



19 December 2018

Mr Bryan de Caires
Chief Executive Officer
Australian Security Industry Association Ltd

Dear Mr de Caires

Re: – Financial reporting – Australian Security Industry Association Ltd - for year ending 30 June 2018 (FR2018/240)

I acknowledge receipt of the financial report of the Australian Security Industry Association Ltd in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 30 November 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 the report for year ending 30 June 2019 may be subject to an advanced compliance review. You are not required to take any further action in respect of the report lodged. However, I make the following comments to assist when preparing the next report.

Subsection 255(2A) report to be included

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) and described by reporting guideline 22. Please also note that the subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

The lodged financial report did not include a subsection 255(2A) expenditure report. Please ensure in future years that a subsection 255(2A) report is prepared, audited, provided to members and lodged with the ROC.

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same issues appeared in the 2018 report. I acknowledge your advice today that these matters will be rectified in the 2019 report.

Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect¹ must be included either in the financial statements, the notes or in an officer's declaration statement.

¹ Or an itemised nil balance, as illustrated in the model financial statements

The notes contained nil activity information for all relevant prescribed categories not otherwise actively reported except the following:

- RG12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of branches of the organisation, a determination or revocation by the General Manager, Fair Work Commission
- RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- RG17(a) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation
- RG17(b) - transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- RG19 - have another entity administer the financial affairs of the reporting unit
- RG20 - make a payment to a former related party of the reporting unit

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in an officer's declaration statement as per the reporting guidelines.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

29th November 2018

E: regorgs@roc.gov.au

Lodgement of Financial Statements & Accounts

Certificate of Secretary

I, Bryan de Caires, being the Secretary of the Australian Security Industry Association Limited, certify that:

1. The document lodged herewith, being the 2018 Annual & Financial Report of the Australian Security Industry Association Limited incorporating the General Purpose Financial Report, Operating Report and Committee of Management's Statement together with the Independent Auditor's Report for the year ended 30 June 2018, is a copy of the full report referred to in *s268* of the *Fair Work (Registered Organisations) Act 2009*; and
2. Notification was provided to Members via email on the 12th September 2018, via the Association's e-newsletter on the 18th September 2018, and via the Association's web site that the 2018 Annual & Financial Report was available for their perusal, along with details of the Annual General Meeting, Minutes of the 2017 Annual General Meeting; and
3. That the full report was presented to the 49th Annual General Meeting of Members held on the 28th November 2018, in accordance with *s266* of the *Fair Work (Registered Organisations) Act 2009*; and
4. As noted in the 2018 Annual & Financial Report no loans, grants or political donations were made over the past year.

Yours sincerely



Bryan de Caires
Chief Executive Officer & Secretary

Attachment: 2018 ASIAL Annual & Financial Report.



2018 ASIAL Financial Statements

Directors' Operating Report

Your directors submit this operating report for the year ended 30 June 2018. 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. A brief profile of each Director is set out on pages 14 and 15 of this Annual and Financial Report.

Directors

Rod Anderson	Brian Foster
John Gellel	John Hadden
Kevin McDonald	Rachael Saunders
Michael Smith	Robin Stenzel*
Suzette Po-Williams**	

*Robin Stenzel tendered his resignation from the board on 13 June 2018.

**Suzette Po-Williams was appointed as a Director on 4 July 2018.

Key objectives of the Association

The Association's key strategic priorities are:

- *To promote a positive image of the industry;*
- *To promote the highest levels of professionalism and standards in the industry;*
- *To provide strong advocacy acting as a respected and unified voice for the industry;*
- *To provide value to members 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:

- *Providing advocacy through engagement with regulators and through industry submissions;*
- *Providing media comment on topical industry issues;*
- *Providing member services as an approved security industry association in the ACT, QLD and VIC;*
- *Performing the role as a cabling registrar under the Australian Communications and Media Authority's Cabling Provider Rules;*
- *Promoting the use of ASIAL members through consumer awareness campaigns;*
- *Providing professional development opportunities and industry certification schemes;*
- *Ongoing development of the Association's Customer Relationship Management system to ensure member needs are fully serviced;*
- *Continuous development of the Association's communications channels to ensure that they best serve the needs of members and the broader community;*
- *Offering practical and affordable member benefits and services.*

Measurement of the Association's performance

The Association measures performance through member acquisition and retention rates; growth in member subscription and non-subscription revenue; event attendance; media exposure and profile; and 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 2018 for the purposes of section 254 (2) (f) of the Fair Work (Registered Organisations) Act 2009 was 2,639.

