2016

Annual Report

Australian Community Services Employers
Association Union of Employers
T/A Community Management Solutions

Financial Year Ended 31 December 2016

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Vision

Vision

To offer the most cost-effective, practical and down-to-earth advice and assistance on wide range of issues faced by boards, committees of community services organisations, managers and owners on a day-to-day basis.

Mission Statement

To **assist** our members with all matters relating to CMS's core business through the provision of cost-effective services and resources.

Connect our members with ideas by providing networking opportunities, the latest news and events and establishing links with academics and industry specialists.

Lead our membership through exposure to cutting edge ideas, innovations and practices.

Monitor developments at government and other levels which may have impact on our members and to make submissions or representations as required.

President's and Treasurer's Report

In 2016 the focus of the organisation has been on providing more services for our members and providing face to face seminars and road-shows, particularly in the regional areas.

The implementation of the strategic plan, which takes ACSEA (CMS) back to its origins: "to deliver quality management services to member not-for-profit organisations", has seen our membership numbers maintained.

Catherine Norris and Neale Brosnan, our joint General Managers have overseen the completion of the purchase and renovation, and relocation of the organisation, to our new premises at Unit 5, 321 Kelvin Grove Road, Kelvin Grove. The new look Facebook page has continued to give our members access to information that helps them run their business and ensure they are aware of changes to awards, legislation and regulations and also helping them to grow a support network. We continue to advocate for members in the areas of Early Education, Child Care, Parents and Citizens Associations, Community Organisation and Disability Services. In particular, we facilitated the development of the new P&C Award, writing and lodging the draft with QIRC and negotiating with the unions on the content over many meetings and commission hearings. Also a part of our strategic plan, we are renewing our contacts with other industry organisations. Along with numerous informal meetings with leaders of such organisations, Neale Brosnan was appointed to the Workforce Health and Community Service Council.

We would like to extend our thanks to our fellow Board members for their ongoing commitment to ACSEA (CMS. We would also like to take this opportunity to express our sadness at the passing of a past Board member, Laurie Maloney. Laurie was a valued Board member between 2008 and 2015, adding his wealth of knowledge and expertise in Industrial Relations Laws.

On behalf of the board we thank Neale, Catherine and our talented staff whose dedication has seen ACSEA (CMS) through the upheaval of change and for their continued dedication.

We would also like to thank our members for their support and continuing membership.

D E Ponting

Deborah Ponting
President

Jennifer O'Brien
Treasurer

Joint General Managers Report

2016 has been a busy year, we have been representing many of our members in the Fair Work Commission and Qld Industrial Relations Commission. We have also been doing numerous Financial Audits, Work Health and Safety Audits, and Industrial Relations / Human Resources Audits. We continue to develop and refine our services and we introduced some new services: Recruitment Services; HR Management and Consultancy service and; Return to Work Coordinator service. We also had the huge task of renovating and moving to our new Kelvin Grove office.

2016 saw a dramatic change in the P&C landscape with the introduction of the new Parents and Citizens Associations Award – State 2016 on the 1st September 2016. ACSEA (CMS) had crucial input on behalf of P&C's as the architects in drafting the new amalgamated Award as well as facilitating negotiations with relevant unions and communicating with Queensland Industrial Relations Commission (QIRC) regarding the Award modernisation process. To assist members with the Awards introduction we ran various seminars, developed fact sheets and presented at the P&Cs Qld Conference.

Sadly in 2016, ACSEA lost a friend and past board member Mr Laurie Moloney, who was a great mentor to the IR staff. He will be sadly missed in the IR and Child Care Community.

We continued with our Roadshows which were held in Toowoomba, Brisbane South, Sunshine Coast, Gold Coast, Ipswich, Cairns, Townsville, Gladstone and Brisbane North. All Roadshows were well received again by our members.

We continued to run a number of seminars throughout the year. They were well attended by members.

We would like to thank the Board for their continued support and dedication to ACSEA (CMS) and its members.

Our thanks also go our staff who have worked tirelessly to assist our members and continue to do so.

