Australian Government
Registered Organisations Commission

17 December 2020

Bryan de Caires
Chief Executive Officer
Australian Security Industry Association Ltd

Dear Bryan

Re: – Financial reporting – Australian Security Industry Association Ltd – for year ending 30 June 2020 (FR2020/228)

I refer to the financial report of the Australian Security Industry Association Ltd in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 1 December 2020.

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 2021 may be subject to an advanced compliance review.

Designated officer's certificate

I confirm our discussion in relation to the certificate referred to in section 268 and note your advice that future certificates will be signed by the President.

You are not required to take any further action in respect of the report lodged.

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

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1 December 2020

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ASIAL
AUSTRALIAN SECURITY INDUSTRY ASSOCIATION LIMITED
The peak body for security professionals

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 2020 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 2020, 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 6th October 2020 and via the Association's web site that the 2020 Annual & Financial Report was available for their perusal, along with details of the Annual General Meeting, Minutes of the 2019 Annual General Meeting; and

3. That the full report was presented to the 51st Annual General Meeting of Members held on the 25th November 2020, in accordance with *s266* of the *Fair Work (Registered Organisations) Act 2009; and*

4. No loans, grants or political donations were made over the past year.

Yours sincerely

Bryan de Caires
Chief Executive Officer & Secretary

Attachment: 2020 ASIAL Annual & Financial Report.

Directors' Operating Report

Your board of directors submit this operating report for the year ended 30 June 2020. 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 18 and 19 of this Annual and Financial Report.

Directors

Rod Anderson	Brian Foster
John Gellel	Fred Khoury
Kevin McDonald	Suzette Po-Williams
Rachaell Saunders	Michael Smith

Key objectives of the Association

The Association's key strategic priorities are:

1. Driving industry research and data sharing
2. Promoting the industry's role and capabilities
3. Raising ethical and professional standards
4. Working toward national uniform and consistent security licensing standards
5. Forging stakeholder collaboration

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:

- *Promoting the industry's role and capabilities;*
- *Driving industry research and data sharing;*
- *Providing advocacy through engagement with regulators, government and through industry submissions;*
- *Raising ethical and professional standards through the development of industry codes of practice and guidelines;*
- *Providing industry representation as a Registered Organisation of Employers under the Fair Work (Registered Organisations) Act 2009;*
- *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;*
- *Forging stakeholder collaboration;*
- *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 2020 for the purposes of section 254 (2) (f) of the Fair Work (Registered Organisations) Act 2009 was 2,637.

Employees

The company employed 12 employees as at 30 June 2020 (2019:13 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:

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 $104,975 (2019: $64,239). The Association's reserves grew to $4,783,481.

The Association remains committed to its policy of reinvesting surpluses into the maintenance and improvement of services to members, whilst using the balance to maintain appropriate 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 loss of $59,943 for the coming year. 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

No loans, grants or political donations were made during the course of the 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 $8,665, 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

SDJA 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 (0/5)	Brian Foster (5/5)
John Gellel (5/5)	Fred Khoury (5/5)
Kevin McDonald (5/5)	Rachaell Saunders (4/5)
Michael Smith (5/5)	Suzette Po-Williams (5/5)

Attendance at National Reference Group meetings

Rod Anderson (0/1)	Scott Corcoran (1/1)
Chris Delaney (0/1)	John Fleming (1/1)
Brian Foster (1/1)	John Gellel (0/1)
Peter Johnson (1/1)	Darryl Milling (1/1)
Kevin McDonald (1/1)	Neil McLean (1/1)
Suzette Po-Williams (1/1)	Rachaell Saunders (1/1)
Rob Seth (1/1)	Michael Smith (1/1)

A copy of the auditors' independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 23.