Employees

The company employed 13 employees as at 30 June 2018 (2017:14 employees).

Rights of Members to resign

In accordance with section 174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership of the Organisation by written notice addressed and delivered to the Chief Executive Officer as per rule 11 of the ASIAL Constitution.

Details of Trustee of Superannuation Entities

No member of the Board was:

- A trustee of a superannuation entity of an exempt public sector superannuation scheme or
- 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 \$1,101,421 (2017: \$77,479). The Association's reserves grew to \$4,614,267.

The Association remains committed to its policy of reinvesting surpluses into the maintenance and improvement of services to members, whilst using the balance to build sufficient reserves for when they may be needed.

Significant Changes in the State of Affairs

No significant change in the state of affairs of the Company occurred during the financial year.

Significant Events after Balance Date

No significant events have taken place after the balance date.

Likely Developments and Expected Results

Directors have budgeted for a surplus of \$5,724 for the coming year, which includes a provision for celebrating the Association's 50th anniversary. 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 to which the person is a party for the purpose of taking responsibility on behalf of the company for all, or any part of these 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 \$11,266, 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.

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.

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.

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 (3/5)	Brian Foster (4/5)
John Gellel (3/5)	John Hadden (5/5)
Kevin McDonald (5/5)	Rachael Saunders (5/5)
Michael Smith (5/5)	Robin Stenzel (5/5)

Attendance at National Reference Group meetings

Rod Anderson (1/1)	Brian Foster (1/1)
John Gellel (0/1)	Kevin McDonald (1/1)
Neil McLean (1/1)	Rachael Saunders (1/1)
John Fleming (1/1)	Peter Johnson (1/1)
Rob Seth (1/1)	Suzette Po-Williams (1/1)
Chris Delaney (1/1)	Chevelle Millhouse 1/(1)
Darryl Milling (0/1)	

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



Michael Smith
Director

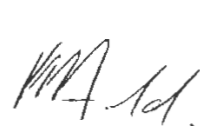
Crows Nest, 10 September 2018

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 24 to 39 are in accordance with the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 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 2018 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 RO 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 RO Act; and
 - (v) there has been no order for inspection of financial records made by the Commission under section 273 of the RO Act.
- (d) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

On behalf of the Board



Kevin McDonald
Director



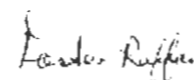
Michael Smith
Director

Crows Nest, 10 September 2018

Auditor's Independence Declaration

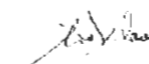
I declare, to the best of my knowledge and belief that during the year ended 30 June 2018 there have been:

- (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



GD Wood, FCA #18237
Holder of a current Public Practice Certificate
Principal

North Sydney,
10 September 2018

Independent Audit Report to the Members of Australian Security Industry Association Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Security Industry Association Limited (the reporting unit) which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the directors' operating report.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the reporting unit as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled my other ethical responsibilities in accordance with the Code.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report and accompanying the financial report.

