion whether the report presented fairly in accordance with the requirements of Part 3 of the Act, as required by s257(5)(b). The report lodged with Fair Work Australia must be audited with the Act in mind, whether or not it is also audited with the requirements of the Corporations Act 2001 in mind.
3. The Directors' Declaration on page 18 did not include all the declarations required by paragraphs 24 and 25 of the General Manager's Guidelines in respect of the "Committee of Management Statement".
4. Neither the "Year in Review" set out on pages 7-13 nor the "Directors' Report on pages 17-18 included all the information required by s254 for the purposes of an "Operating Report". Specifically, they did not include details of the rights of members to resign, as prescribed by s254(2)(c), details of any officer or member who is a trustee of a relevant superannuation scheme, as prescribed by s254(2)(d). From the contents of the respective documents, it is unclear which represents the notional equivalent of an operating report for the purposes of s254, but in any case, the "Year in Review" was undated and unsigned. The prescribed information ought to be presented in a document that is signed and dated.

5. The report did not appear to include the notice required by s272(5), consisting of the text of sub-sections 272(1), (2) and (3).

These matters should be brought to the attention of your Auditors, and should be rectified in future reports lodged with Fair Work Australia. I seek your undertaking that future reports will comply with the relevant legislative requirements. Upon receiving your written advice, I will file the documents as lodged.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia



Australian Security Industry  
Association Limited

[www.asial.com.au](http://www.asial.com.au)

10 December 2010

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia  
Terrace Towers  
80 William Street  
Sydney NSW 2011

Dear Mr. Kellett,

**RE: Lodgment of Financial Statement and Accounts – Australian Security  
Industry Association Limited – for year ending 30 June 2010**

In accordance with our obligations under the *Fair Work (Registered Organizations) Act 2009*, please find enclosed a copy of the Association's audited accounts, report and statements circulated to Members and presented at the 41<sup>st</sup> Annual General meeting of the Association on Tuesday 23<sup>rd</sup> November 2010.

Please also find attached a statement of political donations made during the year exceeding \$1,000.

Should you require any further information, please do not hesitate to contact me.

Yours sincerely

Bryan de Caires  
Chief Executive Officer

CC: David Vale, Manager, Organisations





ANNUAL & FINANCIAL REPORT

# 2010

*'The Peak Body for Security Professionals'*



Australian Security Industry  
Association Limited

## NUMBERS AT A GLANCE

82%	Percentage of membership applications received that were successful
\$33,818	Surplus generated by the Association
\$2.19 million	Reserves accumulated by the Association
5 million	Audience reached by ASIAL's consumer awareness campaign
12	Full time Secretariat personnel
37,500	Estimated phone and email enquiries handled by the Secretariat over the past year
117,000	Visits to the ASIAL web site

## VISION

We are the leading security association where membership is a mark of distinction and is valued by our members, the public and government.

## MISSION

To support our members, promote standards and safeguard public interests

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### BOARD OF DIRECTORS

President	Ged Byrnes
Vice President	Fraser Duff
Directors	Rod Anderson, Bob Bruce, Antony Elliott, Chris Luhrmann, Kevin McDonald, Mike McKinnon, Tom Roche
National Council (in addition to Board)	Paul Corson, Chris Cabbage, Mike Dyson, Peter Johnson, Neville Kiely, Neil McLean
Past President	Antony Elliott
Auditor	Foster Raffan
Solicitor/Attorney	Alexander & Associates

### CONSULTANTS

Monitoring Centre	Robin Burrows, ATSC
Certification Inspection	
Industrial Relations	Chris Delaney
Special Consultant	Damien Smith

### SECRETARIAT

Chief Executive Officer	Bryan de Caires
Manager Membership	Belinda Allen
Manager Compliance & Regulatory Affairs	Peter Johnson
Finance & Administration	Fran Meem
Cabling Officer	Richard Rolls
Manager Professional Development	Tania Laird
Communications Officer	Angela Maan
Business Development Coordinator	Aleisha Rees
Membership Officer	Gordana Kundevski
Membership Coordinator	Alexandra Firth
Membership Coordinator	Ashlyn Kapinga
Membership Assistant	Jennifer Ellis



### Director Attendance at Board meetings

Rod Anderson 2 (2)\*  
Bob Bruce 5 (6)  
Ged Byrnes 6 (6)  
Fraser Duff 5 (6)  
Antony Elliott 5 (6)  
Peter Johnson 3 (3)\*  
Chris Luhrmann 6 (6)  
Kevin McDonald 6 (6)  
Mike McKinnon 2 (2) \*  
Thomas Roche 5 (6)

\*Following the resignation of Peter Johnson in February 2010, Rod Anderson and Mike McKinnon were appointed to the Board, in March 2010.