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

Kevin McDonald	**John Gellel**
Director	*Director*

Crows Nest, 31 August 2020

Directors’ Declaration

On 31st August 2020 the Directors of Australian Security Industry Association Limited passed the following resolution in relation to the General Purpose Financial Report (GPFR) for the year ended 30 June 2020:

The Directors declare that in their opinion:

a) the financial statements and notes comply with the Australian Accounting Standards and the Corporations Regulations 2001;

b) the financial statements and notes comply with 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);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

e) during the financial year to which the GPFR relates and since the end of that year:

   i. meetings of the Directors were held in accordance with the rules of the reporting unit concerned; and

   ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the reporting unit concerned; and

   iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

   iv. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   v. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

On behalf of the Board

Kevin McDonald	**John Gellel**
Director	*Director*

Crows Nest, 31 August 2020

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Australian Security Industry Association Limited
Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Australian Security Industry Association Limited
For the Financial Year Ended 30 June 2020

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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 contravention of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

SDJA

SDJA

Simon Joyce
Director
Sydney, New South Wales

31 August 2020

Liability limited by a scheme approved under Professional Standards Legislation

Report Required Under Subsection 255(2A)

The Directors present the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditures	2020 $	2019 $
Remuneration and other employment-related costs and expenses - employees	1,271,186	1,279,278
Advertising	41,838	234,722
Operating costs	1,029,122	1,044,436
Donations to political parties	-	-
Legal costs	96,028	18,547

On behalf of the Board.

Kevin McDonald
Director

John Gellel
Director

Crows Nest, 31 August 2020

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Independent Audit Report to the Members of Australian Security Industry Association Limited For the Financial Year Ended 30 June 2020

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 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies; the directors' declaration and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Security Industry Association Limited as at 30 June 2020, 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) the Corporations Act 2001, including:
   (i) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its financial performance for the year ended; and
   (ii) complying with the Corporations Regulations 2001.
c) 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).

We 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 our 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 our other ethical responsibilities in accordance with the Code.

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

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 Directors' Operating Report 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 nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Reporting Unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Corporations Act 2001, and the RO Act, and for such internal control as the Directors 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 Directors are 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 Directors either intend to liquidate the Reporting Unit or to cease operations, 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,

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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 our opinion. The risk of not detecting a 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 Directors.
- 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.
- Conclude on the appropriateness of the Directors' use of the going concern basis of 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.
- Obtain sufficient appropriate audit evidence regarding the financial information 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 with the Directors 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 audit firm where at least one member is a registered auditor and an auditor registered under the RO Act.

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/28.

SDJA

SDJA

Simon Joyce
Director

31 August 2020
Sydney, New South Wales

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Revenue			
Membership subscriptions		1,584,496	1,535,408
Capitation fees and other revenue from another reporting unit	3A	–	–
Levies	3B	–	–
Investment income	3C	54,593	54,390
Rental revenue	3D	63,342	62,162
Other operating revenue	3E	752,621	962,342
Total revenue		**2,455,052**	**2,614,302**
Other income			
Grants or donations	3F	65,550	–
Revenue from recovery of wages activity	3G	–	–
Other non-operating income		22,547	26,920
Total other income		**88,097**	**26,920**
Total income		**2,543,149**	**2,641,222**
Expenses			
Expenses directly related to operating activities		(309,132)	(314,838)
Employee expenses	4A	(1,271,186)	(1,279,278)
Capitation fees and other expense to another reporting unit	4B	–	–
Affiliation fees	4C	–	–
Administration expenses	4D	(676,654)	(821,898)
Grants or donations	4E	(56)	(25,000)
Depreciation	4F	(18,750)	(57,750)
Finance costs		–	–
Legal costs	4G	(96,028)	(18,547)
Audit fees	14	(36,292)	(32,936)
Share of net loss from associate		–	–
Write-down and impairment of assets	4H	–	–
Net losses from sale of assets		(30,076)	(26,736)
Other expenses	4I	–	–
Total expenses		(2,438,174)	(2,576,983)
Surplus for the year		**104,975**	**64,239**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
– Gain on revaluation of land and buildings		–	–
Total comprehensive income for the year		**104,975**	**64,239**

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Assets			
Current			
Cash and cash equivalents	5A	2,983,866	2,726,638
Trade and other receivables	5B	436,075	421,933
Other current assets	5C	95,115	75,598
Current assets		**3,515,056**	**3,224,169**
Non-current			
Land and buildings	6A	3,506,384	3,525,134
Plant and equipment	6B	-	14,300
Non-current assets		**3,506,384**	**3,539,434**
Total assets		**7,021,440**	**6,763,603**
Liabilities			
Current			
Trade payables	7A	119,102	105,091
Other payables	7B	1,777,379	1,713,133
Employee provisions	8A	225,391	141,353
Current liabilities		**2,121,872**	**1,959,577**
Non-current			
Other payables	7B	88,535	83,870
Employee provisions	8A	27,552	41,650
Non-current liabilities		**116,087**	**125,520**
Total liabilities		**2,237,959**	**2,085,097**
Net assets		**4,783,481**	**4,678,506**
Equity			
Property revaluation reserve	9A	1,335,042	1,335,042
Retained earnings		3,448,439	3,343,464
Total equity		**4,783,481**	**4,678,506**