Signatures

Neale Brosnan

Signatures

Catherine Norris

Board of Management 2016

Deborah Ponting –President

Deborah Ponting has been a Board member since 1991 and is currently the President of the Association. Deborah is Vice-President of Beenleigh Family Day Care Scheme, a Life-Member of Bethlehem C&K, Woongoolba and a Life-Member of ACSEA (CMS). Deborah has been a Board member of Bethania Lutheran Primary School and Lutheran Ormeau Rivers District School. Deborah is currently employed as a sessional lecturer and researcher at Queensland University of Technology. She is a qualified teacher and librarian. Deborah graduated from the University of Queensland with a Bachelor of Arts, Bachelor of Educational Studies, and Graduate Diploma of Education and graduated from the Queensland University of Technology with a Masters of Information Management.

Kim Teague – Vice President

Kim Teague has been on the board for 7 years. He became a Board Member when involved in his daughter's kindergarten (more than 20 years ago) and has remained involved with ACSEA (CMS) at the Board level for many years since then and is a Life Member of ACSEA (CMS). Kim has a Bachelor of Law from QUT and has been practising law for 30 years.

Allan Fazldeen – Secretary

Allan has been our Secretary since 1973, when he played a major role in establishing the organisation. Having been heavily involved for so long, he has a deep understanding of the needs of members of ACSEA (CMS) members. He holds qualifications and experience in Accountancy, Management, Company Secretary, Financial Planning, Superannuation advice and Trusteeship. He is a Fellow of the Australian Society of CPAs, a Fellow of the Australian Institute of Management and a life member of Early Childhood Australia. Allan was employed as the Executive Officer of the C&K Association for over 30 years until his retirement in 2000, and has experience on kindergarten and P&C committees. Allan is passionate about ACSEA (CMS) because he believes that Community Services have, and will continue to have, an important role to play in the life of many Australians.

.Jenny O'Brien – Treasurer

Jenny O'Brien has been a Board member since 2007 and was appointed Treasurer in 2008. Jenny has previously been a Board and Committee member of Lifeline Brisbane. Jenny was employed as a Senior Manager in the accounting and advisory firm, KPMG. She was with KPMG for more than 21 years. Jenny brings a wealth of accounting experience to the Board, but also has experience serving on a C&K Kindy Committee for three years and a School Age Child Care Service Committee for the last 12 months. Jenny graduated with a Bachelor of Commerce from James Cook University in Townsville and is a Chartered Accountant.