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

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

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

Responsibilities of the Board for the Financial Report

The Board of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the reporting unit or to cease operation, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis for accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial performance of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We communicate within the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that we are an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

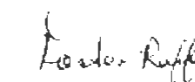
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the statement of comprehensive income and note 3 of the financial report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of the company for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Board is responsible for the preparation and presentation of the remuneration report in accordance with the reporting guidelines of the reporting unit. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



Foster Raffan



GD Wood, FCA
Principal
AA2017/31

Level 6, 8 West Street, North Sydney NSW 2060

10 September 2018

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Revenue – operating	2	2,523,633	2,396,522
– investment	2	126,306	115,773
Expenses directly related to operating activities		(671,431)	(639,698)
Employee expenses	3	(1,375,445)	(1,307,202)
Depreciation	10	(24,441)	(26,423)
Other expenses	4	(527,201)	(461,493)
PROFIT BEFORE INCOME TAX		51,421	77,479
Income tax expense		-	-
PROFIT FOR THE YEAR	5	51,421	77,479
Other comprehensive income	1(o)	1,050,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	16	1,101,421	77,479

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,572,679	2,380,022
Trade and other receivables	7	468,247	460,630
Other current assets	8	77,117	98,580
TOTAL CURRENT ASSETS		3,118,043	2,939,232
NON – CURRENT ASSETS			
Property, plant and equipment	10	3,618,875	2,582,552
TOTAL NON-CURRENT ASSETS		3,618,875	2,582,552
TOTAL ASSETS		6,736,918	5,521,784
CURRENT LIABILITIES			
Trade and other payables	11	1,921,790	1,830,683
Employee provisions	12	139,460	129,524
Centre for Compliance fund	13	17,577	17,577
TOTAL CURRENT LIABILITIES		2,078,827	1,977,784
NON CURRENT LIABILITIES			
Employee provisions	12	43,824	31,154
TOTAL LIABILITIES		2,122,651	2,008,938
NET ASSETS		4,614,267	3,512,846
EQUITY			
Retained earnings		3,279,225	3,227,804
Reserve	1(o)	1,335,042	285,042
TOTAL EQUITY		4,614,267	3,512,846

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings	Property revaluation reserve	Total
	\$	\$	\$
Balance at 1 July 2016	3,150,325	285,042	3,435,367
Comprehensive income for the year	77,479	-	77,479
Balance at 30 June 2017	3,227,804	285,042	3,512,846
Comprehensive income for the year	51,421	1,050,000	1,101,421
Balance at 30 June 2018	<u>3,279,225</u>	<u>1,335,042</u>	<u>4,614,267</u>

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		2,831,085	2,523,453
Payments to suppliers and employees		(2,678,663)	(2,387,571)
Interest received		50,909	55,205
Net cash generated from operating activities	16	<u>203,331</u>	191,087
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	10	(10,764)	-
Net cash (used in) investing activities		(10,764)	-
NET INCREASE IN CASH HELD		192,657	191,087
Cash and cash equivalents at the beginning of the financial year		<u>2,380,022</u>	2,188,935
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6	<u>2,572,679</u>	<u>2,380,022</u>

Notes to the Financial Statements

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*. For the purpose of preparing the general financial statements, the company is a not-for-profit entity.

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.

New Australian Accounting Standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The financial statements were authorised for issue on 10 September 2018 by the directors of the company.

Accounting Policies

(a) Revenue Recognition

Members' and other subscriptions or fees are accounted for on an accrual basis when invoiced 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(i) for details of impairment).

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

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 (i.e. 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.

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 are also measured on a consistent manner with those liabilities expected to be settled within one year. The directors have not measured employee benefits payable later than one year at the present value of the estimated future cash outflows as it is believed that the amount would not be materially different to the current method used to calculate employee provisions.

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.

(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 20 June 2018 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 \$1,050,000 being recognised for the year ended 30 June 2018. Together with a revaluation of

\$285,042 brought forward from 2017, the accumulated reserve came to \$1,335,042 at 30 June 2018.

(p) Economic Dependence

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

(q) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(r) Going concern

As with all member-based organisations, the company is reliant on the continued financial support of its members to continue as a going concern.