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Property revaluation reserve	Retained Earnings	Total Equity
		$	$	$
Balance at 1 July 2018		1,335,042	3,279,225	**4,614,267**
Profit for the year		–	64,239	**64,239**
Other comprehensive income:		–	–	–
Total comprehensive income		–	64,239	**64,239**
Balance at 30 June 2019		**1,335,042**	**3,343,464**	**4,678,506**
Balance at 1 July 2019		1,335,042	3,343,464	**4,678,506**
Profit for the year		–	104,975	**104,975**
Other comprehensive income:		–	–	–
Total comprehensive income		**–**	104,975	**104,975**
Balance at 30 June 2020		**1,335,042**	**3,448,439**	**4,783,481**

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		2,433,686	2,533,236
Grants received		50,000	–
Receipt from other reporting units/controlled entities	10B	–	–
Cash used			
Payments to suppliers and employees		(2,328,617)	(2,490,784)
Payment to other reporting units/controlled entities	10B	–	–
Net cash provided by operating activities	10A	**155,069**	**42,452**
INVESTING ACTIVITIES			
Cash received			
Interest received		54,593	54,390
Rental income received		63,342	62,162
Cash used			
Purchase of plant and equipment	6B	(15,776)	(5,045)
Net cash provided by investing activities		**102,159**	**111,507**
FINANCING ACTIVITIES			
Cash received			
Other		–	–
Cash used			
Other		–	–
Net cash provided by financing activities		–	–
Net change in cash and cash equivalents		257,228	153,959
Cash and cash equivalents at beginning of financial year		2,726,638	2,572,679
Cash and cash equivalents at end of financial year	5A	**2,983,866**	**2,726,638**

Notes to the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, *the Corporations Act 2001 and the Fair Work (Registered Organisation)* Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Security Industry Association Limited is a not-for- profit entity.

The financial statements, other than the Statement of Cash Flows, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

- Land and buildings – refer to note 1.13
- Employee provisions – refer to note 1.7

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

Any new and revised standards that became effective for the first time in the current financial year have been adopted. The adoption of these amendments has not had a material impact on the entity. No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions. Application of this standard is discussed further below.
- AASB 16 Leases and amending standards, which replaces AASB117 Leases. Application of this standard is discussed further below.
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation. The adoption of this accounting standard did not have a material impact on the reporting unit's financial statements.
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures. The adoption of this accounting standard did not have a material impact on the reporting unit's financial statements.
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle. The adoption of this accounting standard did not have a material impact on the reporting unit's financial statements.
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement. The adoption of this accounting standard did not have a material impact on the reporting unit's financial statements.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the reporting unit. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;

Notes to the Financial Statements

- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The reporting unit adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the reporting unit recognised the cumulative effect (if any) of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e. 1 July 2019.

Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, the reporting unit has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the reporting unit's financial statements.

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the reporting unit is the lessor.

The reporting unit has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect (if any) of initially applying the standard recognised at the date of initial application. The reporting unit elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019. Instead, the reporting unit applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

Before the adoption of AASB 16, the reporting unit would have classified its lease contracts (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, the reporting unit applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the reporting unit.

Leases previously classified as finance leases

The reporting unit did not have any leases previously classified as finance leases.

Leases previously accounted for as operating leases

The reporting unit did not have any leases previously classified as operating leases.

Reporting unit as a lessor

The reporting unit is not required to make any adjustments on transition to AASB 16 where it is a lessor.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on reporting unit include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

During the financial year ended 30 June 2020, the reporting unit performed a preliminary assessment of AASB 2020-1. The directors are currently assessing the impact such standards will have on the reporting unit and will not be early adopting AASB 2020-1 for the financial year ended 30 June 2020.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from membership subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Receivables for services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Gains and losses

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.8 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short- term borrowings in current liabilities on the statement of financial position.