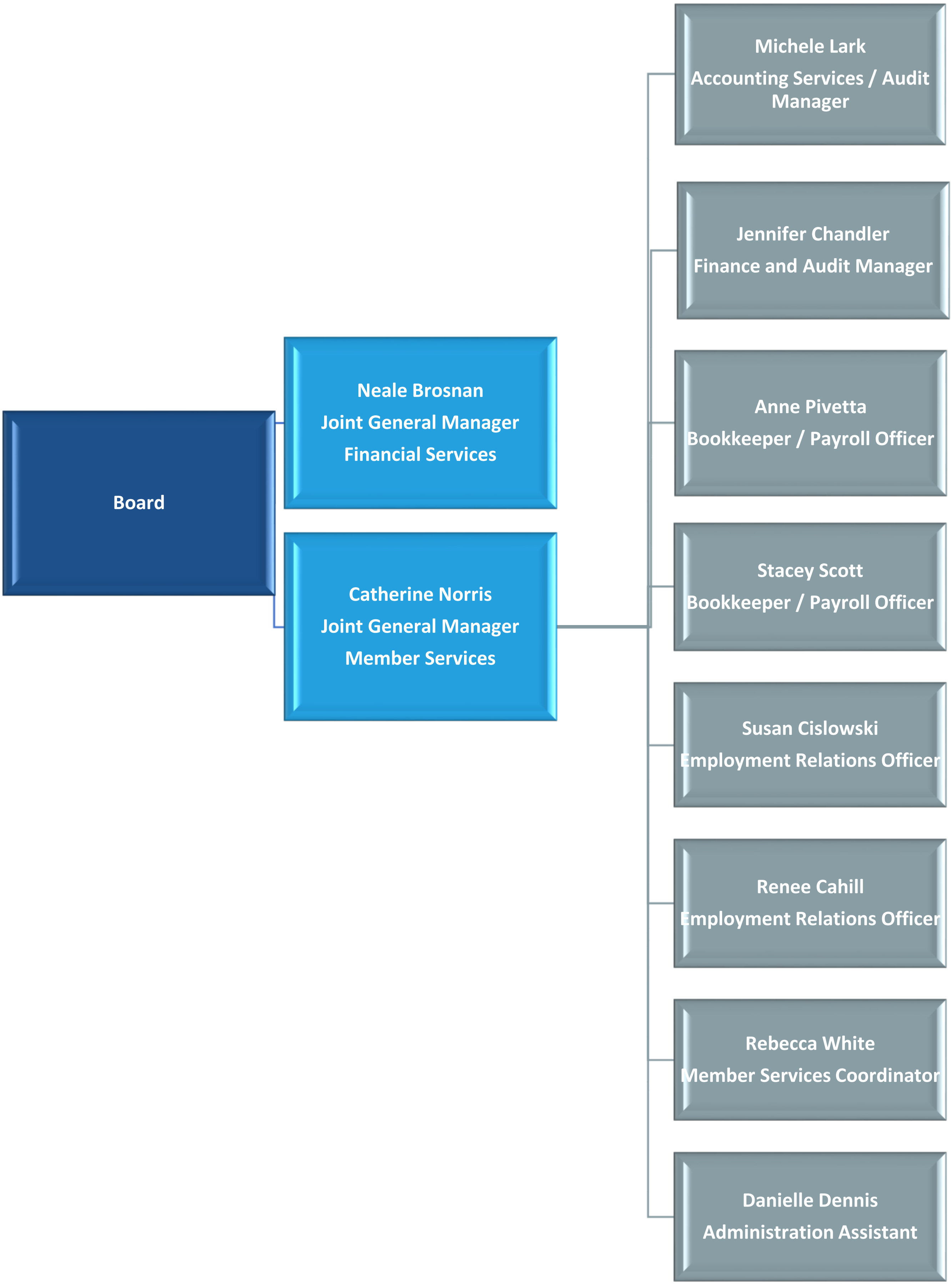
Barry Bicknell – Board Member

Barry has been a voluntary board member since 1987 originating as a voluntary representative of the Early Childhood learning sector. Barry is an Investment advisor and Authorised Fund Manager with WilsonHTM Investment Group and brings a valuable input to the running of ACSEA (CMS) as a not for profit organisation with its limited income ability but managing to create a highly valued resource for its membership. Other board positions held are The Industry Super Preservation Fund and the WilsonHTM Foundation and a member of the Qld Independent Education and Care investment committee. Past positions include being a director of Lifeline Brisbane. Barry has a Diploma of Financial Services (Financial Markets) and is a Master of the Stockbrokers Association of Australia. A Member of the Association of Superannuation Funds of Australia and the Australian Institute of Superannuation Trustees.

Kylie Brannelly – Board Member

Kylie Brannelly was elected as a board member March 2015. Kylie Brannelly is the Chief Executive Officer of the Queensland Children's Activities Network (QCAN) and has been involved in the Education and Care Services sector in various support, advocacy and leadership roles for more than 20 years. As a National representative for Outside School Hours Care, Kylie participated in the steering committee overseeing the development of the Learning Framework for School Age Care, My Time, Our Place. At this level, Kylie has been also able to advise government on pertinent policy and program issues for the sector through representing OSHC on the Australian Government Ministerial Advisory Council since 2014 and prior to this as a delegate to the National Children's Services Forum. Kylie appreciates the opportunity to work together with other organisations in both government and non-government sectors and is a member of the Nature Play Queensland Advisory Board. Kylie holds a Bachelor of Education (Early Childhood), Master of Education (Special Education) and has an ongoing commitment to professional learning and development evident in her PhD studies exploring change leadership within the OSHC sector.

