Australian Government
Registered Organisations Commission

13 November 2017

Mr Andrew Nicholl
Chief Executive Officer
Australian Trainers Association

Sent via email

Dear Mr Nicholl

Re: – Australian Trainers Association - financial report for year ending 30 June 2017 (FR2017/194)

I refer to the financial report of the Australian Trainers Association. The documents were lodged with the Registered Organisations Commission ('the ROC') on 3 November 2017.

The financial report has now 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.

You are not required to take any further action in respect of the report lodged. Please note the report for year ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the subscription service.

Yours faithfully

Stephen Kellett

Stephen Kellett
Financial Reporting
Registered Organisations Commission

AUSTRALIAN TRAINERS ASSOCIATION

FEDERAL BRANCH

CERTIFICATE OF PRESCRIBED DESIGNATED OFFICER
SECTION 268 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009.

I, Robbie Griffiths, President of the Australian Trainers Association, Federal Branch, certify:

- that the documents lodged herewith are copies of the full report for the Australian Trainers' Association, Federal Branch for the financial reporting year ending 30 June 2017, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and

- that the full report, was provided to members on 12th October 2017; and

- that the full report was presented to a general meeting of members of the reporting unit on 3rd November 2017; in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

Robbie Griffiths

Dated, this 3rd day of November, 2017

AUSTRALIAN TRAINERS' ASSOCIATION

FEDERAL BRANCH

FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

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OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The Committee of Management submit the consolidated financial statements of Australian Trainers' Association Federal Branch ("Association") and other reporting units and entities controlled by the Association hereinafter all referred to as ("Organisation") for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITY
The principal activity of the Organisation is to service the needs of the members and to protect, promote and provide advice in the interests of trainers on issues affecting the horse racing industry.

No significant change in the nature of these activities occurred during the financial year ended 30 June 2017.

RESULTS AND REVIEW OF OPERATIONS
The consolidated net loss for the financial year amounted to $142,845 (2016: $64,597 net profit).

A review of the operations of the Organisation during the financial year shows no significant change in the nature of these activities.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
No significant changes in the Organisation's state of affairs occurred during the financial year.

FUTURE DEVELOPMENTS
Likely developments in the operations of the Organisation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Organisation.

EVENTS SUBSEQUENT TO BALANCE DATE
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Organisation, the results of those operations, or the state of affairs of the Organisation in future financial years.

MEMBERSHIP
The number of members of the Association was 992 (2016: 1,072).

RESIGNATION FROM MEMBERSHIP
Members have the right to resign from the Association in accordance with rule of membership 7a, which reads as follows:

"A member of the Australian Trainers' Association may resign from membership by written notice addressed and delivered to the Chief Executive Officer of the Association."

EMPLOYEES
The number of employees of the Organisation at financial year ended on 30 June 2017 were:
- 9 full-time
- 2 part-time.

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017

(continued)

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The names of the Federal Executive Officers who have held office at any time during the year are:

Robbie Griffiths	*President*
Patrick Duff	*Vice President*
Leon Macdonald	*Vice President*
Colin Webster	*Vice President (resigned 31-August2016)*
Christine Crook	*(resigned 25-July2016)*
Michael Grant	
Richard Jolly	
Walter McShane	
Ross Price	*(appointed 31-Aug2016)*
Nigel Schuuring	*(appointed 25-July2016)*
Robert Smerdon	

Federal Executive Officers have held office throughout the financial year unless otherwise indicated.

TRUSTEE OR DIRECTOR OF SUPERANNUATION ENTITY

No officer or member of the Organisation is director or a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

INDEMNIFYING OFFICER OR AUDITOR

The Organisation has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Organisation;

Indemnified or made any relevant agreement for indemnifying against a liability incurred by an officer or auditor, including costs and expenses in successfully defending legal proceedings; or

Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

With exception of the following matters.
During the financial year the Organisation has paid premiums to insure all officers of the Organisation and members of the Federal Executive against liabilities for costs and expense incurred by them in defending any legal proceeding arising out of their conduct while acting in the capacity of the officers of the Organisation, other than conduct involving a wilful breach of duty.

OPERATING REPORT

FOR THE YEAR ENDED 30 JUNE 2017

(continued)

PROCEEDINGS ON BEHALF OF THE ORGANISATION

No person has applied for leave of Court to bring proceedings on behalf of the Organisation or intervene in any proceedings to which the Organisation is a party for the purpose of taking responsibility on behalf of the Organisation for all or any part of those proceedings. The Organisation was not a party to any such proceedings during the year.

Signed on behalf of the Committee of Management.

ROBBIE GRIFFITHS
President
Dated, this 10th day of October 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN TRAINERS 'ASSOCIATION

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

I have audited the financial report of Australian Trainers' Association Federal Branch, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Trainers' Association-Federal Branch as at 30 June 2017, 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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

RESPONSIBILITIES OF COMMITTEE OF MANAGEMENT FOR THE FINANCIAL REPORT

The Committee of Management 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 Committee of Management 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 Committee of Management 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 Committee of Management 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

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 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 Committee of Management.
- Conclude on the appropriateness of the Committee of Management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of The Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

REPORT ON THE RECOVERY OF WAGES ACTIVITY FINANCIAL REPORT

OPINION ON THE RECOVERY OF WAGES ACTIVITY FINANCIAL REPORT

The scope of our work extended to the recovery of wages activity, however as stated in the Committee of Management Statement, no such activity was undertaken during the reporting period.

C.W. Stirling & Co

C W Stirling & Co
Chartered Accountants

for A Phillips

JOHN PHILLIPS
Audit Partner

Dated this 11th October 2017
Melbourne

RO Act Registration number:	AA2017/33
ASIC Registration Number:	10127
Professional Organisation:	The Institute of Chartered Accountants in Australia
Professional Membership Number:	72565

COMMITTEE OF MANAGEMENT STATEMENT

On 10th day of October 2017 the Committee of Management of the Australian Trainers' Association - Federal Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

  (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

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

  (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with the other reporting unit of the organisation; and

  (v) no 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; and

  (vi) the reporting unit has not received an order for inspection of financial records made by the Registered Organisations Commission under section 273 of the RO Act.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

Signed on behalf of the Committee of Management.

