



31 May 2014

Mr Chris Delaney  
Australian Security Industry Association Ltd  
PO BOX 1338  
Crows Nest NSW 1585  
By email: [ceo@asial.com.au](mailto:ceo@asial.com.au)

Cc - Mr G.D. Wood  
Partner, Foster Raffan  
By email: [dougw@fosterraffan.com.au](mailto:dougw@fosterraffan.com.au)

Dear Mr Delaney,  
**Australian Security Industry Association Ltd**  
**Financial Report for the year ended 30 June 2013 - [FR2013/356]**

I acknowledge receipt of the financial report of the Australian Security Industry Association Ltd. The documents were lodged with the Fair Work Commission on 25 November 2013.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

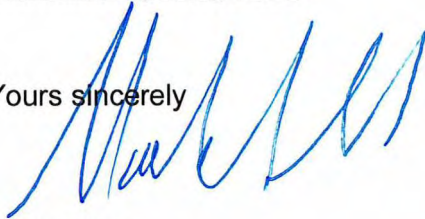
I make the following comments to assist you when you next prepare a financial report. As noted above, you are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Neither Statement of comprehensive income, the Statement of Financial position or the notes separate out employee expenses or provisions by reference to wages and salaries, superannuation, leave and other entitlements, separation and redundancies and other employee expenses.

The Reporting Guidelines require that all employee benefits be detailed separately (refer to items 17(f), 17(g), 21(c) and 21(d)).

If you have any queries regarding this letter, please contact me on (03) 8661 7899 or via email to [mark.elliott@fwc.gov.au](mailto:mark.elliott@fwc.gov.au).

Yours sincerely



Mark Elliott

Regulatory Compliance Branch





# FINANCIAL REPORT

# Directors operating report

Your directors submit this operating report for the year ended 30 June 2013. The names of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated. Their qualifications, experience and special responsibilities are set out on pages 14 and 15 of this Annual and Financial Report.

## Director

Rod Anderson	Ged Byrnes
Antony Elliott	Peter Johnson
Chris Luhrmann*	Mike McKinnon
Kevin McDonald	Neil McLean*
Thomas Roche*	Leo Silver*
Damian Waters	

\* Following Board elections conducted by the Australian Electoral Commission in November 2012, Chris Luhrmann and Neil McLean were elected replacing Thomas Roche and Leo Silver who did not stand for re-election.

## Key objectives of the Association

Following its annual strategic planning session in February, the Board reconfirmed the Association's key strategic priorities, these included:

- **To promote a positive image of the industry through an** improved awareness of the vital contribution the industry makes to the Australian economy.
- **To promote the highest levels of professionalism** within the industry through effective enforcement of the Association's Code of Practice, industry certification programs and the development of professional development opportunities.
- **To provide strong advocacy for the industry by acting as** a respected and unified voice for the industry in seeking to influence decision-makers on public policy issues at a local and national level.
- **Provide value to members** regardless of their size and to ensure that membership continues to be viewed as a 'mark of distinction' valued by consumers.

## Strategy for achieving these objectives

Through both short and long-term measures, the Association has in place strategies to achieve its strategic priorities. These include:

- Advocacy for the industry through the lodgment of industry submissions in response to legislative reviews affecting the industry, whether relating to licensing, industrial relations or work, health and safety;
- Collaboration with agencies such as the Fair Work Ombudsman, NBN Co and National Emergency Communications Working Group to address issues that affect the industry;
- Ongoing consumer awareness campaigns and interaction with the media and other key stakeholders;

- Provision of professional development opportunities, such as the annual conference, Security Industry leadership program and industry briefings;
- The development and ongoing management of industry certification programs, such as the monitoring centre certification and Security Technician Certification programs;
- Ongoing improvements to the Association's IT systems to better serve the needs of members;
- A commitment to the continuous improvement of the Association's online communications channels to ensure that they best serve the needs of members;
- The introduction of new member benefits and services with practical application to our members.

## Measurement of the Association's performance

The Association measures performance through a range of metrics, including member acquisition and retention rates; growth in member subscription and non-subscription revenue; media exposure and profile; financial performance against budget.

## Corporate Structure

The Company is limited by guarantee. The liability of each member in respect of liabilities of the company, as specified in the Constitution, is limited to \$100.