CMS Organisation Chart

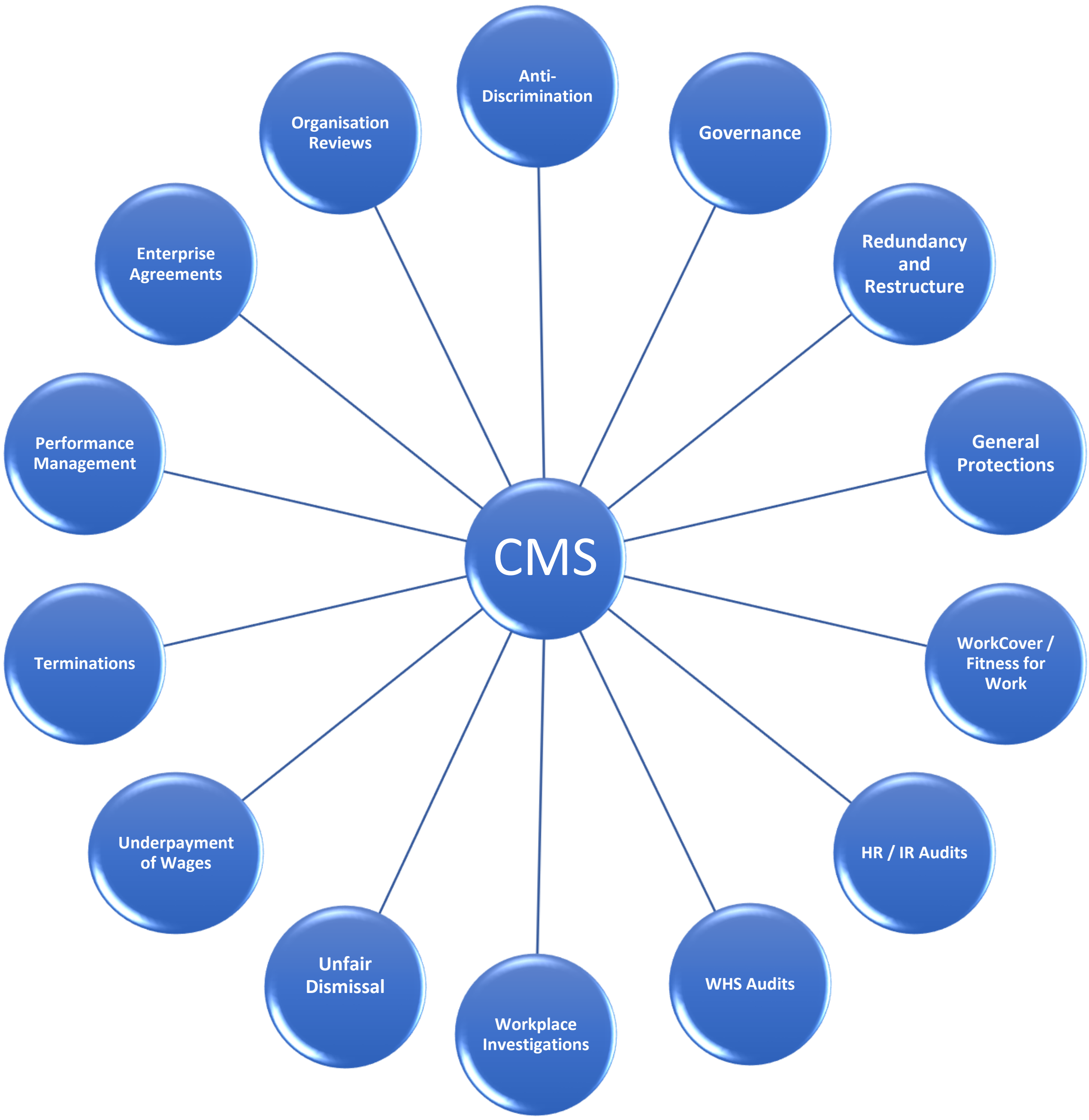


Services – Human Resources | Industrial Relations | Work Health & Safety | Training

The Human Resources and Industrial Relations team have provided substantial assistance and advice to our members and we have also represented members on human resources management and industrial relations issues. We also continued to deliver in-house training and various site visits throughout 2016.

The team has handled over **9867** enquiries during 2016.

ACSEA (CMS) HR/IR Team have represented and assisted members in significant matters during 2016 as outlined below.



Services Financial – Audits | Bookkeeping | Payroll

The Financial Services team have provided substantial assistance and performed some comprehensive work for our members.

ACSEA (CMS) Financial Services team provide the following services to our members in 2016.

CMS Staff – Service

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Ten Years and Above Service		
Staff Member	**Position**	**Years at ACSEA (CMS)**
Susan Cislowski	Employment Relations Advisor	15
Catherine Norris	Joint General Manager – Member Services	12
Rebecca White	Members Services Coordinator	11

Up to Nine Years' Service		
Staff Member	**Position**	**Years at ACSEA (CMS)**
Neale Brosnan	Joint General Manager – Financial Services	6
Jennifer Chandler	Finance and Audit Manager	6
Michele Lark	Accounting Services and Audit Manager	5
Anne Pivetta	Bookkeeper/Payroll	5
Stacey Scott	Bookkeeper/Payroll	4
Renee Cahill	Employment Relations Advisor	3
Danielle Dennis	Administration Officer	1

All our staff our dedicated to offering above and beyond service to all our members.