2. REVENUE

Revenue from operating activities

Members' subscriptions	1,559,465	1,524,307
Levies	-	-
Grants and/ or donations	-	-
Exhibition, conference and seminars	142,886	112,180
Member marketing fee	145,162	122,065
Cabling providers	158,389	150,780
Magazine	56,982	106,206
Breakfast briefings	36,827	38,645
Grading, seminars and workshops	34,783	34,996
Insurance support	45,000	47,578
Special events	73,400	78,571
Consultancy	35	9,300
Strategic Partnership	68,500	82,309
GOLDOC	110,800	-
Statutory compliance	52,800	58,025
WHS income	23,250	21,225
E-learning income	7,589	5,891
Miscellaneous income	7,765	4,444
Total revenue from operating activities	2,523,633	2,396,522

Revenue from investment activities

Rental income	61,753	60,568
Interest	64,553	55,205
Total revenue from non-operating activities	126,306	115,773

Total revenue from ordinary activities

	2018 \$	2017 \$
Total revenue from ordinary activities	2,649,939	2,512,295

3. EMPLOYEE BENEFITS

Office holders

Wages and salaries	462,456	464,211
Superannuation	51,379	44,100
Leave and other entitlements	15,290	25,543
Separation and redundancies	-	-
Other employee expenses	8,204	9,600

Subtotal employee expenses holders of office

Subtotal employee expenses holders of office	537,329	543,454
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Employees other than office holders

Wages and salaries	625,126	656,501
Superannuation	73,267	61,648
Leave and other entitlements	82,616	3,997
Separation and redundancies	2,208	-
Other employee expenses	54,899	41,602

Subtotal employee expenses employees other than office holders

Total employee expenses

Subtotal employee expenses employees other than office holders	838,116	763,748
Total employee expenses	1,375,445	1,307,202

4. OTHER EXPENSES

	2018 \$	2017 \$
Remuneration of auditors		
Financial statement audit services	28,000	25,000
Other services – interim review	6,000	6,500
Other services – general advices	-	-
	<u>34,000</u>	<u>31,500</u>
Administration expenses		
- Contractors/consultants	4,716	-
- Compulsory levies	-	-
- Consideration to employers for payroll deductions	-	-
- Information communications technology	96,463	95,653
- Meeting expenses	993	7,410
- Office expenses	157,434	103,135
- Travel expenses	65,841	65,627
	<u>359,447</u>	<u>271,825</u>
Affiliation fees	-	-
Bad debts written off	-	-
Bank charges	7,189	2,148
Capitation fees	-	-
Donations – Total paid that were \$1,000 or less	-	-
Donations – Total paid that exceeded \$1,000	-	-
Finance costs	-	-
Grants – Total paid that were \$1,000 or less	-	-
Grants – Total paid that exceeded \$1,000	-	-
Industry relations service	129,891	127,451
Industry research	15,000	-
Legal costs – litigation	-	-
Legal costs – other legal matters	3,883	14,096
Marketing expenses	9,159	7,815
Miscellaneous expenses	1,718	6,658
Net loss from sale of assets	914	-
Penalties via RO Act	-	-
Total other expenses	<u>527,201</u>	<u>461,493</u>

5. TAX EXPENSE

The company is 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*.

6. CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Current		
Cash at bank	790,730	511,030
Short-term bank deposits	1,781,949	1,868,992
	<u>2,572,679</u>	<u>2,380,022</u>

\$7,091 (2017 \$5,530) of the short-term bank deposits are bonds paid to the company by tenants.

7. TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Current		
Trade receivables	478,247	470,630
Less: provision for doubtful debts	(10,000)	(10,000)
	<u>468,247</u>	<u>460,630</u>
Provision for doubtful debts as at 30 June 2017	10,000	31,243
Charge for year	-	-
Written off	-	(21,243)
Provision for doubtful debts as at 30 June 2018	<u>10,000</u>	<u>10,000</u>

Credit Risk – Trade Receivables

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.