### Attendance at National Council meetings

Bob Bruce 1 (1)  
Ged Byrnes 1 (1)  
Paul Corson 1 (1)  
Chris Cabbage 1 (1)  
Fraser Duff 1 (1)  
Michael Dyson 1 (1)  
Antony Elliott 1 (1)  
Peter Johnson 1 (1)  
Neville Kiely 1 (1)  
Chris Luhrmann 1 (1)  
Kevin McDonald 1 (1)  
Neil McLean 1 (1)  
Thomas Roche 1 (1)

### Auditors

Foster Raffan continues to act as auditors in accordance with Section 327 of the Corporations Act 2001.

### Auditor's independence

A copy of the auditors' independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 19.

### Directors' Emoluments and Transactions

No emoluments have been received or are due and receivable by Directors from the company or any related body corporate.

This report is made in accordance with a resolution of the Directors.

## DIRECTORS DECLARATION

In accordance with a resolution of the directors of Australian Security Industry Association Limited, we state that:

(a) The financial statements and notes set out on pages 20 to 40 are in accordance with the Corporations Act 2001 and:

(i) comply with Accounting Standards and the Corporations Regulations 2001; and

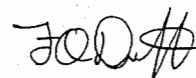
(ii) give a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date;

(b) in the opinion of the directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Ged Byrnes  
Director



Fraser Duff  
Director

Crows Nest, 9 September 2010.

## AUDITOR'S INDEPENDENCE DECLARATION

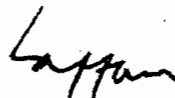
I declare, to the best of my knowledge and belief that during the year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

Foster Raffan

Chartered Accountants

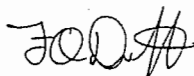


G.D.D. Raffan  
Partner

North Sydney, 9 September 2010



Ged Byrnes  
Director



Fraser Duff  
Director

Crows Nest, 9 September 2010.

# FINANCIALS

## INDEPENDENT AUDIT REPORT TO MEMBERS

### Report on the Financial Report

We have audited the accompanying financial report of Australian Security Industry Association Limited (the company) which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 of the financial report that gives a true and fair view. In an 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.

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

In our opinion the financial report of Australian Security Industry Association Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Foster Raffan  
Chartered Accountants



GDD Raffan  
Partner

Level 6, 8 West Street, North Sydney, NSW, 2060.

9 September 2010

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>REVENUE</b>			
Ordinary activities	2	2,289,281	2,552,091
Expenses directly related to operating activities (excluding salaries)		(646,039)	(763,200)
Salaries and related costs		(887,042)	(961,662)
Overhead expenses	3	(652,712)	(745,851)
Finance costs		(39,521)	(15,620)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		63,967	65,758
Income tax expense	4	(30,149)	(20,634)
<b>PROFIT FOR THE YEAR</b>		33,818	45,124
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		33,818	45,124

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,796,767	854,246
Trade and other receivables	7	499,846	126,793
Other current assets	8	61,664	49,035
Current tax receivable		-	4,101
<b>TOTAL CURRENT ASSETS</b>		<u>2,358,277</u>	<u>1,034,175</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<u>2,399,611</u>	<u>2,368,637</u>
<b>TOTAL ASSETS</b>		<u>4,757,888</u>	<u>3,402,812</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,916,766	558,233
Borrowings	11	36,424	20,833
Current tax payable		12,756	-
Provisions	12	50,605	65,118
Centre for Compliance fund	13	46,506	70,347
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,063,057</u>	<u>714,531</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	11	455,290	479,167
Provisions	12	47,183	50,575
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>502,473</u>	<u>529,742</u>
<b>TOTAL LIABILITIES</b>		<u>2,565,530</u>	<u>1,244,273</u>
<b>NET ASSETS</b>		<u>2,192,358</u>	<u>2,158,539</u>
<b>EQUITY</b>			
Retained profits		<u>2,192,358</u>	<u>2,158,539</u>
<b>TOTAL EQUITY</b>		<u>2,192,358</u>	<u>2,158,539</u>

The accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2010

RETAINED PROFITS AT 1 JULY 2009	2,158,540	2,113,416
NET PROFIT	33,818	45,124
RETAINED PROFITS AT 30 JUNE 2010	2,192,358	2,158,540

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Receipts from members and others		3,082,143	2,376,702
Payments to suppliers and employees		(2,023,729)	(2,418,859)
Interest received		52,491	134,479
Finance costs		(39,521)	(15,620)
Income tax paid		(6,842)	(86,204)
Net cash generated from/(used in) operating activities	16	1,064,542	(9,502)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Payment for property, plant & equipment		(89,895)	(2,340,043)
Net cash used in investing activities		(89,895)	(2,340,043)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Payment from Centre for Compliance Fund		(23,840)	(18,137)
Repayment of bank loan		(8,285)	500,000
Net cash used in financing activities		(32,125)	481,863
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		942,521	(1,867,682)
Cash and cash equivalents at the beginning of the financial year		854,246	2,721,928
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	6	1,796,767	854,246

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

The financial statements are for Australian Security Industry Association Limited (the company) as an individual entity incorporated and domiciled in Australia. The company is limited by guarantee.

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

### Reporting Basis and Conventions

The financial statements have been prepared on the accruals basis and are based on historical costs modified where applicable by the measurement at fair value of selected non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets.

### Accounting Policies

#### (a) Revenue Recognition

Members' and other subscriptions or fees are recognised in equal quarterly amounts over the period to which they apply.

Income in respect of the various activities of the company, with the exception of special events / functions, is recognised when invoiced. Income in respect of special events / functions is recognised when received.

Income received and expenses incurred in advance of activities are recognised when the activity is completed. If a loss is expected, a provision for the likely loss is made as soon as it becomes apparent.

#### (b) Development of New Services

Costs of developing new services are expensed as incurred.

#### (c) Income Tax

Income tax expense for the year comprises current tax expense and deferred tax expense.

Current income tax expense is based on the profit from non-mutual activities for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is recognised using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised only to the extent that it is anticipated that sufficient future assessable income will be derived to enable the benefits to be realised.

#### (d) Cash and Cash Equivalents

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

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

## (e) Trade and Other Receivables

Trade receivables are recognised and carried at the original invoiced amount. A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

## (f) Property, Plant and Equipment

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

### Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets are recognised in other comprehensive income and reduce the revaluation surplus in equity. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

### Office Equipment

Office equipment is measured at its cost and reduced by depreciation and impairment losses. The carrying amount is reviewed annually by directors to ensure that it is not in excess of the recoverable amount from these assets.

### Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings – straight line basis	2.5%
Office equipment – diminishing value basis	10% - 66.7%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset class carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

relating to that asset are transferred to retained earnings.

### **(g) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### **(h) Provisions**

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### **(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

### **(j) Comparative Figures**

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

### **(k) Critical Accounting Estimates and Judgments**

The directors evaluate 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 company.

### **(l) Key Estimates**

#### *Impairment*

The freehold land and buildings were acquired in November 2008.

At 30 June 2010 the directors reviewed property prices in the area and concluded that the carrying value does not exceed the recoverable amount of land and buildings at 30 June 2010.