Financial Statements Appendix

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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Postal Address:	PO Box 3252 NEWMARKET QLD 4051
Registered Office:	Unit 5/321 Kelvin Grove Road KELVIN GROVE QLD 4059
Telephone:	+61 7 3852 5177
Facsimile:	+61 7 3852 5188
Email:	info@cmsolutions.org.au

Registration:	The Association is registered as an Industrial Union of Employers under the provisions of the Fair Work (Registered Organisations) Act 2009 ("RO").

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The committee presents its report on the reporting unit for the financial year ended 31 December 2016.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the business is providing guidance, advice and support to our members. There has been no significant change in the nature of these activities during the year. The results of these activities include Industrial relations & human relations services and support activities for our members. A review of the results of these activities shows they have achieved the objectives of the Association.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association during 2016.

Right of members to resign

Members may resign from the Association in accordance with R.9 (s.254 (2) (c)).

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

One board member, Barry Bicknell, held the position of director of Queensland Independence Education and Care Super (QIEC Super), a superannuation entity.

Number of members

The number of members who, at the end of the reporting period, were recorded on the Register of Members of the Association was 666.

Number of employees

The number of full time equivalent employees as at 31 December 2016 was 8.3 employees (2015: 8.3).

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

President	Deborah Ponting
Vice President	Kim Teague
Secretary	Allan Fazldeen
Treasurer	Jennifer O'Brien
Board Member	Barry Bicknell
Board Member	Kylie Brannelly

Unless otherwise indicated each person held office for the full period of the financial year.

Signature of designated officer: D E Ponting

Name and title of designated officer: Deborah Ponting, President Dated: 2.6.14

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

On the 26th April 2017 the Committee of Management of the above named Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

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 the reporting guidelines of the General Manager;
(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; and
 (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 (iv) the organisation consists of only one reporting unit;
 (v) no information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 (vi) no order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act.

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

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

Signature of designated officer: D E Ponting ....

President- Deborah Ponting

Signature of designated officer: ....

Treasurer- Jennifer O'Brien

Dated: 2.6.17

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	For the period 28.4.15 to 31.12.15 $
REVENUE			
Membership subscription		508,218	346,509
Services rendered income		482,422	339,991
Manuals and awards sales income		25,633	19,645
Capitation fees	3a	-	-
Levies	3b	-	-
Interest income	3c	4,635	9,744
Rental income	3d	-	4,906
Grants and donations	3e	-	-
Net gains from sale of assets	3f	384	-
Investment income	3g	19,972	18,455
Other revenue		3,850	5,245
TOTAL REVENUE		**1,045,115**	744,495
EXPENDITURE			
Employee expenses	4a	696,414	519,930
Capitation fees	4b	-	-
Affiliation fees	4c	-	-
Administration expenses	4d	243,319	179,421
Grants or donations	4e	-	-
Depreciation expense	4f	39,303	17,685
Finance costs	4g	15,887	460
Legal costs	4h	150	12,196
Auditors remuneration	16	12,376	9,700
Brokerage & stamp duty		8,832	5,210
Insurance expense		14,907	9,726
Membership, subscriptions & member seminars		17,180	15,212
Unrealised (profit)/loss on financial assets held for trading		(34,175)	40,064
Project & recoverable costs		28,622	15,623
TOTAL EXPENDITURE		**1,042,814**	825,227
OTHER INCOME			
Insurance claim		8,574	-
Net gain on disposal of investments		42,375	1,070
TOTAL OTHER INCOME		**50,949**	1,070
SURPLUS/(DEFICIT) BEFORE INCOME TAX		**53,250**	(79,661)
Income tax expense		-	-
SURPLUS/(DEFICIT) AFTER INCOME TAX		**53,250**	(79,661)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		**53,250**	(79,661)