	Gross amount \$	Past due and impaired \$	Past due not impaired \$	Not due not impaired \$
2017				
<30 days	41,634	-	-	41,634
31-60 days	384,288	-	34,893	349,395
61-90 days	27,502	366	27,136	-
>90 days	17,206	9,422	7,764	-
	<u>470,630</u>	<u>9,808</u>	<u>69,793</u>	<u>391,029</u>
2018				
<30 days	377,180	-	-	377,180
31-60 days	44,508	-	44,508	-
61-90 days	15,436	-	15,436	-
>90 days	41,123	-	41,123	-
	<u>478,247</u>	<u>-</u>	<u>101,067</u>	<u>377,180</u>

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

8. OTHER ASSETS

	2018 \$	2017 \$
Current		
Prepayments	77,117	98,580

9. KEY MANAGEMENT PERSONNEL REMUNERATION

	2018 \$	2017 \$
Short-term employee benefits		
Salary	462,456	464,211
Annual leave accrued	55,915	55,914
Total short-term employee benefits	518,371	520,125
Post employment benefits		
Superannuation	51,379	44,100
Total post employment benefits	51,379	44,100
Other long-term benefits		
Long service leave	77,513	51,957
Total other long-term benefits	77,513	51,957
Termination benefits	-	-
	647,263	616,182

10. PROPERTY, PLANT & EQUIPMENT

Freehold land and building- 3-yearly independent revaluation – June 2018	3,550,000	2,500,000
Less: accumulated depreciation	(4,384)	(2,924)
	3,545,616	2,497,076
Office equipment, furniture and fittings – at cost	303,422	298,751
Less: accumulated depreciation	(230,163)	(213,275)
	73,259	85,476
Total property, plant and equipment	3,618,875	2,582,552

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 & Building \$	Office Equipment & Software \$	Total \$
2017			
Balance at the beginning of the year	2,498,536	110,439	2,608,975
Additions at cost	-	-	-
Disposals	-	-	-
Depreciation	(1,460)	(24,963)	(26,423)
Carrying amount at end of year	2,497,076	85,476	2,582,552
2018			
Balance at the beginning of the year	2,497,076	85,476	2,582,552
Additions at cost	-	10,764	10,764
Revaluation	1,050,000	-	1,050,000
Disposals	-	-	-
Depreciation	(1,460)	(22,981)	(24,441)
Carrying amount at end of year	3,545,616	73,259	3,618,875

Fair Value Hierarchy

The following table provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Fair value hierarchy at 30 June 2017				
Assets measured at fair value				
Freehold land and building	24 July 2015	2,497,076	-	-
Total		2,497,076	-	-
Liabilities measured at fair value				
Total		-	-	-
Fair value hierarchy at 30 June 2018				
Assets measured at fair value				
Freehold land and building	20 June 2018	3,545,616	-	-
Total		3,545,616	-	-
Liabilities measured at fair value				
Total		-	-	-

11. TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Current		
Trade payables	101,156	75,198
Employee liabilities	-	35,212
Other current payables	96,688	97,076
	197,844	207,476
Considerations to employers for payroll deductions	-	-
Legal Costs - litigation	-	-
Legal Costs - other legal matters	-	-
Unearned income		
Events income	47,400	34,127
Cablers registration	217,349	241,425
Membership subscriptions	1,418,709	1,307,722
Security Insider advertising	1,319	1,819
Industry briefing	1,499	1,895
Rental income	37,670	36,219
	1,723,946	1,623,207
	1,921,790	1,830,683
Financial liabilities at amortised cost classified as trade and other payables	197,844	207,476

For trade payables settlement is usually made within 30 days.

12. EMPLOYEE PROVISIONS

	2018 \$	2017 \$
Office holders		
Annual leave	55,915	55,914
Long service leave	77,513	51,957
Separation and redundancies	-	-
Other employee provisions	-	-
Subtotal employee provisions – office holders	<u>133,428</u>	<u>107,871</u>
Employees other than office holders		
Annual leave	25,032	19,134
Long service leave	24,824	33,673
Separation and redundancies	-	-
Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	<u>49,856</u>	<u>52,807</u>
Total employee provisions	<u>183,284</u>	<u>160,678</u>
Current		
Provision for employee benefits	<u>139,460</u>	<u>129,524</u>
Non-current		
Provision for employee benefits	<u>43,824</u>	<u>31,154</u>
Provision for employee benefits		
Balance at 1 July 2017	160,678	131,138
Additional provision raised during the year	118,571	112,111
Amounts used	(95,965)	(82,571)
Balance at 30 June 2018	<u>183,284</u>	<u>160,678</u>

13. CENTRE FOR COMPLIANCE

	2018 \$	2017 \$
Current		
Balance at 1 July 2017	17,577	17,577
Less: expenditure	-	-
Balance at 30 June 2018	<u>17,577</u>	<u>17,577</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.