ROBBIE GRIFFITHS
President

Dated this 10th day of October 2017

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated entity		Parent entity	
		2017	2016	**2017**	2016
	Note	**$**	**$**	**$**	**$**
INCOME					
Membership subscriptions		128,645	120,915	128,645	120,915
Membership levies	4	35,240	31,758	35,240	31,758
Membership services		114,564	131,601	114,564	131,601
Marketing/Sponsorship income		184,300	121,621	184,300	121,621
Administration fees		146,514	146,131	320,964	320,532
Rental income	4	-	-	84,000	84,000
		609,263	552,026	867,713	810,427
OTHER INCOME					
Advertising income		9,160	12,010	-	-
Interest received – bank	4	40,282	41,308	33,095	34,236
Paget distribution		541,936	545,993	541,936	545,993
Profit on sale of non-current assets	4	-	1,426	-	1,426
Subsidiary gross contribution		578,179	638,873	-	-
Sundry income		20,338	641	10,162	568
Supplier rebates		2,024	2,167	-	-
		1,191,922	1,242,418	585,193	582,223
Total income		**1,801,182**	**1,794,444**	**1,452,906**	**1,392,650**
EXPENDITURE					
Airfares and travel		754	851	-	-
Auditor's remuneration	13	35,475	44,575	18,825	23,875
Bad debts written off		1,212	78	48	4
Bank and merchant charges		1,294	1,896	1,198	1,734
Computer expenses		30,829	20,890	29,786	19,823
Conferences		34,201	24,346	31,681	23,653
Consultancy fees		109,667	93,001	109,667	93,001
Depreciation	5	42,008	51,848	37,336	42,282
Doubtful debts		-	6,000	-	6,000
Employee entitlements	5	120,041	99,809	90,116	70,709
Fringe benefits and payroll tax		67,279	70,134	67,279	70,134
General expenses		3,964	3,425	3,102	3,006
Grants or donations	5	-	1,818	-	-
Honorarium		2,000	2,000	2,000	2,000
Industrial Relations		751	-	751	-

The above statement should be read in conjunction with the notes.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

		Consolidated entity		Parent entity	
		2017	2016	**2017**	2016
	Note	**$**	**$**	**$**	**$**
EXPENDITURE *(continued)*					
Insurance		27,238	27,794	6,733	6,831
Legal costs	*5*	3,000	14,825	3,000	14,825
Marketing/Sponsorship expenses		92,298	19,097	84,073	11,913
Membership expenses		160,725	112,148	160,725	112,148
Membership levies paid		-	-	1,170	1,380
Motor Vehicle expenses		62,062	60,424	32,256	29,547
Owner's corporate fees		5,583	5,583	-	-
Postage		3,799	3,063	3,799	3,063
Printing & stationery		2,459	8,577	988	7,053
Public relations fee		-	1,080	-	1,080
Rates		6,065	6,746	-	-
Rebate – Investment Property		-	-	60,000	-
Rent & outgoings		35,301	37,590	32,799	33,223
Repairs & maintenance		1,608	1,166	32	106
Salaries & wages	*5*	939,264	877,370	701,076	654,486
Security costs		840	3,285	-	-
State branch expenses	*12*	39,225	20,452	39,225	20,452
Stock obsolescence provision		-	5,000	-	-
Subscriptions		2,549	1,590	2,549	1,590
Superannuation contributions	*5*	94,949	86,504	70,151	63,933
Telephone		10,460	10,296	8,691	8,517
Work cover insurance		7,127	6,586	4,648	4,086
Total expenses		**1,944,027**	**1,729,847**	**1,603,704**	**1,330,454**
Profit / (Loss) before income tax		(142,845)	64,597	(150,798)	62,196
Income Tax Expense	*1.18*	-	-	-	-
Profit / (Loss) for the year after income tax		**(142,845)**	**64,597**	**(150,798)**	**62,196**
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequent to profit or loss:					
		-	-	-	-
Total comprehensive income/(deficit) for the year		**(142,845)**	**64,597**	**(150,798)**	**62,196**

The above statement should be read in conjunction with the notes.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

		Consolidated entity		Parent entity	
		2017	2016	**2017**	2016
	Note	**$**	**$**	**$**	**$**
ASSETS					
Current assets					
Cash and cash equivalents	*6*	1,838,630	1,762,755	1,577,161	1,507,780
Trade and other receivables	*6*	291,405	312,033	98,679	107,303
Inventories	*6*	358,037	472,220	-	-
Other current assets	*6*	54,391	40,171	42,989	29,629
Total current assets		**2,542,463**	**2,587,179**	**1,718,829**	**1,644,712**
Non-current assets					
Trade and other receivables	*7*	-	-	341,128	509,365
Financial assets	*7*	-	-	600,004	600,004
Investment property	*7*	1,200,000	1,200,000	1,200,000	1,200,000
Property, plant and equipment	*7*	135,650	175,049	125,076	161,343
Total non-current assets		**1,335,650**	**1,375,049**	**2,266,208**	**2,470,712**
TOTAL ASSETS		**3,878,113**	**3,962,228**	**3,985,037**	**4,115,424**
LIABILITIES					
Current liabilities					
Trade and other payables	*8*	412,000	409,160	250,548	274,856
Provisions	*9*	226,727	160,641	170,772	114,109
Total current liabilities		**638,727**	**569,801**	**421,320**	**388,965**
Non-current liabilities					
Provisions	*9*	11,935	22,131	5,373	17,316
Total non-current liabilities		**11,935**	**22,131**	**5,373**	**17,316**
TOTAL LIABILITIES		**650,662**	**591,932**	**426,693**	**406,281**
NET ASSETS		**3,227,451**	**3,370,296**	**3,558,344**	**3,709,143**
MEMBERS' FUNDS					
Accumulated Funds		3,227,451	3,370,296	3,558,344	3,709,143
TOTAL MEMBERS' FUNDS		**3,227,451**	**3,370,296**	**3,558,344**	**3,709,143**

The above statement should be read in conjunction with the notes.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Retained Earnings $	Total Equity $
CONSOLIDATED		
Closing balance as at 30 June 2014	**3,736,739**	**3,736,739**
Profit / (loss) attributable to members	(431,048)	(431,048)
Transfer to/from subsidiary - Racing Supplies	2,001	2,001
Transfer to/from branch – ATA Western Australia branch	(1,993)	(1,993)
Closing balance as at 30 June 2015	**3,305,699**	**3,305,699**
Profit / (loss) attributable to members	62,196	62,196
Transfer to/from branch – ATA Western Australia branch	3,968	3,968
Transfer to/from subsidiary - Racing Supplies	(1,567)	(1,567)
Closing balance as at 30 June 2016	**3,370,296**	**3,370,296**
Profit / (loss) attributable to members	(150,798)	(150,798)
Transfer to/from branch – ATA Western Australia branch	5,555	5,555
Transfer to/from subsidiary - Racing Supplies	2,398	2,398
Closing balance as at 30 June 2017	**3,227,451**	**3,227,451**