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

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	597,449	974,999
Trade and other receivables	5b	73,234	107,008
Financial assets	5c	794,686	631,176
Other current assets	5d	-	24,633
TOTAL CURRENT ASSETS		1,465,369	1,737,816
NON CURRENT ASSETS			
Furniture and equipment	6a	20,178	5,483
Computer equipment	6b	10,712	17,781
Strata Title Office	6c	662,301	-
TOTAL NON CURRENT ASSETS		693,191	23,264
TOTAL ASSETS		**2,158,560**	1,761,080
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7a	5,310	12,509
Other payables	7b	453,534	398,269
Employee provisions	8	70,933	56,939
Other current liabilities	9	368,200	396,571
TOTAL CURRENT LIABILITIES		897,977	864,288
NON CURRENT LIABILITIES			
Employee provisions	8	23,068	12,524
Other non-current liabilities	10	300,000	-
TOTAL NON CURRENT LIABILITIES		323,068	12,524
TOTAL LIABILITIES		**1,221,045**	876,812
NET ASSETS		**937,515**	884,268
EQUITY			
Accumulated funds	12	937,517	884,268
TOTAL EQUITY		**937,517**	884,268

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Accumulated funds $	Total equity $
Balance at 1 January 2015	11	**-**	**-**
Total comprehensive income			
Surplus/(deficit) attributable to members		(79,661)	(79,661)
Net assets acquired on restructure	11	963,929	963,929
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**884,268**	**884,268**
Closing balance at 31 December 2015		**884,268**	**884,268**
Total comprehensive income			
Surplus/(deficit) attributable to members		53,250	53,250
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**53,250**	**53,250**
Closing balance at 31 December 2016	12	**937,517**	**937,517**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	For the period 28.4.15 to 31.12.15 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and clients		1,167,219	1,006,275
Dividends received		19,972	18,455
Interest received		4,635	9,744
Cash used			
Payments to suppliers and employees		(1,055,394)	(779,999)
Finance costs paid		(15,887)	-
GST paid		(2,290)	(76,496)
Net cash from/(used by) operating activities	13a	118,256	177,978
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of assets		471	-
Proceeds from sale of investments		596,047	249,016
Cash used			
Payments for purchase of plant & equipment		(709,318)	(3,789)
Payments for investments		(683,007)	(417,256)
Net cash from/(used by) investing activities		(795,806)	(172,028)
FINANCING ACTIVITIES			
Cash received			
Proceeds from borrowings		350,000	-
Cash used			
Repayment of borrowings		(50,000)	-
Net cash from/(used by) financing activities		300,000	-
Net (decrease)/increase in cash & cash equivalents held		(377,550)	5,950
Cash & cash equivalents at the beginning of the reporting year		974,999	969,049
Cash & cash equivalents at the end of the reporting year	5a	597,449	974,999

The accompanying notes form part of these financials statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

1.1 This 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 Organisation) Act 2009.* For the purpose of preparing the general purpose financial statements, the Australian Community Services Employers Association, Union of Employers (trading as Community Management Solutions) is a not-for-profit entity.

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 Comparative amounts

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

On 28 April 2015 the Australian Community Services Employers Association Queensland, Union of Employers was deregistered. The assets and liabilities of the association were transferred to Australian Community Services Employers Association, Union of Employers, a federally registered entity. The federally registered entity is now responsible for and manages all the financial affairs of the association.

The comparative figures are for the period 28 April 2015 to 31 December 2015.

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period on the Association include the following, but the impact of such standards has not yet been fully determined:

AASB 9 Financial Instruments

AASB 9 will replace AASB 139: Financial Instruments: Recognition and Measurement. The key changes that may affect the Association on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity’s own credit risk in OCI, except when it would create an ‘accounting mismatch’; and
- requiring impairment of financial assets carried at amortised cost based on an expected loss approach.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.4 New Australian Accounting Standards (Continued)

AASB 15 Revenue from contracts with customers

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. The give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- identify the contract(s) with a customer;
- identify the performance obligations under the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations under the contract(s); and
- recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 16 Leases

Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their balance sheets for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the balance sheet will be required to be capitalised on the balance sheet once AASB 16 is adopted.

AASB 2016-2

This Standard amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Association's activities.

Membership revenue

The Association recognises membership revenue on a straight line basis over the year consistent with the delivery of services rendered to members. Members who do not renew their membership are removed from the association's member register.

Interest revenue

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

Dividend revenue

Dividend revenue is recognised when the Association has established that it has a right to receive a dividend.