1.9 Financial instruments

Financial assets and financial liabilities are recognised when the reporting unit becomes a party to the contractual provisions of the instrument.

1.10 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the reporting unit's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the reporting unit initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The reporting unit's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

Notes to the Financial Statements

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The reporting unit measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The reporting unit's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The reporting unit measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The reporting unit's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the reporting unit can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the reporting unit benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The reporting unit elected to classify irrevocably its listed and non-listed equity investments under this category.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the reporting unit has transferred substantially all the risks and rewards of the asset, or

b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the reporting unit has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the reporting unit continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the reporting unit applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the reporting unit does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the reporting unit recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The reporting unit considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the reporting unit may also consider a financial asset to be in default when internal or external information indicates that the reporting unit is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.11 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The reporting unit financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to the Financial Statements

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.12 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.

1.13 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The depreciation rates applying to each class of depreciable asset are:

	2020	2019
Buildings – straight line basis	**2.5%**	2.5%
Plant and equipment – diminishing value basis	**10-66%**	10-66%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.14 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 Taxation

The entity is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.16 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the reporting unit determines whether transfers have occurred between Levels in the hierarchy by re- assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.17 Acquisition of assets and or liabilities that do not constitute a business combination

The entity did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Note 2 Going concern

The entity is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Notes to the Financial Statements

Note 3 Income

	2020 $	2019 $
3A. Capitation fees and other revenue from another reporting unit		
Capitation fees	–	–
Other revenue from another reporting unit	**–**	**–**
3B. Levies		
Compulsory or voluntary levies or appeals	**–**	**–**
	–	–
3C. Investment income		
Interest on deposits	54,593	54,390
	54,593	**54,390**
3D. Rental revenue		
Properties	63,342	62,162
	63,342	**62,162**
3E. Other operating revenue		
Cabling providers	168,130	164,810
Events, exhibitions and sponsorships	286,790	259,270
Marketing and partnerships	103,043	336,126
Other operating revenue	194,658	202,136
	752,621	**962,342**
3F. Grants or donations		
Grants - Cash Flow Boost and Payroll Tax Relief	65,550	–
Donations	–	–
	65,550	**–**
3G. Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	–	–
Interest received on recovered money	–	–
	–	**–**

Note 4 Expenses

	2020 $	2019 $
4A. Employee expenses		
Holders of office		
Holders of office – wages and salaries	192,275	203,431
Holders of office – superannuation	20,888	21,220
Holders of office – leave and other entitlements	27,600	19,933
Holders of office – separation and redundancies	–	–
Holders of office – other expenses	–	-
Subtotal employee expenses holders of office	240,763	244,584
Employees other than office holders		
Employees – wages and salaries	853,000	820,383
Employees – superannuation	79,623	84,975
Employees – leave and other entitlements	42,341	57,075
Employees – separation and redundancies	-	-
Employees – other expenses	55,459	72,261
Subtotal employee expenses employees other than office holders	1,030,423	1,034,694
Total employee expenses	**1,271,186**	**1,279,278**
4B. Capitation fees and other expense to another reporting unit		
Capitation fees	–	–
Other expenses from another reporting unit	–	–
	–	**–**
4C. Affiliation fees		
Affiliation fees/subscriptions	–	–
	–	**–**
4D. Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	–	–
Compulsory levies	–	–
Fees/allowances – meeting and conferences	–	–
Conference and meeting expenses	7,395	12,911
Contractors/consultants	120,000	122,091
Marketing	41,838	234,722
Property expenses	-	5,604
Office expenses	94,523	99,806
Information communications technology	169,304	117,631
Other	243,594	229,133
	676,654	**821,898**

Notes to the Financial Statements

Note 4 Expenses (continued)	2020	2019 $
4E. Grants or donations		
Grants:		
Total expensed that were $1,000 or less	–	–
Total expensed that exceeded $1,000	–	–
Donations:		
Total expensed that were $1,000 or less	56	–
Total expensed that exceeded $1,000	–	25,000
	56	**25,000**
4F. Depreciation		
Depreciation		
Land buildings	18,750	20,482
Plant and equipment	–	37,268
Total depreciation	**18,750**	**57,750**
4G. Legal costs		
Litigation	–	-
Other legal costs	96,028	18,547
	96,028	**18,547**
4H: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	–	–
Plant and equipment	–	–
Intangible assets	–	–
Other	–	–
Total write-down and impairment of assets	–	–
4I. Other expenses		
Penalties – via RO Act or the Fair Work Act 2009	–	–
	–	–

Note 5 Current Assets

	2020 $	2019 $
5A. Cash and cash equivalents		
Cash at bank	967,055	618,181
Short-term deposits	2,016,811	2,108,457
	2,983,866	**2,726,638**

$7,247 (2019: $7,197) of the short-term bank deposits are bonds paid to the company by tenants.