PARENT		
Balance as at 30 June 2015	**3,646,947**	**3,646,947**
Profit / (loss) attributable to members	62,196	62,196
Balance at 30 June 2016	**3,709,143**	**3,709,143**
Profit / (loss) attributable to members	(150,799)	(150,799)
Balance at 30 June 2017	**3,558,344**	**3,558,344**

The above statement should be read in conjunction with the notes.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2017

		Consolidated entity		Parent entity	
		2017	2016	**2017**	2016
	Note	**$**	**$**	**$**	**$**
Cash flow from operating activities					
Receipts from customers		3,443,707	3,374,876	1,169,985	1,045,131
Receipts from other reporting units/subsidiary	12	-	-	258,450	258,400
General Administration Expenses & Direct Expenses		(3,405,505)	(3,897,798)	(1,559,317)	(1,851,928)
Interest received	4	40,282	41,308	33,095	34,236
Net cash provided by (used in) operating activities	*10*	***78,484***	***(481,614)***	***(97,787)***	***(514,161)***
Cash flow from investing activities					
Proceeds from sale of property, plant and equipment		-	105,455	-	105,455
Payment for property, plant & equipment	7	(2,609)	(140,287)	(1,069)	(140,287)
Net cash provided by (used in) investing activities		***(2,609)***	***(34,832)***	***(1,069)***	***(34,832)***
Cash flow from financing activities					
Net movement of loan to Racing Supplies Pty Ltd		-	-	168,237	28,419
Net cash provided by (used in) financing activities		-	-	***168,237***	***28,419***
Net increase (Decrease) in cash held		**75,875**	**(516,446)**	**69,381**	**(520,574)**
Cash at beginning of year		1,762,755	2,279,201	1,507,780	2,028,354
Cash at end of year	6	**1,838,630**	**1,762,755**	**1,577,161**	**1,507,780**

The above statement should be read in conjunction with the notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and the Fair Work (Registered Organisations) Act 2009 (the RO Act). For the purpose of preparing the general purpose financial statements, the Australian Trainers' Association is a not-for-profit entity domiciled in Australia with controlled entities.

1.1 Basis of Preparation of the Financial Statements

The financial report covers the Australian Trainers' Association Federal Branch ("Association") as an individual entity and other reporting units and entities controlled by the Association.

The financial statements 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 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Association and its controlled entities; reporting unit under the Association - Australian Trainers' Association Western Australia branch; and wholly-owned subsidiary of the Association - Racing Supplies Pty Limited. Control is achieved where the Association is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the Association.

Specifically, the Association controls an investee if and only if the Association has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Association has less than a majority of the voting or similar rights of an investee, the Association considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangements that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.2 Basis of Consolidation *(continued)*

The Association re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Association obtains control over the subsidiary and ceases when the Association loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Association gains control until the date the Association ceases to control the subsidiary.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Association and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Association.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Association ownership interests in subsidiaries that do not result in the Association losing control are accounted for as equity transactions. The carrying amounts of the Association interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Association.

When the Association loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Association had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.3 Comparative Amounts

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.4 Significant Accounting Judgements and Estimates

The Association evaluate estimates and judgements 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.

Key estimates – Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. When the impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement costs calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

1.5 Adoption of New and Revised Accounting Standards

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

The AASB has issued new and amended Accounting Standard and Interpretation that have mandatory application dates for future reporting periods and which the association has decided not to early adopt.

The Accounting Standards issued by AASB that are not yet mandatorily applicable to the Association are set out below:

- AASB 9 Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1st January 2018)
- AASB 15 Revenue from Contract with Customers (applicable to annual reporting periods beginning on or after 1st January 2018)
- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1st January 2019)

The Committee of Management anticipate the adoption of the above standards. They do not believe that they will have a material effect on the Association. Although, it is impracticable at this stage to provide a reasonable estimate of the impact (if any).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.6 Revenue

Revenue from the rendering of goods and services is recognised upon their respective delivery.

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

Membership Services and Marketing Income Revenue for the rendering of services provided and/or sale of goods are recognised upon their respective delivery to the members/customers.

Administration Fees and Sponsorship Income Revenue are recognised on an accrual basis over the term of the relevant agreement.

Interest Revenue is recognised on an accrual basis taking into account the effective interest method. Paget distribution is recognised upon receipt of distribution.

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

1.7 Gains

Sale of assets

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

1.8 Capitation Fees and Levies

Levies collected as a component of Membership Subscriptions in accordance with the rules of the organisation are accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Membership Levies that are paid to another reporting unit of the Association are expensed at financial year end. Capitation Fees do not apply as they are not specifically provided for under the rules of the organisation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.9 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 when it is probable that settlement will be required and they are capable of being measured reliably. The Association 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.

The Association's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 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 twelve (12) 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.

1.12 Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.13 Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Association has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Any investments in unlisted shares that are not traded in an active market are classified as available-for-sale financial assets and stated at fair value at acquisition date. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Associations right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at acquisition date. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivable that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.13 Financial Assets *(continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlates with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.13 Financial Assets *(continued)*

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.14 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.15 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.

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.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Class of Asset	Useful Life
Computer hardware	4 years
Computer software	3 years
Leasehold improvements	3 - 14 years
Motor vehicles	5 years
Office furniture & equipment	3 - 6.5 years
Plant and equipment	3 - 8 years

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.16 Investment Property

Investment property, comprising a warehouse/retail site is held to earn long-term rental yields and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.17 Impairment for 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. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 Taxation

Australian Trainers Association being an organisation of employers registered under the Fair Work (Registered Organisations) Act 2009 is exempt from income tax under Section 50-15 Item 3.1 (b) 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 cash flow statement 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.19 Fair value measurement

The Association 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 15.

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 Association. 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 Association 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.

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 Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

1.20 Going Concern

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REPORTING GUIDELINES

2.1 Information to be provided to Members or General Manager of Registered Organisations Commission hereinafter referred to as (ROC)

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 (the RO Act), the attention of Members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which read as follows:

" (1) A member of a reporting unit, or the General Manager of ROC, 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)."