Service revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers

Gains on disposal of financial assets

Gains from the disposal of financial assets is recognised as other income in the period in which the financial asset is disposed of.

Rental income

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

Sales made on credit are included in "Trade Debtors" and are recorded at the balance due less any provision for impairment for amounts estimated to be un-collectable. Trade debtor amounts are due within 30 days of invoice.

The organisation by its nature and location has a concentration of credit risk in that all of its trade debtors are due from customers in Queensland who operate in the education and child care industry.

All revenue is stated net of the amount of goods and services tax (GST).

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Association with no future related costs are recognised in profit or loss in the period in which they become receivable.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

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

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

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.

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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.11 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they incurred.

1.12 Cash

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

1.13 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.

1.14 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. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.14 Financial assets (Continued)

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.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be 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 reporting unit 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

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. 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.

1.14 Financial assets (Continued)

Available-for-sale (Continued)

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit's 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 spot rate at the end of the reporting period. 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

Loan and receivables

Trade receivables, loans and other receivables 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 the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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 asset, 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 correlate 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.14 Financial assets (Continued)

Impairment of financial assets (Continued)

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.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.15 Derecognition of financial assets

The reporting unit 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.16 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.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 ‘Financial Instruments: Recognition and Measurement’ permits the entire combined contract (asset or liability) to be 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.17 Contingent Liabilities and Contingent Assets

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

1.18 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 assets	2016	2015
Furniture and equipment	3 to 10 years	3 to 10 years
Computer equipment	3 to 5 years	2 to 5 years
Strata Title Office	10 to 40 years	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.18 Land, Buildings, Plant and Equipment (Continued)

Derecognition

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

1.19 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.

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.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

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

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

Cash flows are included in the 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.22 Fair value measurement

The Association measures financial instruments, such as, financial assets 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 17(a).

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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.23 Going Concern

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

1.24 Finance costs

All finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

1.25 Rounding

The figures in the financial statements have not been rounded.

Note 2: Events after the reporting period

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

		2016 $	For the period 28.4.15 to 31.12.15 $
Note 3:	**Income**		
3(a)	**Capitation fees**		
	The Association	-	-
3(b)	**Levies**		
	Compulsory or voluntary levy or appeal	-	-
3(c)	**Interest**		
	Deposits and loans	4,635	9,744
3(d)	**Rental revenue**		
	Office rental	-	4,906
3(e)	**Grants or donations**		
	Grants	-	-
	Donations	-	-
		-	-
3(f)	**Net gains from sale of assets**		
	Land & building	-	-
	Plant & equipment	384	-
	Total net gain from sale of assets	384	-
3(g)	**Dividends**		
	Dividends received	19,972	18,455

During the reporting period the Association has not received any capitation fees, levies, grants or donations or been in receipt of any form of financial support from another reporting unit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 $	For the period 28.4.15 to 31.12.15 $
Note 4:	**Expenditure**		
4(a)	**Employee expenses**		
	Holders of office:		
	Wages and salaries	-	-
	Superannuation	-	-
	Leave and other entitlements	-	-
	Separation and redundancies	-	-
	Other employee expenses	-	-
	Subtotal employee expenses holders of office	-	-
	Employees other than office holders		
	Wages and salaries	586,679	466,195
	Superannuation	57,135	42,641
	Leave and other entitlements	24,536	5,465
	Separation and redundancies	13,592	-
	Other employee expenses	14,471	5,629
	Subtotal employee expenses employees other than office holders	696,414	519,930
	Total employee expenses	696,414	519,930
4(b)	**Capitation fees**		
	The Association	-	-
4(c)	**Affiliation fees**		
	The Association	-	-
4(d)	**Administration expenses**		
	Consideration to employers for payroll deductions	-	-
	Compulsory levies	-	-
	Fees/allowances- meeting and conferences	-	-
	Conference and meeting expenses	3,717	1,313
	Contractors/consultants	43,975	20,158
	Property expenses	25,548	9,183
	Office expenses	69,422	43,515
	Information communications technology	26,271	18,008
	Other	28,869	17,902
	Subtotal administration expense	197,802	110,078
	Operating lease rentals:		
	Office premises	12,648	47,773
	Minimum lease payments -equipment	32,870	21,569
		45,518	69,343
	Total administration expenses	243,319	179,421