	2020 $	2019 $
5B. Trade and other receivables		
Current		
Receivables from other reporting units	–	–
Less allowance for expected credit losses	–	–
Receivable from other reporting units	**–**	**–**
Receivables from non-reporting units	436,075	421,933
Less provision for doubtful debts	–	-
Receivable from non-reporting units	**436,075**	**421,933**
Total trade and other receivables (net)	**436,075**	**421,933**

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	10,000
Provision for expected credit losses	-	(10,000)
Write-off	–	–
At 30 June	**–**	**-**
5C. Other current assets		
Prepayments	95,115	75,598
	95,115	**75,598**

Notes to the Financial Statements

Note 6 Non-current Assets

	2020 $	2019 $
6A. Land and buildings		
Freehold land and building at revaluation	3,550,000	3,550,000
Freehold land and building accumulated depreciation	(43,616)	(24,866)
	3,506,384	**3,525,134**

Reconciliation of opening and closing balances of land and buildings

	2020 $	2019 $
Balance as at start of year	**3,525,134**	**3,545,616**
Additions	–	–
Revaluations	–	–
Disposals	–	–
Depreciation	(18,750)	(20,482)
Balance as at end of year	**3,506,384**	**3,525,134**

The revalued land and buildings is the principal place of business at 41 Hume Street, Crows Nest, NSW, 2065. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, 20 June 2018, the property's fair value is based on valuation performed by AON Valuation Services, an accredited independent valuer.

	2020 $	2019 $
6B. Plant and equipment		
Office equipment, furniture and fittings at cost	74,785	117,177
Office equipment, furniture and fittings accumulated depreciation	(74,785)	(102,877)
	–	**14,300**

Reconciliation of opening and closing balances of office equipment furniture and fittings

	2020 $	2019 $
Balance as at start of year	**14,300**	**73,259**
Additions	15,776	5,045
Disposals	(30,076)	(26,736)
Depreciation	–	(37,268)
Balance as at end of year	**–**	**14,300**

Note 7 Current Liabilities

	2020 $	2019 $
7A. Trade payables		
Trade creditors and accruals	119,102	105,091
Payables to other reporting units	–	–
	119,102	**105,091**
Settlement is usually made within 30 days.		
7B. Other payables		
Payable to employers for making payroll deductions of membership subscriptions	–	–
Legal costs	–	–
Prepayments received/unearned revenue	1,758,812	1,686,198
Net GST payable	82,468	86,171
Centre for compliance fund	17,577	17,577
Other current payables	7,057	7,057
	1,865,914	**1,797,003**
Total other payables are expected to be settled in:		
No more than 12 months	1,777,379	1,713,133
More than 12 months	88,535	83,870
Total other payables	**1,865,914**	**1,797,003**

Note 8 Provisions

	2020 $	2019 $
8A. Employee provisions		
Office Holders:		
Annual leave	25,964	25,922
Long service leave	87,516	59,958
Separations and redundancies	–	–
Other	–	–
Subtotal employee provisions – office holders	**113,480**	**85,880**
Employees other than office holders:		
Annual leave	57,651	43,520
Long service leave	81,812	53,603
Separations and redundancies	–	–
Other	–	–
Subtotal employee provisions – employees other than office holders	**139,463**	**97,123**
Total employee provisions – office holders and employees	**252,943**	**183,003**
Current employee provisions	225,391	141,353
Non current employee provisions	27,552	41,650
	252,943	**183,003**

Notes to the Financial Statements

Note 9 Equity	2020 $	2019 $
9A. Property revaluation reserve		
Balance as at start of year	1,335,042	1,335,042
Transferred to reserve	–	–
Transferred out of reserve	–	–
Other comprehensive income	–	-
Balance as at end of year	**1,335,042**	**1,335,042**
9B. Equity – other specific disclosures – funds		
Compulsory levy/voluntary contribution fund — if invested in assets	–	–
Other funds required by rules	–	–
Balance as at start of year	–	–
Transferred to reserve	–	–
Transferred out of reserve	–	–
Balance as at end of year	**–**	**–**

9C. 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.