2.2 Going Concern

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

2.3 Financial Support

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

2.4 Acquired Assets and/or Liabilities

The reporting unit has not acquired assets and/or liabilities during the financial year as a result of:

(1) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or

(2) a restructure of the branches of the organisation; or

(3) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or

(4) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

2.5 Business Combination

The reporting unit has not acquired assets and/or liabilities during the financial year as part of a business combination.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REPORTING GUIDELINES

2.6 Revenue – Statement of Comprehensive Income

(1) Membership subscriptions are collected and administered by the Federal Branch in accordance with the rules of the organisation. Membership levies reported are a component of membership subscriptions for the purpose of providing services and funding expenses that are or would otherwise be directly attributed to a state branch.

(2) A branch that is a reporting unit will report revenue from Membership Levies Received from the Federal Branch of the organisation in the Statement of Comprehensive Income.

(3) Capitation fees do not apply as they are not specifically provided for under the rules of the organisation.

(4) No compulsory levies were raised from the members or as appeals for voluntary contributions (including whip arounds) for the furtherance of a particular purpose.

(5) No donations (other than any voluntary contributions referred to in subparagraph 4).

(6) No grants (other than any voluntary contributions referred to in subparagraph 4).

(7) The reporting unit did not receive any other financial support from another reporting unit of the organisation.

2.7 Expenses – Statement of Comprehensive Income

The reporting unit has:

(1) not incurred expenses as consideration for employers making payroll deductions of membership subscriptions;

(2) not paid capitation fees to another reporting unit of the organisation;

(3) not paid fees and/or periodic subscriptions in respect of an affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;

(4) not been imposed with compulsory levies;

(5) reported the total amounts paid for grants and donations exclusive of GST;

(6) paid employee expenses related to holders of office of the reporting unit;

(7) paid employee expenses related to employees (other than holders of offices) of the reporting unit;

(8) paid fees and/or allowances (other than any amount referred to in subparagraphs (6) or (7) of this paragraph) paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;

(9) reported expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with holding meetings and/or conferences of members of the reporting unit and other branches of the organisation;

(10) incurred legal costs for other general legal matters not comprising litigation;

(11) not been imposed with penalties on the organisation under the RO Act with respect to conduct of the reporting unit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REPORTING GUIDELINES

2.8 Liabilities – Statement of Financial Position

The reporting unit has:

(1) no payables as consideration for employers making payroll deductions of membership subscriptions;

(2) no payables in respect of legal costs and other expenses related to litigation and no payables in respect of other administrative legal matters;

(3) employee provisions related to holders of office of the reporting unit;

(4) employee provisions related to employees (other than holders of offices) of the reporting unit;

2.9 Statement of Changes in Equity

The reporting unit does not operate a fund or account in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit.

2.10 Recovery of Wages Activity

The reporting unit has not undertaken recovery of wages activity for the financial year.

2.11 Administration of Financial Affairs

Financial affairs of the reporting unit are not administered by another entity.

Note 3 EVENTS AFTER THE REPORTING PERIOD

At the date of signing these financial report, no other matter or circumstance which has arisen since 30 June 2017 has significantly affected or may significantly affect:

(i) The operation of the Association;

(ii) the results of those operations; or

(iii) the state of affairs of the Association subsequent to 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 4 INCOME				
LEVIES				
Levies paid by members as a component of membership subscription				
Victoria	22,954	20,127	22,954	20,127
New South Wales	7,020	6,258	7,020	6,258
South Australia	3,216	2,942	3,216	2,942
Western Australia	1,169	1,398	1,169	1,398
Queensland	696	848	696	848
Tasmania	185	185	185	185
Total levies	**35,240**	**31,758**	**35,240**	**31,758**
INTEREST				
Deposits	40,282	41,308	33,095	34,236
Total interest	**40,282**	**41,308**	**33,095**	**34,236**
RENTAL INCOME				
Investment Property	-	-	84,000	84,000
Total rental income	**-**	**-**	**84,000**	**84,000**
NET GAIN FROM SALE OF ASSETS				
Motor vehicles	-	1,426	-	1,426
Total net gain from sale of assets	**-**	**1,426**	**-**	**1,426**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 5 EXPENSES				
EMPLOYEE EXPENSES				
Holders of office:				
Salaries and wages	171,969	180,150	171,969	180,150
Superannuation	17,475	17,433	17,475	17,433
Leave and other entitlements	20,376	11,625	20,376	11,625
Separation and redundancies	-	-	-	-
Other Employee Expenses	7,563	11,539	7,563	11,539
	217,383	**220,747**	**217,383**	**220,747**
Employees other than office holders:				
Salaries and wages	767,295	697,220	529,107	474,336
Superannuation	77,474	69,071	52,676	46,500
Leave and other entitlements	99,665	88,184	69,740	59,084
Separation and redundancies	-	-	-	-
Other employee expenses	48,347	46,060	48,347	46,060
	992,781	**900,535**	**699,870**	**625,980**
Total employee expenses	**1,210,164**	**1,121,282**	**917,253**	**846,727**

Holders of office paid an Honorarium:

Robbie Griffiths, President – Federal Branch *(1st July 2016 to 30th June 2017)*
Reported on the Parent entity's Statement of Profit and Loss and Comprehensive Income

Holders of office not paid remuneration:

Federal Executive Officers as reported in the Operating Report.

Holders of office paid remuneration:

Andrew Nicholl, Chief Executive Officer *(1st July 2016 to 30th June 2017)*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 5 EXPENSES *(continued)*				
KEY MANAGEMENT PERSONNEL REMUNERATION				
Short-term employee benefits				
Salary (Includes Leave Taken)	579,312	697,433	508,276	631,636
Annual leave accrued	52,187	48,553	45,860	40,726
Other employee expenses	55,910	57,599	55,910	57,599
Total short-term employee benefits	**687,409**	**803,585**	**610,046**	**729,961**
Post-employment benefits:				
Superannuation	54,618	49,076	47,968	42,919
Total post-employment benefits	**54,618**	**49,076**	**47,968**	**42,919**
Other long-term benefits:				
Long-service leave accrued	9,675	10,752	8,508	7,384
Total other long-term benefits	**9,675**	**10,752**	**8,508**	**7,384**
Termination benefits	-	-	-	-
Total	**751,702**	**863,413**	**666,522**	**780,264**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	$	$
Note 5 EXPENSES *(continued)*				
GRANTS OR DONATIONS				
Grants				
Total paid that were $1,000 or less	-	-	-	-
Total paid that exceeded $1,000	-	-	-	-
Donations				
Total paid that were $1,000 or less	-	1,818	-	-
Total paid that exceeded $1,000	-	-	-	-
Total grants or donations	**-**	**1,818**	**-**	**-**
DEPRECIATION				
Computer hardware	6,662	8,810	6,662	8,810
Computer software	2,980	4,809	2,980	4,809
Leasehold improvements	4,480	6,652	-	-
Motor vehicles	27,886	27,396	27,694	26,640
Office furniture and equipment	-	3,182	-	2,023
Plant and equipment	-	999	-	-
Total depreciation	**42,008**	**51,848**	**37,336**	**42,282**
LEGAL COSTS				
Litigation	-	-	-	-
Other legal matters	3,000	14,825	3,000	14,825
Total legal costs	**3,000**	**14,825**	**3,000**	**14,825**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
Note 6 CURRENT ASSETS				
CASH AND CASH EQUIVALENTS				
Cash at Bank	278,613	211,102	277,061	207,684
Term Deposits	1,559,417	1,551,057	1,300,000	1,300,000
Petty Cash Imprest	600	596	100	96
Total cash and cash equivalents	**1,838,630**	**1,762,755**	**1,577,161**	**1,507,780**
TRADE AND OTHER RECEIVABLES				
Trade receivables				
Trade Receivables	305,076	327,759	95,800	109,009
Less: Provision for Doubtful Debts	(28,000)	(28,000)	(10,000)	(10,000)
	277,076	**299,759**	**85,800**	**99,009**
Receivables from other reporting unit[s]				
Loan from ATA Western Australia	-	-	780	-
	-	**-**	**780**	**-**
Other Receivables				
Other receivable	14,329	12,274	12,099	8,294
Total trade and other receivables	**291,405**	**312,033**	**98,679**	**107,303**
INVENTORIES				
Inventory	378,037	492,220	-	-
Less: Provision for inventory obsolescence	(20,000)	(20,000)	-	-
Total other current assets	**358,037**	**472,220**	**-**	**-**
OTHER CURRENT ASSETS				
Prepayments	54,391	40,171	42,989	29,629
Total other current assets	**54,391**	**40,171**	**42,989**	**29,629**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
Note 7 NON-CURRENT ASSETS				
NON-CURRENT RECEIVABLES				
Racing Supplies Pty Ltd – subsidiary	-	-	341,128	509,365
Total non-current receivables	**-**	**-**	**341,128**	**509,365**
PLANT AND EQUIPMENT				
Computer Hardware at cost	49,700	84,940	48,521	83,761
Less accumulated depreciation	(32,588)	(62,235)	(31,409)	(61,056)
	17,112	**22,705**	**17,112**	**22,705**
Computer Software at cost	18,821	30,885	18,821	30,885
Less accumulated depreciation	(11,247)	(20,331)	(11,247)	(20,331)
	7,574	**10,554**	**7,574**	**10,554**
Leasehold improvements at cost	84,930	84,930	-	-
Less accumulated depreciation	(75,704)	(71,224)	-	-
	9,226	**13,706**	**-**	**-**
Motor Vehicles at cost	229,189	227,649	138,469	138,469
Less accumulated depreciation	(127,451)	(99,565)	(38,079)	(10,385)
	101,738	**128,084**	**100,390**	**128,084**
Office furniture and equipment at cost	65,175	92,226	45,253	71,995
Less accumulated depreciation	(65,175)	(92,226)	**(45,253)**	(71,995)
	-	**-**	**-**	**-**
Plant and equipment at cost	53,200	53,200	-	-
Less accumulated depreciation	(53,200)	(53,200)	-	-
	-	**-**	**-**	**-**
Total Plant and Equipment	**135,650**	**175,049**	**125,076**	**161,343**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 7 NON-CURRENT ASSETS *(continued)*				
PLANT AND EQUIPMENT				
Reconciliation of the opening and closing balances of plant and equipment				
As at 1 July				
Gross book value	573,830	563,579	325,110	314,859
Accumulated depreciation and impairment	(398,781)	(372,941)	(163,767)	(147,493)
Net book value 1 July	**175,049**	**190,638**	**161,343**	**167,366**
Additions	2,609	140,287	1,069	140,287
Depreciation expense	(42,008)	(51,848)	(37,336)	(42,282)
Disposals	-	(104,028)	-	(104,028)
Net book value at 30 June	**135,650**	**175,049**	**125,076**	**161,343**
Net book value as of 30 June represented by				
Gross book value	576,439	573,830	251,064	325,110
Accumulated depreciation and impairment	(440,789)	(398,781)	(125,988)	(163,767)
Net book value 30 June	**135,650**	**175,049**	**125,076**	**161,343**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 7 NON-CURRENT ASSETS *(continued)*				
FINANCIAL ASSETS				
Shares in subsidiary - at cost	-	-	**600,004**	**600,004**

Subsidiary: ***Racing Supplies Pty Ltd***
Country of incorporation: ***Australia***
Percentage owned: **100%** (2016: **100%)**

INVESTMENT PROPERTY

Investment property	**1,200,000**	**1,200,000**	**1,200,000**	**1,200,000**

The Association accounts for its investment property based on the relevant Significant Accounting Policies {Note 1} that the Association has adopted.

The investment property was purchased on June 2005.

A market valuation of the investment property was performed during the month of December 2013 by Lemon Baxter Pty Ltd, a long-established commercial and industrial real estate agency based in South Melbourne managing commercial property sales and leasing in and around Melbourne. The valuation for the investment property is reported at $1,200,000 and takes into account recent sales of properties in the vicinity, of similar configuration and zoning, and in particular properties located in the same Drive. The valuation for the lease of the investment property is reported at the approximate amount of $89,000 net per annum plus outgoings and takes into account the current market conditions and recent leasing deals of similar styled properties in the vicinity.

The Association does not have any contractual obligations to perform works in relation to the investment property. The Association has obligations as a member of an Owners Corporation as the investment property is part of a plan of subdivision containing common property.

Rental Income earned and received from the Investment Property leased to the controlled entity, Racing Supplies Pty Ltd during the year was $84,000 (2016: $84,000). Direct expenses and Outgoings in relation to the Investment Property are payable by the Tenant in accordance with the terms of the Operating Lease Agreement. A rebate on the Investment Property leased to the controlled entity, Racing Supplies Pty Ltd was allowed this year $60,000 (2016: $0) for unoccupied area commencing 1 July 2015.