## Nature of operations and principal activities

The principal activity of the Company during the financial year was as an Industry Association serving the needs of employers and members within the Australian Security Industry. No significant change in the nature of this activity occurred during the year.

## Number of recorded Members

The number of Members recorded in the Register of Members of the Organisation as at 30 June 2013 for the purposes of section 254 (2) (f) of the RAO Schedule was 3,185.

# Directors operating report

## Employees

The company employed 13 employees as at 30 June 2013 (2012: 12 employees).

## Rights of Members to resign

In accordance with section 174 of the RAO Schedule, a member may resign from membership of the Organisation by written notice addressed and delivered to the Chief Executive Officer as per 11.1 of the ASIAL Constitution.

## Details of Trustee of Superannuation Entities

No member of the Board was:

- i. A trustee of a superannuation entity of an exempt public sector superannuation scheme or
- ii. A director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme where the criterion for the member being a trustee or director is that the member is an officer or member of ASIAL.

## Operating Results for the Period and Review of Operations

The Association earned a net profit for the year of \$117,301 (2012: \$250,171). The Association's reserves rose to \$2,818,585. The Association remains committed to its policy of reinvesting a significant proportion of prior year surpluses into maintaining and improving services to members, whilst using the balance to build sufficient reserves for when they are needed. Over the past year continued improvements have been made to the Association's information technology and telephone systems, customer management database site and communications channels. Total revenue from ordinary activities was marginally up on the previous year.

## Significant Changes in the State of Affairs

Since gaining approval as a Registered Organisation of Employers, the Association has performed a growing role in the area of industrial relations. The removal of the co-regulatory approach in NSW (including the removal of the mandatory membership requirement from 1 November 2012) has to date only had a limited impact on the Association's membership numbers. However, further attrition of members from NSW is expected over the coming year.

## Significant Events after Balance Date

No significant events have taken place after the balance date.

## Likely Developments and Expected Results

Directors have budgeted on a loss of \$88,050 for the coming year, which includes a provision for further attrition of members in NSW as a result of the removal of the mandatory membership requirement. The Association's consumer awareness campaign will continue through funding from the member marketing fee. The Association has in place a number of ongoing strategic partnerships which will support initiatives aimed at raising standards and compliance among members.

## Loans, grants and political donations

The Association has made no loans, grants or political donations over the past year.

## Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

## Indemnification and Insurance of Directors and Officers

During the year, the company has paid a premium in respect of a contract insuring directors and officers against: (a) liability arising from wrongful acts committed in their capacity as directors and officers of the company, but excluding dishonesty, fraud, malicious conduct or wilful breach of duty; and (b) the costs of legal representation in relation to such liabilities. The premium paid was \$11,133, which also includes cover for the company in respect of loss it suffers as a result of wrongful, wilful or fraudulent acts of its directors, officers and employees. This contract complies with Section 199B of the Corporations Act 2001.

## Auditors

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

## Directors' Emoluments and Transactions

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

The Association engaged E&C Security Systems Pty Ltd, a company controlled by a director, to maintain its security system.

# Directors operating report

## Directors Meetings

Attendance by each director at board and board committee meetings, held during the period each director held office this year, is shown below. The number of meetings is in brackets.

### Directors Attendance at Board meetings

Rod Anderson 4 (4)	Ged Byrnes 4 (4)
Antony Elliott 4 (4)	Chris Luhrmann 3 (3)
Kevin McDonald 4 (4)	Mike McKinnon 4 (4)
Neil McLean 3 (3)	Thomas Roche 0 (1)
Leo Silver 1 (1)	Damian Waters 2 (4)

### Attendance at National Reference Group meetings

Rod Anderson 1 (1)	Ged Byrnes 1 (1)
Antony Elliott 1 (1)	Peter Georgiou 0 (1)
Peter Johnson 1 (1)	Neville Kiely 1 (1)
Chris Luhrmann 1 (1)	Kevin McDonald 1 (1)
Mike McKinnon 1 (1)	Neil McLean 1 (1)
Darryl Milling 1 (1)	Thomas Roche 1 (1)
Leo Silver 1 (1)	Tania Tomuli 0 (1)
Damian Waters 1 (1)	Suzette Po-Williams 1 (1)
Leo Silver 1 (1)	Damian Waters 1 (1)

A copy of the auditors' independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 21.

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



**Kevin McDonald**  
Director



**Chris Luhrmann**  
Director

Crows Nest, 21 August 2013.