Note 10 Cash Flow

	2020 $	2019 $
10A. Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	2,983,866	2,726,638
Balance sheet	2,983,866	2,726,638
Difference	–	–
Reconciliation of profit to net cash from operating activities:		
Profit for the year	104,975	64,239
Adjustments for non-cash/non-operating items:		
Depreciation/amortisation	18,750	57,750
Net losses from sale of assets	30,076	26,736
Interest received	(54,593)	(54,390)
Rental income	(63,342)	(62,162)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(14,142)	46,314
(Increase)/decrease in other assets	(19,517)	1,519
Increase/(decrease) in trade payables	14,011	3,935
Increase/(decrease) in other payables	68,911	(41,208)
Increase/(decrease) in employee provisions	69,940	(281)
Net cash provided by operating activities	**155,069**	**42,452**
10B. Cash Flow Information		
Receipts from/payments to other reporting units/controlled entities		
Cash inflows:	–	–
Total cash inflows	**–**	**–**
Cash outflows:	–	–
Total cash outflows	**–**	**–**

Notes to the Financial Statements

Note 11 Related Party Disclosures

11A. Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2020 $	2019 $
Amounts received from related parties includes the following:	–	–
Expenses paid to related parties include the following:	–	–
Amounts owed by related parties include the following:	–	–
Amounts owed to related parties include the following:	–	–
Loans from/to related parties include the following:	–	–
Assets transferred from/to related parties include the following:	–	–
11B. Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	496,227	491,964
Annual leave accrued	8,748	40,823
Performance bonus	–	–
Total short-term employee benefits	**504,975**	**532,787**
Post-employment benefits:		
Superannuation	47,142	46,737
Total post-employment benefits	**47,142**	**46,737**
Other long-term benefits:		
Long-service leave	26,338	75,870
Total other long-term benefits	**26,338**	**75,870**
Termination benefits	–	–
Total	**578,454**	**655,394**
Note 11C: Transactions with key management personnel and their close family members		
Loans to/from key management personnel	–	–
Other transactions with key management personnel	–	–

Note 12 Financial Instruments

	2020 $	2019 $
12A. Categories of Financial Instruments		
Financial Assets		
Cash and bank balances:		
Cash at bank	967,055	618,181
	967,055	**618,181**
Fair value through profit or loss	–	–
Held-to-maturity investments:		
Short term deposits	2,016,811	2,108,457
	2,016,811	**2,108,457**
Available-for-sale assets	–	–
	–	–
Loans and receivables:		
Trade receivables	436,075	421,933
	436,075	**421,933**
Carrying amount of financial assets	**3,419,941**	**3,148,571**
Financial Liabilities		
Fair value through profit or loss:	–	–
Other financial liabilities:		
Trade creditors and accruals	119,102	105,091
GST payable	82,468	86,171
Other current payables	7,057	7,057
Employee provisions	252,943	183,003
Total	**461,570**	**381,322**
Carrying amount of financial liabilities	**461,570**	**381,322**
12B. Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest revenue	54,593	54,390
Bank charges and merchant fees	344	(1,309)
Net gain from held-to-maturity	**54,937**	**53,081**
Loans and receivables		
Net gain from loans and receivables	**–**	**–**
Available-for-sale		
Net gain from available-for-sale	–	–
Fair value through profit and loss		
Held for trading		
Net gain from held for trading	–	–
Designated as fair value through profit and loss		
Net gain from assets designated as fair value through profit and loss	–	–
Net gain at fair value through profit and loss	–	–
Net gain from financial assets	**54,937**	**53,081**

The net income from financial assets not at fair value from profit and loss is $54,937 (2019: $53,081).