As at 30 June 2017 the Executive have reviewed the key assumptions in respect of this property and concluded that the relevant assumptions made remain materially unchanged and accordingly, the carrying value remain consistent with the valuation performed in December 2013. The Executive have also concluded to obtain a further valuation prior to 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	$	$
Note 8 CURRENT LIABILITIES				
TRADE PAYABLES				
Trade payables	182,142	123,334	68,155	44,913
	182,142	**123,334**	**68,155**	**44,913**
Settlement is usually made within 30 days from end of month.				
Payables to other reporting unit[s]				
ATA WA Branch	-	-	-	80
	-	-	-	**80**
OTHER PAYABLES				
Audit Fees	33,350	37,175	18,500	20,175
Legal Fees	-	-	-	-
Sundry payables	88,320	100,261	57,954	63,548
Deferred Income	64,636	69,768	62,387	67,518
Membership Income in Advance	43,552	78,622	43,552	78,622
	229,858	**285,826**	**182,393**	**229,863**
Expected to be settled in no more than 12 months.				
Total trade and other payables	**412,000**	**409,160**	**250,548**	**274,856**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	**$**	$
Note 9 PROVISIONS				
Office Holders				
Annual leave	11,536	8,760	11,536	8,760
Long service leave	5,373	2,216	5,373	2,216
Related on-costs	2,766	2,641	2,766	2,641
Separations and redundancies	-	-	-	-
	19,675	**13,617**	**19,675**	**13,617**
Employees other than office holders				
Annual leave	103,048	77,541	86,712	64,429
Long service leave	80,344	63,651	41,170	31,249
Related on-costs	35,595	27,963	28,588	22,130
Separations and redundancies			-	-
	218,987	**169,155**	**156,470**	**117,808**
Total provisions	**238,662**	**182,772**	**176,145**	**131,425**
Current	226,727	160,641	170,772	114,109
Non-current	11,935	22,131	5,373	17,316
Total provisions	**238,662**	**182,772**	**176,145**	**131,425**

The total of non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	$	$
Note 10 CASH FLOW				
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	1,838,630	1,762,755	1,577,161	1,507,780
Balance sheet	1,838,630	1,762,755	1,577,161	1,507,780
Difference	-	-	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:				
Profit/(deficit) after income tax	(142,845)	64,597	(150,799)	62,196
Adjustments for non-cash items				
Depreciation	42,008	51,848	37,336	42,282
Gain on disposal of plant and equipment	-	(1,426)	-	(1,426)
Changes in assets/liabilities				
Decrease/(Increase) in current receivables	20,627	(32,630)	8,624	(53,458)
Decrease/(Increase) in inventories	114,183	(15,596)	-	-
Decrease/(Increase) in other assets	(14,219)	7,189	(13,359)	8,653
Decrease/(Increase) in non-current receivables	-	-	-	-
Increase/(Decrease) in current payables	2,839	(442,611)	(24,309)	(445,346)
Increase/(Decrease) in current provisions	66,086	(109,392)	56,663	(121,985)
Increase/(Decrease) in non-current payables	-	-	-	-
Increase/(Decrease) in non-current provisions	(10,195)	(3,593)	(11,943)	(5,077)
Net cash from (used in) operating activities	**78,484**	**(481,614)**	**(97,787)**	**(514,161)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 11 Contingent liabilities, assets and commitments

COMMITMENTS AND CONTINGENCIES

Operating lease commitments – as lessee

The Association has no future minimum rentals payable under non-cancellable operating leases as at 30 June of the reporting period. The Association is obligated to monthly lease payments plus outgoings for its current head office space housed within the premises at 400 Epsom Road, Flemington Victoria 3031. The monthly lease payments are indexed annually in accordance with the CPI all groups.

Operating lease commitments – as lessor

The Association has no future minimum rentals receivable under non-cancellable operating leases as at 30 June of the reporting period. The Association receives monthly rental for its investment property located at Warehouse 7 / 41 Sabre Drive, Port Melbourne Victoria 3207. The monthly rental receivable is reviewed annually with discretion to apply the greater of indexed annually in accordance with the CPI all groups or the fixed rate of 3%.

Note 12 RELATED PARTY DISCLOSURES

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.

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	$	$
Revenue received from				
Membership Levies *(refer to note 4)*	**35,240**	**31,758**	**35,240**	**31,758**
Receipts from other reporting units/ subsidiary				
Racing Supplies Pty Ltd				
Administration Fees	-	-	174,000	174,000
Rental	-	-	84,000	84,000
	-	-	**258,000**	**258,000**
ATA Western Australia Branch				
Administration Fees	-	-	**450**	**400**
Total receipts from other reporting units/subsidiary	-	-	**258,450**	**258,400**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
Related party transactions for the reporting period *(continued)*				
Expenses paid to				
(a) **Racing Supplies Pty Ltd**	-	-	**60,509**	**385**
(b) **ATA Western Australia Branch**				
Membership Levies Paid	-	-	**1,170**	**1,380**
(c) **State Branch related expenses**				
EXPENSES DIRECTLY ATTRIBUTED TO STATE BRANCHES				
New South Wales Branch	-	790	-	790
Queensland Branch	23,786	10,000	23,786	10,000
South Australia Branch	8,753	4,216	8,753	4,216
Tasmania Branch	5,374	2,298	5,374	2,298
Victoria Branch	149	525	149	525
Western Australia Branch	1,163	2,623	1,163	2,623
	39,225	**20,452**	**39,225**	**20,452**
Loans to related parties include the following:				
Loan to ATA Western Australia Branch	-	-	780	-
Loan to Racing Supplies Pty Ltd	-	-	341,128	509,365
Total loan receivable from related parties	-	-	**341,908**	**509,365**
Loan from ATA Western Australia Branch	-	-	-	80
Total loan payable to related parties	-	-	-	**80**

Terms and conditions of transactions with related parties

Transactions to/from related parties are predominantly for administrative expenses, levies for the purpose of providing services and funding expenses that are or would otherwise be attributed to a state branch, and rental in relation to the investment property. Outstanding balances relating to such transactions are unsecured and interest free with settlement at year end applied to the respective loan account for the related parties. A rebate on the Investment Property leased to the controlled entity, Racing Supplies Pty Ltd was allowed this year $60,000 (2016: $0) for unoccupied area commencing 1 July 2015.