# Directors declaration

## 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 22 to 34 are in accordance with the Guidelines of the General Manager, Fair Work Australia and:
  - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (ii) give a true and fair view of the company's financial performance, financial position and cash flow as at 30 June 2013 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.
- (c) during the financial period to which the General Purpose Financial Report relates and since the end of that year:
  - (i) meetings of the committee of management (the Board) were held in accordance with the Rules of the reporting unit (ASIAL);
  - (ii) the financial affairs of the reporting unit have been managed in accordance with its Rules;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Fair Work (Registered Organisations) Act 2009 (the Act) and its related Regulations; and
  - (iv) No member of the Association or a Registrar has made a request for information under section 272 of the RAO Schedule; and
  - (v) there has been no order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

On behalf of the Board.



### Kevin McDonald

Director  
Crows Nest, 21 August 2013.



### Chris Luhrmann

Director  
Crows Nest, 21 August 2013.

## AUDITOR'S INDEPENDENCE DECLARATION

I declare, to the best of my knowledge and belief that during the year ended 30 June 2013 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  
Level 6, 8 West Street  
North Sydney NSW 2060



### G.D. Wood, FCA

Partner  
North Sydney  
21 August 2013



# Independent audit report to members

## Scope

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 2013 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.

## Director's Responsibility

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 control 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.

## 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 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 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 the Corporations Act 2001.

## Audit Opinion

In our opinion the financial report of Australian Security Industry Association Limited :

- (a) is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) complies with the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



**Foster Raffan**  
Chartered Accountants



**G.D. Wood, FCA**  
Partner  
North Sydney  
21 August 2013

# Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue- operating	2	2,376,787	2,369,716
- investment	2	114,748	119,832
Expenses directly related to operating activities		(676,805)	(695,348)
Employee benefits		(1,150,236)	(997,412)
Depreciation		(44,420)	(41,928)
Other expenses	3	<u>(502,773)</u>	<u>(504,690)</u>
<b>PROFIT BEFORE INCOME TAX</b>		117,301	250,170
Income tax expense	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE YEAR</b>		117,301	250,170
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	15	<b><u>117,301</u></b>	<b><u>250,170</u></b>

The accompanying notes form part of these financial statements

# Statement of financial position

AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,940,986	1,765,291
Trade and other receivables	6	49,436	41,580
Other current assets	7	<u>112,099</u>	<u>80,345</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,102,521</u>	<u>1,887,216</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	1,436	-
Property, plant and equipment	9	<u>2,401,954</u>	<u>2,422,345</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,403,390</u>	<u>2,422,345</u>
<b>TOTAL ASSETS</b>		<u>4,505,911</u>	<u>4,309,561</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,544,162	1,482,333
Provisions	11	64,860	62,152
Centre for Compliance fund	12	<u>17,577</u>	<u>21,532</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,626,599</u>	<u>1,566,017</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	11	<u>60,727</u>	<u>42,260</u>
<b>TOTAL LIABILITIES</b>		<u>1,687,326</u>	<u>1,608,277</u>
<b>NET ASSETS</b>		<u>2,818,585</u>	<u>2,701,284</u>
<b>EQUITY</b>			
Retained earnings		2,767,927	2,650,626
Reserve	9	<u>50,658</u>	<u>50,658</u>
<b>TOTAL EQUITY</b>		<u>2,818,585</u>	<u>2,701,284</u>

The accompanying notes form part of these financial statements

## Statement of changes in equity

### FOR THE YEAR ENDED 30 JUNE 2013

	\$
RETAINED EARNINGS AT 1 JULY 2011	2,400,456
Comprehensive income	<u>250,170</u>
RETAINED EARNINGS AT 30 JUNE 2012	2,650,626
Comprehensive income	<u>117,301</u>
RETAINED EARNINGS AT 30 JUNE 2013	<u><b>2,767,927</b></u>

## Statement of cash flows

### FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		2,413,916	2,430,966
Payments to suppliers and employees		(2,277,985)	(2,199,589)
Interest & dividend received	2	61,960	70,066
Changes in fair value of shares		<u>1,436</u>	-
Net cash generated from operating activities	15	<u>199,327</u>	<u>301,443</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Financial asset at fair value	8	(1,436)	-
Payment for property, plant & equipment		(18,241)	(10,674)
Net cash (used in) investing activities		<u>(19,677)</u>	<u>(10,674)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment from Centre for Compliance Fund	12	(3,955)	(9,170)
Net cash (used in) financing activities		<u>(3,955)</u>	<u>(9,170)</u>
<b>NET INCREASE IN CASH HELD</b>		175,695	281,599
Cash and cash equivalents at the beginning of the financial year		<u>1,765,291</u>	<u>1,483,692</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	5	<u><b>1,940,986</b></u>	<u><b>1,765,291</b></u>

The accompanying notes form part of these financial statements

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Fair Work (Registered Organisations) Act 2009 (the RO Act) and the Corporations Act 2001.