The accompanying notes form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>2. REVENUE</b>		
<b>Revenue from operating activities</b>		
Members' subscriptions	1,323,198	1,238,255
Exhibition, conference and seminars	244,806	426,681
Member marketing fee	103,493	100,262
Cabling providers registrations	131,412	127,661
Magazine	179,848	279,620
Branch meetings	42,253	34,297
Grading, seminars and workshops	49,707	57,082
Insurance support	45,000	45,000
Special events	42,864	57,833
Consultancy	2,639	3,300
Rental income	25,322	-
Strategic partnership	18,182	-
Miscellaneous income	28,066	47,621
<b>Total revenue from operating activities</b>	<u>2,236,790</u>	<u>2,417,612</u>
<b>Revenue from investment activities</b>		
Interest	52,453	134,445
Dividend	38	34
<b>Total revenue from non-operating activities</b>	<u>52,491</u>	<u>134,479</u>
<b>Total revenue from ordinary activities</b>	<u><u>2,289,281</u></u>	<u><u>2,552,091</u></u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>3. OVERHEAD EXPENSES</b>		
<b>Include</b>		
Depreciation	49,792	24,027
Doubtful debts expense	8,836	1,262
Auditor remuneration		
Audit review	17,500	16,000
Other services	18,161	17,280
	35,661	33,280

### 4. TAX EXPENSE

The prima facie tax at 30% (2009: 30%) on the profit/ (loss) from ordinary activities before income tax differs from the income tax expense as follows:

Prima facie tax on profit/ (loss) from ordinary activities	19,190	19,727
Tax effect of permanent differences:		
(Profit)/loss from mutual activities	22,192	3,790
Investment incentive	(6,562)	(16,832)
Deferred tax asset not recognised	(4,740)	13,959
Other	69	10
Tax expense	30,149	20,634
The components of tax expense comprise: Current tax	30,149	20,634

A deferred tax asset of \$47,326 (2009: \$53,495) has not been recognised as it is not probable that future profits will be available against which temporary deductible differences can be utilised.

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>5. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short term benefits		
- Salary	317,401	323,907
- Superannuation	28,227	28,844
Total	345,628	352,751

### 6. CASH AND CASH EQUIVALENTS

#### Current

Cash at bank and on hand	141,408	32,875
Short-term bank deposits	1,655,359	821,371
	1,796,767	854,246

\$12,745 of the short-term bank deposits are bonds paid to the company by tenants.

### 7. TRADE AND OTHER RECEIVABLES

#### Current

Trade debtors	529,846	132,213
Less: provision for impairment	(30,000)	(30,000)
	499,846	102,213
GST receivable	-	24,580
	499,846	126,793
Provision for impairment as at 30 June 2008		
	30,000	
- Charge for year	1,262	
- Written off	-1,262	
Provision for impairment as at 30 June 2009	30,000	
- Charge for year	8,836	
- Written off	-8,836	
Provision for impairment at 30 June 2010	30,000	

#### Credit Risk – Trade Receivables

The company's credit terms are 30 days. Overdue debts are pursued and monitored by management. They are assessed for impairment and provided for where specific circumstances

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

indicate that the debt may not be paid in full to the company.

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided thereon.

The balances of receivables that remain within the initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Total \$	Overdue and impaired \$	Overdue not impaired \$	Not due not impaired \$
<b>2010</b>				
<30 days	104,210	-	-	104,210
31-60 days	406,655	11,000	-	395,655
61-90 days	15,703	15,703	-	-
>90 days	3,278	3,278	-	-
	<u>529,846</u>	<u>29,981</u>	<u>-</u>	<u>499,865</u>
<b>2009</b>				
<30 days	86,611	-	-	86,611
31-60 days	5,982	-	-	5,982
61-90 days	20,112	8,612	11,500	-
>90 days	19,508	19,508	-	-
	<u>132,213</u>	<u>28,120</u>	<u>11,500</u>	<u>92,593</u>

Receivables that are overdue and impaired are covered by the provision for impairment of \$30,000.

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>8. OTHER ASSETS</b>		
Current		
Prepayments	<u>61,664</u>	<u>49,035</u>
<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Freehold land and building – at cost	2,224,559	2,224,559
Less: accumulated depreciation	<u>(2,097)</u>	<u>(539)</u>
	<u>2,222,462</u>	<u>2,224,020</u>
Office equipment, furniture & fittings - at cost	297,818	286,969
Less: accumulated depreciation	<u>(120,669)</u>	<u>(142,352)</u>
	<u>177,149</u>	<u>144,617</u>
<b>Total Property, plant &amp; equipment</b>	<u>2,399,611</u>	<u>2,368,637</u>

A first mortgage is registered over the land and building (see note 11).