16. CASH FLOW INFORMATION

	2018 \$	2017 \$
Reconciliation of the profit for the year with cash flow from operations:		
Profit after tax	1,101,421	77,478
Non-cash items		
Depreciation	24,441	26,424
Revaluation	(1,050,000)	-
Increase / (Decrease) in employee provisions	22,606	29,540
Increase / (Decrease) in doubtful debts	-	(21,243)
Changes in assets and liabilities		
(Increase) / decrease in trade receivables	(7,617)	(38,842)
(Increase) / decrease in prepayments	21,463	8,001
Increase / (decrease) in payables	(9,722)	(15,884)
Increase / (decrease) in deferred income	100,739	125,613
Net cash flow from operating activities	<u>203,331</u>	<u>191,087</u>

17. 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.

18. 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:

	Note	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	6	2,572,679	2,380,022
Receivables	7	468,247	460,630
Total Financial Assets		<u>3,040,926</u>	<u>2,840,652</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
Trade and other payables (excluding annual leave and deferred income)	11	<u>199,343</u>	<u>209,372</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 company deposits cash only with government guaranteed Australian banks. Cash was with the following banks at the year end:

	Note	2018 \$	2017 \$
ANZ		142,280	615,865
ING		628,971	358,846
Suncorp		254,563	252,858
Rabo Direct		270,189	262,696
St George		254,139	-
Bankwest		255,301	128,873
ME Bank		252,384	252,384
Bank of Queensland		252,236	253,384
Westpac		262,616	255,116
	6	<u>2,572,679</u>	<u>2,380,022</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 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Financial liabilities due for payment								
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	190,787	200,618	7,057	6,858	-	-	197,844	207,476
Total expected outflows	190,787	200,618	7,057	6,858	-	-	197,844	207,476
Financial assets – cash flows realisable								
Cash and cash equivalents	2,572,679	2,380,022	-	-	-	-	2,572,679	2,380,022
Trade receivables	468,247	460,630	-	-	-	-	468,247	460,630
Total anticipated inflows	3,040,926	2,840,652	-	-	-	-	3,040,926	2,840,652
Net inflow/(outflow) on financial instruments	<u>2,850,139</u>	<u>2,640,034</u>	<u>(7,057)</u>	<u>(6,858)</u>	<u>-</u>	<u>-</u>	<u>2,843,082</u>	<u>2,633,176</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.

At the year end all cash deposited as term deposits with Rabobank, Suncorp, Bank West, Bank of Queensland, Westpac, St George and ME Bank (approximately 69% of cash on deposit) were at fixed interest rates and cash deposited with Rabobank, ING, ANZ and Bankwest was variable rates (approximately 31% of cash on deposit).

Sensitivity Analysis

A 2% variation in interest rates during the year would have affected profit before income tax for the year by

2018 \$	2017 \$
<u>44,355</u>	<u>40,739</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.

19. 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 and revaluation reserve. 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 18 Months operating expenses.

Total equity	4,614,267	3,512,846
Cash and cash equivalents	2,572,679	2,380,022

20. 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).

21. EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the company.

22. COMPANY DETAILS

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

Your mark of distinction

ASIAL

Australian Security Industries
Association Limited

The peak body for security professionals

Security Industry House, 41 Hume Street, Crows Nest NSW 2065
1300 127 425 | security@ASIAL.com.au | www.ASIAL.com.au

Supporting members, promoting standards and safeguarding public interests.