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 these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

The financial statements were authorised for issue on 21 August, 2013 by the directors of the company.

#### Accounting Policies

##### (a) Revenue Recognition

Members' and other subscriptions or fees are accounted for when received and recognised as income in equal monthly 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.

All revenue is stated net of Goods and Services Tax (GST).

##### (b) Development of New Services

Costs of developing new services are expensed as incurred.

##### (c) Income Tax

The company is exempt from income tax as a result of being registered as an employer organisation under the Fair Work (Registered Organisation) Act 2009.

##### (d) Cash and Cash Equivalents

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

##### (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 any 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 the revaluation reserve 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.

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 on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of office equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated over the asset's useful life to the company 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.

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 relating to that asset are transferred to retained earnings.

### (g) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

### (h) Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). 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 recognised in profit or loss immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at 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 is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

#### *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in profit or loss.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

#### *Financial liabilities*

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

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### *Impairment*

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 expired. The difference between the carrying value of the financial liability, which is 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.

#### **(i) Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values 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 asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### **(j) 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 company 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.

#### **(k) 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.

Contributions are made by the entity to employee's superannuation funds and are charged as expenses when incurred.

#### **(l) Provisions**

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

#### **(m) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.



# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### (n) Comparative Figures

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

### (o) 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.

#### Key Estimates

##### Impairment

The freehold land and buildings were independently valued at 21 May, 2012 by AON Valuation Services. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$50,658 being recognised for the year ended 30 June, 2012 (note 9).

At 30 June, 2013, the directors reviewed the key assumptions made by the valuers at 30 June 2012. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June, 2013.

### (p) Economic Dependence

The company is dependent on being recognised as the peak national body representing the interests of the security industry.

## 2. REVENUE

	2013	2012
	\$	\$
<b>Revenue from operating activities</b>		
Members' subscriptions	1,543,841	1,530,788
Exhibition, conference and seminars	189,220	255,356
Member marketing fee	111,762	111,084
Cabling providers registrations	137,021	135,092
Magazine	88,028	117,040
Breakfast briefings	37,884	41,365
Grading, seminars and workshops	59,898	50,066
Insurance support	45,540	45,000
Special events	44,607	35,460
Consultancy	5,925	6,569
Strategic partnership	32,500	30,000
Technician certification	8,550	-
Statutory compliance	53,083	-
Miscellaneous income	<u>18,928</u>	<u>11,896</u>
Total revenue from operating activities	<u>2,376,787</u>	<u>2,369,716</u>
<b>Revenue from investment activities</b>		
Rental income	51,352	49,766
Interest and dividend	61,960	70,066
Change in fair value of shares	<u>1,436</u>	<u>-</u>
Total revenue from non-operating activities	<u>114,748</u>	<u>119,832</u>
<b>Total revenue from ordinary activities</b>	<u><b>2,491,535</b></u>	<u><b>2,489,548</b></u>

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### 3. OTHER EXPENSES

	2013	2012
	\$	\$
Auditor's remuneration - audit	23,000	21,000
Auditor's remuneration – other services	<u>6,000</u>	<u>6,675</u>
	<u>29,000</u>	<u>27,675</u>
Public relations - government	-	6,000
Industrial relations service	119,828	115,804
Legal	11,019	19,045
Meetings- members, directors and reference groups	43,743	52,697
Website	89,676	32,301
Computer support service	72,355	62,441
Loss on disposal of assets	445	1,642
Other	<u>136,707</u>	<u>187,085</u>
	<b><u>502,773</u></b>	<b><u>504,690</u></b>

### 4. TAX EXPENSE

The company was exempt from income tax from 1 July 2010 as a result of being registered as an employer organisation under the Fair Work (Registered Organisation) Act 2009.