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Building \$	Office Equipment and Software \$	Total \$
<b>2009</b>			
Balance at the beginning of the year	-	52,620	52,620
Additions at cost	2,224,559	115,485	2,340,044
Disposals			
Depreciation expense	(539)	(23,488)	(24,027)
Carrying amount at end of year	<u>2,224,020</u>	<u>144,617</u>	<u>2,368,637</u>
<b>2010</b>			
Balance at the beginning of the year	2,224,020	144,617	2,368,637
Additions at cost	-	89,895	89,895
Disposals	-	(9,130)	(9,130)
Depreciation expense	(1,558)	(48,234)	(49,792)
Carrying amount at end of year	<u>2,222,462</u>	<u>177,148</u>	<u>2,399,610</u>

### Asset revaluations

The freehold land and buildings were acquired in November 2008.

At 30 June 2010 the directors reviewed the property market for the area and are satisfied that the carrying value does not exceed the recoverable amount of land and buildings at 30 June 2010.

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	191,488	83,971
Other current payables	136,760	29,246
	<u>328,248</u>	<u>113,217</u>
<b>Unearned income -</b>		
Events income	73,801	84,350
Cablers registration	205,424	160,966
Membership subscriptions	1,300,061	184,484
Advertising	9,232	15,216
	<u>1,916,766</u>	<u>558,233</u>
 <b>11. BORROWINGS</b>		
<b>Current</b>		
Bank loan	36,424	20,833
<b>Non-Current</b>		
Bank loan	455,290	479,167
	<u>491,714</u>	<u>500,000</u>

The bank loan is secured by a first mortgage over the land and buildings.

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>12. PROVISIONS</b>		
<b>Current</b>		
Provision for employee benefits	<u>50,605</u>	<u>65,118</u>
<b>Non-Current</b>		
Provision for employee benefits	<u>47,183</u>	<u>50,575</u>
<b>Provision for employee benefits</b>		
Balance at the beginning of the year	115,693	95,124
Additional provision raised during the year	-	20,569
Amounts used	<u>(17,905)</u>	-
Balance at the end of the year	<u>97,788</u>	<u>115,693</u>

### 13. CENTRE FOR COMPLIANCE

#### Current

Movement in Centre for Compliance fund:

Balance at 1 July 2009	70,347	88,484
Less: expenditure	<u>(23,841)</u>	<u>(18,137)</u>
Balance at 30 June 2010	<u>46,506</u>	<u>70,347</u>

### 14. SHARE CAPITAL

There are no issued shares. The company is limited by guarantee. The liability of each member in respect of liabilities of the company is limited to \$100.

### 15. SEGMENT INFORMATION

#### Segment locations

The Company operates in one business and geographical segment being a not-for-profit industry association within the Security Industry throughout Australia.

The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>16. CASH FLOW INFORMATION</b>		
Reconciliation of the profit for the year with cash flow from operations:		
Profit/ (loss) after tax	33,819	45,124
<b>Non-cash items</b>		
Depreciation	49,792	24,027
(Decrease)/increase in employee provisions	(17,908)	20,570
Loss on disposal of fixed assets	9,130	-
<b>Changes in assets and liabilities</b>		
Decrease/ (increase) in trade receivables	(397,632)	(10,511)
Decrease/ (increase) in other debtors	24,580	(1,140)
Decrease/ (increase) in prepayments	(12,629)	25,368
Increase/ (decrease) in trade payables	107,517	(29,380)
Increase/(decrease) in other current payables	107,514	12,408
Increase/ (decrease) in deferred income	1,143,502	(30,399)
Increase/ (decrease) in income tax payable	16,857	(65,569)
<b>Net cash flow from operating activities</b>	<u>1,064,542</u>	<u>(9,502)</u>

### 17. RELATED PARTY DISCLOSURES

It is the nature of the organisation to elect directors who are also members of the organisation.

These directors deal with the company on the same terms as all other members and do not receive any remuneration.