Following the commencement of the Personal Property Security Register (PPSR), on 30 January 2012 the loan to Racing Supplies Pty Ltd, previously secured by a Mortgage Debenture Charge was automatically transferred to the PPSR. There have been no guarantees provided or received for other related party receivables. For the year ended 30 June 2017, the Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: $Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Loan to related party, Racing Supplies is in the nature of working capital finance and is not subject to interest and is repayable until such time it can afford to repay the loan.

Federal executive officers and employees have available to them discount of up to 10% in addition to members base discount for purchases from the related entity, Racing Supplies Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	$	$	$
Note 13 REMUNERATION OF AUDITORS				
Value of the services provided				
Financial statement audit services	32,950	41,000	17,000	21,500
Other services – accountancy and related advice / tax agent services	2,525	3,575	1,825	2,375
Total remuneration of auditors	**35,475**	**44,575**	**18,825**	**23,875**

Note 14 FINANCIAL INSTRUMENTS

CATEGORIES OF FINANCIAL INSTRUMENTS

	Consolidated 2017	Consolidated 2016	Parent 2017	Parent 2016
Financial Assets				
Fair value through profit or loss:				
Shares in subsidiary - at cost	-	-	600,004	600,004
	-	**-**	**600,004**	**600,004**
Loans and receivables				
Trade and other receivables	319,405	340,033	107,899	117,303
Loan receivable from related parties	-	-	341,908	509,365
	319,405	**340,033**	**449,807**	**626,668**
Carrying amount of financial assets	**319,405**	**340,033**	**1,049,811**	**1,226,672**
Financial Liabilities				
Other financial liabilities				
Trade and other payables	303,812	260,770	144,609	128,636
Loan payable to related parties	-	-	-	80
Carrying amount of financial liabilities	**303,812**	**260,770**	**144,609**	**128,716**

CREDIT RISK

Credit risk arises from the economic entity's trade and other receivables and the potential default of its counterparty, with a maximum exposure equal to the carrying amount of this instrument as disclosed in the statement of financial position and notes to the financial statements at balance date.

The Organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by both parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 FINANCIAL INSTRUMENTS

CREDIT RISK *(continued)*

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

	Consolidated entity		Parent entity	
	2017	2016	**2017**	2016
	$	**$**	**$**	**$**
Financial Assets				
Trade receivables	305,076	327,759	95,800	109,009
Sundry receivables	14,329	12,274	12,099	8,294
Total financial assets	**319,405**	**340,033**	**107,899**	**117,303**
Financial Liabilities				
Trade payables	182,142	123,334	68,155	44,913
Sundry payables	88,320	100,261	57,954	63,548
Audit fees accrued	33,350	37,175	18,500	20,175
Legal fees payable	-	-	-	-
Total financial liabilities	**303,812**	**260,770**	**144,609**	**128,636**

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

	Not past due nor impaired	**Past due or impaired**	Not past due nor impaired	Past due or impaired
	2017	**2017**	2016	2016
Trade receivables	277,076	28,000	299,759	28,000
Sundry receivables	14,329	-	12,274	-
Total	**291,405**	**28,000**	**312,033**	**28,000**

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

	Not past due nor impaired	**Past due or impaired**	Not past due nor impaired	Past due or impaired
	2017	**2017**	2016	2016
Trade receivables	85,800	10,000	99,009	10,000
Sundry receivables	12,099	-	8,294	-
Total	**97,899**	**10,000**	**107,303**	**10,000**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 FINANCIAL INSTRUMENTS

CREDIT RISK *(continued)*

Ageing of financial assets that were past due but not impaired for 2017 – Consolidated

	0 to 30 Days	**31 to 60 Days**	**61 to 90 Days**	**90+ days**	**Total**
Trade receivables	242,228	27,032	545	35,271	305,076
Sundry receivables	14,329	-	-	-	14,329
	256,557				**319,405**

Ageing of financial assets that were past due but not impaired for 2016 – Consolidated

	0 to 30 Days	31 to 60 Days	61 to 90 Days	90+ days	Total
Trade receivables	283,624	13,313	308	30,514	327,759
Sundry receivables	12,274	-	-	-	12,274
	295,898	**13,313**	**308**	**30,514**	**340,033**

Ageing of financial assets that were past due but not impaired for 2017 – Parent

	0 to 30 Days	**31 to 60 Days**	**61 to 90 Days**	**90+ days**	**Total**
Trade receivables	73,348	7,368	292	14,792	95,800
Sundry receivables	12,099	-	-	-	12,099
	85,447	**7,368**	**292**	**14,792**	**107,899**

Ageing of financial assets that were past due but not impaired for 2016 – Parent

	0 to 30 Days	31 to 60 Days	61 to 90 Days	90+ days	Total
Trade receivables	103,914	3,712	307	1,076	109,009
Sundry receivables	8,294	-	-	-	8,294
	112,208	**3,712**	**307**	**1,076**	**117,303**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 FINANCIAL INSTRUMENTS

LIQUIDITY RISK

Contractual maturities for financial liabilities 2017 – Consolidated

	On demand	**< 1 year**	**1-2 years**	**>2years**	**Total**
Trade creditors	-	176,774	5,368	-	182,142
Sundry creditors	-	88,320	-	-	88,320
Audit fees accrued	-	33,350	-	-	33,350
Legal fees payable	-	-	-	-	-
	-	**298,444**	**5,368**	**-**	**303,812**

Maturities for financial liabilities 2016 – Consolidated

	On demand	< 1 year	1-2 years	>2years	Total
Trade creditors	-	123,334	-	-	123,334
Sundry creditors	-	100,261	-	-	100,261
Audit fees accrued	-	37,175	-	-	37,175
Legal fees payable	-	-	-	-	-
	-	**260,770**	**-**	**-**	**260,770**

Contractual maturities for financial liabilities 2017 - Parent

	On demand	**< 1 year**	**1-2 years**	**>2years**	**Total**
Trade creditors	-	68,155	-	-	68,155
Sundry creditors	-	57,954	-	-	57,954
Audit fees accrued	-	18,500	-	-	18,500
Legal fees payable	-	-	-	-	-
	-	**144,609**	**-**	**-**	**144,609**

Maturities for financial liabilities 2016 - Parent

	On demand	< 1 year	1-2 years	>2years	Total
Trade creditors	-	44,913	-	-	44,913
Sundry creditors	-	63,548	-	-	63,548
Audit fees accrued	-	20,175	-	-	20,175
Legal fees payable	-	-	-	-	-
	-	**128,636**	**-**	**-**	**128,636**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 FINANCIAL INSTRUMENTS

MARKET RISK

Interest Rate Risk

The economic entity's exposure to interest rate risk arises mainly from changes in market interest rates that impact cash investments held. At balance date, only the entity's cash and cash equivalents primarily invested in deposits at call or held-to-maturity term deposits is exposed to floating interest rate risk.