### 5. CASH AND CASH EQUIVALENTS

#### Current

Cash at bank and on hand	487,038	255,289
Short-term bank deposits	<u>1,453,948</u>	<u>1,510,002</u>
	<b><u>1,940,986</u></b>	<b><u>1,765,291</u></b>

\$13,610 (2012 \$13,162) of the short-term bank deposits are bonds paid to the company by tenants.

### 6. TRADE AND OTHER RECEIVABLES

#### Current

Trade receivables	54,436	61,580
Less: provision for doubtful debts	<u>(5,000)</u>	<u>(20,000)</u>
	<b><u>49,436</u></b>	<b><u>41,580</u></b>
Provision for doubtful debts as at 30 June 2012	20,000	20,000
Charge for year	-	-
Written off	<u>(15,000)</u>	-
Provision for doubtful debts as at 30 June 2013	<u>5,000</u>	<u>20,000</u>

#### Credit Risk – Trade Receivables

There are no trade receivables in respect of subscriptions as they are invoiced only when received. The company's credit terms in respect of services and activities are 30 days. Overdue debts are pursued and monitored by management. They are assessed for impairment and provided for where specific circumstances 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.

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

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.

	Gross amount	Past due and im- paired	Past due not im- paired	Not due not impaired
	\$	\$	\$	\$
<b>2013</b>				
<30 days	24,035	-	-	24,035
31-60 days	12,365	4,759	7,606	-
61-90 days	4,850	-	4,850	-
>90 days	<u>13,186</u>	<u>241</u>	<u>12,945</u>	<u>-</u>
	<b><u>54,436</u></b>	<b><u>5,000</u></b>	<b><u>25,401</u></b>	<b><u>24,035</u></b>
<b>2012</b>				
<30 days	32,574	-	-	32,574
31-60 days	21,156	12,150	9,006	-
61-90 days	100	100	-	-
>90 days	<u>7,750</u>	<u>7,750</u>	<u>-</u>	<u>-</u>
	<b><u>61,580</u></b>	<b><u>20,000</u></b>	<b><u>9,006</u></b>	<b><u>32,574</u></b>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Receivables that are overdue and impaired are covered by the provision for doubtful debts of \$5,000.

## 7. OTHER ASSETS

	2013	2012
	\$	\$
<b>Current</b>		
Prepayments	<b><u>112,099</u></b>	<b><u>80,345</u></b>

## 8. FINANCIAL ASSETS

	2013	2012
<b>Non-current</b>		
Available for sale financial assets		
- Investments in Australian listed shares	<b><u>1,436</u></b>	<u>-</u>

## 9. PROPERTY, PLANT & EQUIPMENT

Freehold land and building- at independent valuation	2,270,000	2,270,000
Less: accumulated depreciation	<u>(1,464)</u>	<u>-</u>
	<b><u>2,268,536</u></b>	<b><u>2,270,000</u></b>
Office equipment, furniture and fittings- at cost	371,677	353,881
Less: accumulated depreciation	<u>(238,259)</u>	<u>(201,536)</u>
	<b><u>133,418</u></b>	<b><u>152,345</u></b>
Total property, plant and equipment	<b><u>2,401,954</u></b>	<b><u>2,422,345</u></b>

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### 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>2012</b>			
Balance at the beginning of the year	2,220,904	183,681	2,404,585
Additions at cost	-	10,674	10,674
Disposals	-	(1,642)	(1,642)
Revaluation increment	50,658	-	50,658
Depreciation	(1,562)	(40,368)	(41,930)
Carrying amount at end of year	<b><u>2,270,000</u></b>	<b><u>152,345</u></b>	<b><u>2,422,345</u></b>
<b>2013</b>			
Balance at the beginning of the year	2,270,000	152,345	2,422,345
Additions at cost	-	24,524	24,524
Disposals	-	(495)	(495)
Depreciation	(1,464)	(42,956)	(44,420)
Carrying amount at end of year	<b><u>2,268,536</u></b>	<b><u>133,418</u></b>	<b><u>2,401,954</u></b>