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### 18. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139, are as follows:

	Notes	2010 \$	2009 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	1,796,767	854,246
Receivables	7	499,846	126,793
<b>Total financial assets</b>		<u>2,296,613</u>	<u>981,039</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables (excluding annual leave and deferred income)	10	328,248	113,217
- Borrowings	11	491,714	500,000
<b>Total Financial Liabilities</b>		<u>819,962</u>	<u>613,217</u>

### Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

#### a. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company's material credit risk exposures are trade receivables and cash deposited with banks.

The company's exposure to credit risk arising from trade receivables is dealt with in Note 7.

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

The company deposits cash only with major banks. Cash was with the following banks at the year end:

	Notes	2010 \$	2009 \$
ANZ		141,408	48,862
ING		1,655,359	805,383
	6	<u>1,796,767</u>	<u>854,245</u>

### b. Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk by preparing regular cash flow forecasts and managing credit risks.

The table below reflects an undiscounted financial liabilities and cash flows from financial assets that reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

#### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
<b>Financial liabilities due for payment</b>								
Trade and other payables	315,303	113,217	12,945	-	-	-	328,248	113,217
Bank loan	36,424	20,833	182,116	104,165	273,175	375,002	491,714	500,000
<b>Total expected outflows</b>	<u>351,727</u>	<u>134,050</u>	<u>195,061</u>	<u>104,165</u>	<u>273,175</u>	<u>375,002</u>	<u>819,962</u>	<u>613,217</u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial assets – cash flows realisable								
Cash and cash equivalents	1,784,022	854,246	12,745	-	-	-	1,796,767	854,246
Trade, term and loans receivables	499,846	126,793	-	-	-	-	499,846	126,793
Total anticipated inflows	<u>2,283,868</u>	<u>981,039</u>	<u>12,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,296,613</u>	<u>981,039</u>
Net (outflow)/inflow on financial instruments	<u>1,932,141</u>	<u>846,989</u>	<u>(182,316)</u>	<u>(104,165)</u>	<u>(273,175)</u>	<u>(375,002)</u>	<u>1,476,651</u>	<u>367,822</u>

### c. Market Risk

#### *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Management regularly considers whether interest rates on cash deposited with banks and on borrowings from banks should be fixed or variable.

At the year end all cash deposited with banks and borrowings were at variable interest rates.

#### *Sensitivity Analysis*

	2010 \$	2009 \$
A 2% variation in interest rates during the year would have affected the profit before income tax for the year by	<u>14,850</u>	<u>29,878</u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### Net Fair Value

#### *Fair value estimation*

The fair values of financial assets and financial liabilities are considered to be equal to their carrying values as presented in the statement of financial position.

### 19. CAPITAL MANAGEMENT

The directors control the capital of the entity to ensure that adequate cash flows are generated to fund its objectives. The objective is to maintain cash and cash equivalents in excess of borrowings.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of retained earnings.

	Notes	2010 \$	2009 \$
Cash and cash equivalents	6	1,796,767	854,246
Borrowings	11	491,714	500,000
Excess of cash over borrowings		<u>1,305,053</u>	<u>354,246</u>
Retained earnings		<u>2,216,722</u>	<u>2,158,539</u>

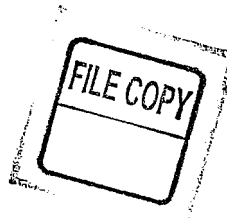
### 20. COMPANY DETAILS

The registered office and principal place of business of the company is  
41 Hume Street, Crows Nest NSW 2065

The accompanying notes form part of these financial statements.

27 July 2010

Mr Chris Delaney  
Australian Security Industry Association Ltd  
PO Box 1338  
CROWS NEST NSW 1585



Dear Mr Delaney,

**Re: Lodgement of Financial Statements and Accounts – Australian Security Industry Association Ltd – for year ending 30 June 2010 (FR2010/2765)**

The financial year of the Australian Security Industry Association Ltd has recently ended. This is a courtesy letter to remind you of the obligation to prepare the financial documents and to lodge audited financial accounts and statements with Fair Work Australia in accordance with the *Fair Work (Registered Organisations) Act 2009* ('the RO Act').

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)] including a separate Statement of Changes in Equity or its accepted equivalent; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* signed after all the prescribed events have taken place [see section 268(c)].

I draw your particular attention to

(a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;

(b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and

(c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee of management). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett

Statutory Services Branch