Notes to the Financial Statements

Note 12 Financial Instruments (continued)	2020 $	2019 $
12C. Net Income and Expense from Financial Liabilities		
At amortised cost		
Net gain financial liabilities – at amortised cost	–	–
Fair value through profit and loss		
Held for trading		
Total held for trading	–	–
Designated as fair value through profit and loss:		
Total designated as fair value through profit and loss	–	–
Net gain at fair value through profit and loss	–	–
Net gain from financial liabilities	–	–

The net income from financial liabilities not at fair value from profit and loss is $nil (2019: $nil).

12D. Credit Risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2020 $	2019 $
Financial assets		
Held-to-maturity investments	2,016,811	2,108,457
Loans and receivables	436,075	421,933
	2,452,886	**2,530,390**
Financial liabilities		
Trade payables	119,102	105,091
GST payable	82,468	86,171
Other current payables	7,057	7,057
Employee provisions	252,943	183,003
	461,570	**381,322**

In relation to the entity's gross credit risk the following collateral is held: nil.

Credit quality of financial instruments not past due or individually determined as impaired.

No financial asset, individually, was past its due date and there were no other recoverability issues identified. Therefore, no financial asset was assessed as being impaired.

12E. Liquidity Risk

The entity does not have any financial liabilities that are subject to contractual maturities.

12F. Market Risk

Interest rate risk

The entity earns interest on the cash transaction accounts as well as short-term deposits. Interest rates on the transactions accounts are minimal, while the interest rate on short-term deposits are fixed at the beginning of the term. The entity earned an average of 1.69% on short-term deposit accounts held during the year. Accounts receivable and accounts payable do not attract any interest.

Price risk

The entity does not hold any financial assets nor liabilities that are sensitive to price risk.

12G. Asset pledged/or held as collateral

The entity does not have any assets pledged nor held as collateral.

12H. Changes in liabilities arising from financing activities

The entity does not have any liabilities arising from financing activities.

13 Fair Value Measurement

13A. Financial Assets and Liabilities
Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. See Note 12A for a list of these financial assets and liabilities.

13B. Financial and Non-financial Assets and Liabilities Fair Value Hierarchy
The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 30 June 2020	**Date of valuation**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Assets measured at fair value				
Land and buildings	**30-Jun-20**	–	3,506,384	–
		–	**3,506,384**	**–**
Liabilities measured at fair value	**30-Jun-20**	–	–	–
Total		–	–	–

Fair value hierarchy – 30 June 2019	**Date of valuation**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Assets measured at fair value				
Land and buildings	**30-Jun-20**	–	3,525,134	–
Total		**–**	**3,525,134**	**–**
Liabilities measured at fair value	**30-Jun-20**	–	–	–
Total		**–**	**–**	**–**

Notes to the Financial Statements

Note 14 Remuneration of auditors

	2020 $	2019 $
Value of the services provided		
Financial statement audit services	25,000	25,000
Other services	11,292	6,292
Total remuneration of auditors	**36,292**	**32,936**

No other services were provided by the auditors of the financial statements.

Note 15 Contingent Liabilities, Assets and Commitments

Note 15A: Commitments and contingencies

Operating lease commitments—as lessor

The reporting unit leases out two commercial office spaces.The lease agreements are as follows:

- Part of Ground Floor, 41 Hume Street, Crows Nest, NSW, 2065. The 1-year lease commenced on 15 July 2019, with an option for an additional year. Fixed reviews of 4% annually on the anniversary date of the lease during the lease term and option period.
- Part of Level 1, 41 Hume Street, Crows Nest, NSW, 2065. The 1-year lease commenced on 22 October 2019, with an option for an additional year. Fixed reviews of 4% annually on the anniversary date of the lease during the lease term and option period.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are:

	2020 $	2019 $
Within one year	65,925	35,138
After one year but not more than two years	30,556	65,925
After two years but not more than three years	-	30,556
After three years but not more than four years	-	-
After four years but not more than five years	-	-
After five years	-	-
	96,481	**131,619**

The reporting unit had no other commitments nor contingent assets/liabilities for the year ended 30 June 2020.

Note 16 Administration of financial affairs by a third party

The reporting unit did not have another entity administer the financial affairs of the reporting unit for the year ended 30 June 2020 (2019: None).

Note 17 Payments to former related parties

The reporting unit did not make a payment to a former related party of the reporting unit during the year ended 30 June 2020 (2019: None).

Note 18 Events after the reporting period

There were no events that occurred after 30 June 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting unit.

Note 19 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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).