## 10. TRADE AND OTHER PAYABLES

	2013	2012
	\$	\$
<b>Current</b>		
Trade payables	192,266	123,478
Employee benefits (other than office holders)	30,021	30,762
Other current payables	<u>73,433</u>	<u>83,607</u>
	<u>295,720</u>	<u>237,847</u>
Unearned income		
Events income	105,470	78,977
Cablers registration	212,004	174,754
Membership subscriptions	930,968	986,119
Advertising	-	4,636
	<u>1,248,442</u>	<u>1,244,486</u>
	<b><u>1,544,162</u></b>	<b><u>1,482,333</u></b>
Financial liabilities at amortised cost classified as trade and other payables	<u>295,720</u>	<u>237,847</u>

## 11. PROVISIONS

<b>Current</b>		
Provision for employee benefits	64,860	62,152
<b>Non-current</b>		
Provision for employee benefits	60,727	42,260
<b>Provision for employee benefits</b>		
Balance at 1 July 2012	104,412	106,451
Additional provision raised during the year	21,175	-
Amounts used	-	(2,039)
Balance at 30 June 2013	<b><u>125,587</u></b>	<b><u>104,412</u></b>

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

## 12. CENTRE FOR COMPLIANCE

	Note	2013 \$	2012 \$
<b>Current</b>			
Movement in Centre for Compliance fund:			
Balance at 1 July 2012		21,532	30,704
Less: expenditure		<u>(3,955)</u>	<u>(9,172)</u>
Balance at 30 June 2013		<u>17,577</u>	<u>21,532</u>

## 13. 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.

## 14. 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.

## 15. CASH FLOW INFORMATION

### Reconciliation of the profit for the year with cash flow from operations:

Profit after tax	117,301	250,170
<b>Non-cash items</b>		
Depreciation	38,187	41,930
Increase / (Decrease) in employee provisions	21,174	(2,039)
Increase / (Decrease) in doubtful debts	(15,000)	-
Loss on disposal of fixed assets	445	1,642
<b>Changes in assets and liabilities</b>		
(Increase) / decrease in trade receivables	7,144	25,202
(Increase) / decrease in prepayments	(31,754)	(23,188)
Increase / (decrease) in payables	57,873	26,362
Increase / (decrease) in deferred income	<u>3,957</u>	<u>(18,636)</u>
<b>Net cash flow from operating activities</b>	<u>199,327</u>	<u>301,443</u>

## 16. RELATED PARTY TRANSACTIONS

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

The directors do not receive any compensation from the company other than reimbursement of their travel expenses incurred as directors. Directors who are members of the company deal with the company on the same terms as all other members unless otherwise stated.

During the year a company controlled by a director, Antony Elliott, charged \$2,975 (including GST) for maintaining the security system and the doors at the company's premises.

## 17. FINANCIAL RISK MANAGEMENT

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies in Note 1, are as follows:

<b>Financial Assets</b>			
Cash and cash equivalents	5	1,940,986	1,765,291
Receivables	6	<u>49,436</u>	<u>41,580</u>
Total Financial Assets		<u>1,990,422</u>	<u>1,806,871</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables (excluding annual leave and deferred income)	10	<u>295,720</u>	<u>237,847</u>

The accompanying notes form part of these financial statements

# Notes to the financial statements

## FOR THE YEAR ENDED 30 JUNE 2013

### 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 6.

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

	Note	2013	2012
		\$	\$
ANZ		426,546	455,097
ING		211,117	523,382
Citibank		-	243,375
Rabo Direct		309,599	295,742
CBA		250,665	247,695
Macquarie		251,428	-
Bankwest		246,631	-
ME Bank		<u>245,000</u>	<u>-</u>
	5	<b><u>1,940,986</u></b>	<b><u>1,765,291</u></b>

#### 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 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	<u>282,110</u>	<u>224,684</u>	<u>13,610</u>	<u>13,162</u>	<u>-</u>	<u>-</u>	<u>295,720</u>	<u>237,846</u>
Total expected outflows	<u>282,110</u>	<u>224,684</u>	<u>13,610</u>	<u>13,162</u>	<u>-</u>	<u>-</u>	<u>295,720</u>	<u>237,846</u>
Financial assets- cash flows realisable								
Cash and cash equivalents	684,745	765,708	1,256,241	999,583	-	-	1,940,986	1,765,291
Trade receivables	<u>49,436</u>	<u>41,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,436</u>	<u>41,580</u>
Total anticipated inflows	<u>734,181</u>	<u>807,288</u>	<u>1,256,241</u>	<u>999,583</u>	<u>-</u>	<u>-</u>	<u>1,990,422</u>	<u>1,806,871</u>
<b>Net inflow on financial instruments</b>	<b><u>452,071</u></b>	<b><u>582,604</u></b>	<b><u>1,242,631</u></b>	<b><u>986,421</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,694,702</u></b>	<b><u>1,569,025</u></b>

#### 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.

At the year end all cash deposited as term deposits with Rabobank, CBA, ANZ, Macquarie and ME Bank (approximately 75% of cash on deposit) were at fixed interest rates and cash deposited with Rabobank, ING, ANZ and Bankwest were at variable rates (approximately 25% of cash on deposit).

# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2013

## Sensitivity Analysis

	Note	2013 \$	2012 \$
A 2% variation in interest rates during the year would have affected profit before income tax for the year by		<u>32,106</u>	<u>23,039</u>

## 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.

## 18. CAPITAL MANAGEMENT

The directors control the capital of the entity to ensure that adequate cash flows are generated to fund its objectives.

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. A significant portion of the company's net assets consists of cash and cash equivalents. The directors aim to maintain sufficient cash and readily realisable assets to be able to cover 2 years' operating expenses.

Retained earnings		2,818,585	2,701,284
Cash and cash equivalents	5	1,940,986	1,765,291

## 19. INFORMATION TO BE PROVIDED TO MEMBERS

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads 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).

## 20. COMPANY DETAILS

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



# ASIAL CODE of Professional Conduct

- 1.** For the purposes of ASIAL's Code of Professional Conduct (the Code), Members shall include, as applicable, any of their employees and contractors.
- 2.** Members shall conduct their activities in a professional and competent manner with respect for the public interest, maintaining the privacy and confidentiality in their dealings, and shall at all times act with integrity in dealing with clients, employees or sub-contractors, past and present, with their fellow Members and with the general public. The objective of the Code is for Members to adopt best practice industry standards.
- 3.** Members shall not intentionally disseminate false or misleading information, whether written, spoken or implied, nor engage in false, misleading or deceptive conduct or otherwise bring the security industry into disrepute. Members have a duty to maintain truth, accuracy and good taste in advertising and sales promotion.
- 4.** Members shall not represent conflicting or competing interests except with the express consent of those concerned given only after full disclosure of the facts to all interested parties.
- 5.** Members shall refrain from knowingly associating with any enterprise, which uses improper or illegal methods for obtaining business.
- 6.** Members shall not intentionally injure the professional reputation or practice of another Member.
- 7.** Members shall comply with all applicable State and Federal legislation covering security providers and in particular statutory obligations, including but not limited to matters relating to consumer laws, occupational health and safety and workplace relations laws.
- 8.** ASIAL is to be informed when the Member's attention has been drawn to any breach by that Member of the Code.
- 9.** Members shall help to improve the body of knowledge of the profession by exchanging information and experience with fellow Members, participating in industry related programs designed to raise the standard of service delivery, and by applying their special skill and training for the benefit of others.
- 10.** Members shall refrain from using their relationship with the Association in such a manner as to state or imply an official accreditation or approval beyond the scope of membership of the Association and its aims, rules and policies.
- 11.** Members shall cooperate with fellow Members in upholding and enforcing the ASIAL Code of Professional Conduct.
- 12.** Members shall have in place procedures to deal appropriately and promptly with complaints about the provision of its services and actively engage in the resolution of complaints raised via ASIAL's Dispute Resolution Policy and Procedure.
- 13.** Members shall maintain appropriate and accurate records in accordance with all relevant statutory requirements.
- 14.** Where an alleged breach of this Code is appropriately brought to the attention of ASIAL, then ASIAL will in the first instance raise this matter in writing with the Member. ASIAL will provide the Member with the opportunity to take remedial action, if that is appropriate under the circumstances, or where remedial action should have been but has not been carried out by the Member, then ASIAL is to inform the Member that it will take the appropriate disciplinary action by way of a show cause notice why their membership should not be cancelled.



**Australian Security Industry  
Association Limited**

Security Industry House, 41 Hume Street, Crows Nest, NSW 2065

Tel: 1300 127 425 Fax: 02-8425 4343, Email: [security@asial.com.au](mailto:security@asial.com.au) Web: [www.asial.com.au](http://www.asial.com.au)  
Twitter: [https://twitter.com/asial\\_au](https://twitter.com/asial_au) LinkedIn: [www.linkedin.com/company/asial](http://www.linkedin.com/company/asial)