Consolidated

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Financial Assets	%	%	$	$	$	$	$	$
Cash at bank	0.70	1.17	278,613	211,102	-	-	-	-
Deposits at call	2.50	2.17	-	-	1,559,417	1,551,057	-	-
Total Financial Assets			**278,613**	**211,102**	**1,559,417**	**1,551,057**	-	-

Parent

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Financial Assets	%	%	$	$	$	$	$	$
Cash at bank	1.00	1.21	277,061	207,684	-	-	-	-
Deposits at call	2.43	2.05	-	-	1,300,000	1,300,000	-	-
Total Financial Assets			**277,061**	**207,684**	**1,300,000**	**1,300,000**	-	-

SENSITIVITY ANALYSIS

The following sensitivity analysis was estimated using a simple analysis that measures the impact of small changes of interest rates on the accounting income or economic value as applicable to the economic entity's investment structure and is based on the interest rate risk exposures in existence at the end of the reporting period.

A 1% increase or decrease in interest rates would impact profit or loss by the amounts shown below. The analysis assumes that other variables are held constant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 FINANCIAL INSTRUMENTS

Interest Rate Risk *continued*

SENSITIVITY ANALYSIS OF THE RISK THAT THE ENTITY IS EXPOSED TO FOR 2017

CONSOLIDATED

Change in Risk Variable			+1%		-1%	
Financial assets	Carrying amount	Current Rate	EFFECT ON		EFFECT ON	
			Profit & Loss	Equity $	Profit & Loss	Equity
Deposits at call	1,559,417	2.50%	15,594	15,594	(15,594)	(15,594)

PARENT

Change in Risk Variable			+1%		-1%	
Financial assets	Carrying amount	Current Rate	EFFECT ON		EFFECT ON	
			Profit & Loss	Equity	Profit & Loss	Equity
Deposits at call	1,300,000	2.43%	13,000	13,000	(13,000)	(13,000)

SENSITIVITY ANALYSIS OF THE RISK THAT THE ENTITY IS EXPOSED TO FOR 2016

The sensitivity analysis is performed on the same basis in the comparative period.

CONSOLIDATED

Change in Risk Variable			+1%		-1%	
Financial assets	Carrying amount	Current Rate	EFFECT ON		EFFECT ON	
			Profit & Loss	Equity $	Profit & Loss	Equity
Deposits at call	1,551,057	2.17%	15,511	15,511	(15,511)	(15,511)

PARENT

Change in Risk Variable			+1%		-1%	
Financial assets	Carrying amount	Current Rate	EFFECT ON		EFFECT ON	
			Profit & Loss	Equity	Profit & Loss	Equity
Deposits at call	1,300,000	2.05%	13,000	13,000	(13,000)	(13,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 15 FAIR VALUE MEASUREMENT

The Organisation measures and recognises the following assets at fair value on a recurring basis:

- Financial assets
- Investment property

For other assets and liabilities the net fair value approximates their carrying value largely due to the short term maturities of these instruments. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The following table presents the Organisation's financial assets measured and recognised at carrying amounts and aggregate net fair values as disclosed in the statement of financial position and in the notes to the financial statements at balance date.

	Level	**Carrying amount 2017**	**Fair value 2017**	Carrying amount 2016	Fair value 2016
Financial assets					
Shares in subsidiary *(note 7)*	1	600,004	600,004	600,004	600,004
Non-financial assets					
Investment Property *(note 7)*	2	1,200,000	1,200,000	1,200,000	1,200,000

The fair value hierarchy consists of the following levels:

Level 1 - Inputs for assets or liability values not based on observable market data (unobservable inputs).

Level 2 - Inputs other than quoted prices in active markets for identical assets or liabilities that are observable, either directly (as prices) or indirectly (derived from prices); and

Valuation techniques used to derive level 1 and level 2 fair values:

- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

  If one or more of the significant inputs is not based on observable market data, the instrument is included in level 1. This is the case for the unlisted equity shares in subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 15 FAIR VALUE MEASUREMENT *continued*

Valuation techniques used to derive level 1 and level 2 fair values:

- For its investment property, commencing December 2013, the Organisation obtains independent valuation at least every four years. At the end of each reporting period, the committee members update their assessment of the fair value of the property, taking into account the most recent independent valuation. The committee members determine a property's value within a range of reasonable fair value estimates.

  The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the committee members consider information from a variety of sources including:

  - Current prices in an active market for properties of different nature or recent prices similar properties in less active markets, adjusted to reflect those differences
  - Capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

The fair value of the investment property has been derived using the sales comparison approach. Sale prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Description	Fair value at June 2017	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Warehouse 7 41 Sabre Drive Port Melbourne VIC 3207	1,200,000	Direct sales comparison approach supported by the capitalisation of income approach	Building value rates per square metres (sqm)	1% change in building value rate per sqm would increase/decrease fair value by $12,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 16 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 General Manager:

(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).

Note 17 SEGMENT REPORTING

The Association carries on business as an Employer's Association operating predominantly in Australia.

Note 18 CAPITAL MANAGEMENT

The Officeholders for each reporting unit of the Association and where applicable their controlled entities, control the capital in order to safeguard their ability to continue as a going concern, so that they can fund its operations.

There are no externally imposed capital requirements.

Note 19: CONTROLLED ENTITY

Controlled Entity Consolidated

Name of entity	Principal Activity	Percentage Controlled	
		2017	2016
Australian Trainers' Association - Western Australia Branch *Reporting unit of the Association*	Service the needs of the trainers	100%	100%
Racing Supplies Pty Ltd *Incorporated in Australia*	Sale of products used in Horse Industry	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 20 ASSOCIATION AND CONTROLLED ENTITIES

The registered office of the association:

Australian Trainers' Association – Federal Branch
1st Floor 400 Epsom Road, Flemington VIC 3031

The principal place of businesses:

- Australian Trainers' Association - Federal Branch
  1st Floor 400 Epsom Road, Flemington VIC 3031
- Australian Trainers' Association - Western Australia Branch
  157 Penguin Road, Safety Bay WA 6169
- Racing Supplies Pty Ltd
  Warehouse 7 41 Sabre Drive, Port Melbourne VIC 3207