During the reporting period the Association has not incurred any deductions by employees for membership subscriptions, payments of capitation fees or any form of financial support to another reporting unit, fees or periodic subscriptions paid in respect of affiliations to third parties, compulsory levies, employee expenses related to holders of office or penalties imposed under the RO Act.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 $	For the period 28.4.15 to 31.12.15 $
Note 4:	**Expenditure (Continued)**		
4(e)	**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	-	-
	Total paid that exceeded $1,000	-	-
	Total grants or donations	-	-
4(f)	**Depreciation**		
	Property, plant & equipment	39,303	17,685
	Total depreciation	39,303	17,685
4(g)	**Finance costs**		
	Finance charges	15,887	460
	Total finance costs	15,887	460
4(h)	**Legal costs**		
	Litigation	-	-
	Other legal matters	150	12,196
	Total legal costs	150	12,196
4(i)	**Other expenses**		
	Penalties - via RO Act or RO Regulations	-	-
	Total other expenses	-	-

		2016 $	2015 $
Note 5:	**Current Assets**		
5(a)	**Cash and cash equivalents**		
	Cash at bank	239,410	662,468
	Cash at bank - held in trust	357,518	311,642
	Cash on hand	521	889
	Total cash and cash equivalents	597,449	974,999

Other comments: The "cash at bank - held in trust" relates to funds received from payroll and/or bookkeeping clients which is held and used on their behalf for their payroll and/or bookkeeping activities. Refer to Note 7b for the corresponding liability.

		2016 $	2015 $
Note 5:	**Current Assets (Continued)**		
5(b)	**Trade and other receivables**		
	Receivables from other reporting unit(s)	-	-
	Total receivables from other reporting unit(s)	-	-
	Less provision for doubtful debts	-	-
	Total provision for doubtful debts	-	-
	Receivable from other reporting unit(s)	-	-
	Other receivables		
	Trade receivables	40,800	78,233
	Less: Provision for doubtful debts	-	(2,500)
		40,800	75,733
	Other debtors	32,434	31,275
	Total trade and other receivables	73,234	107,008

Credit risk

Refer to Note 17(d) for assessment of credit risk.

No transactions were made with a reporting unit during the reporting period.

		2016 $	2015 $
5(c)	**Financial assets**		
	Financial assets held for trading:		
	- shares in listed corporations at market value	794,686	631,176
		794,686	631,176
5(d)	**Other current assets**		
	Prepayments	-	8,578
	Sundry receivables	-	16,055
		-	24,633

			2016 $	2015 $
Note 6:	**Non current assets**			
6(a)	**Furniture and equipment**			
	At cost		31,652	-
	Accumulated depreciation		(11,474)	-
	Total furniture and equipment		20,178	-
	Reconciliation of the Opening and Closing balances of furniture and equipment			
	As at 1 January			
	Gross book value		11,349	-
	Accumulated depreciation and impairment		(5,866)	-
	Net book value 1 January		5,483	-
	Additions:			
	By purchase		20,303	190
	By transfer of asset	Note 11	-	11,159
	Depreciation expense		(5,521)	(5,866)
	Disposals:			
	Other - Write offs and scrapping of assets		(87)	
	Net book value 31 December		**20,178**	5,483
	Net book value as at 31 December represented by:			
	Gross book value		31,652	11,349
	Accumulated depreciation and impairment		(11,474)	(5,866)
	Net book value 31 December		**20,178**	5,483
6(b)	**Computer equipment**			
	At cost		34,342	-
	Accumulated depreciation		(23,630)	-
			10,712	-
	Reconciliation of the Opening and Closing balances of computer equipment			
	As at 1 January			
	Gross book value		29,600	-
	Accumulated depreciation and impairment		(11,819)	-
	Net book value 1 January		17,781	-
	Additions:			
	By purchase		4,742	3,599
	By transfer of assets	Note 11	-	26,001
	Depreciation expense		(11,811)	(11,819)
	Disposals:			-
	Other - Write offs and scrapping of assets		-	-
	Net book value 31 December		**10,712**	17,781

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
Note 6(b):	**Computer equipment (Continued)**	**$**	**$**
	Net book value as at 31 December represented by:		
	Gross book value	34,342	29,600
	Accumulated depreciation and impairment	(23,630)	(11,819)
	Net book value 31 December	**10,712**	17,781
6(c)	**Strata Title Office**		
	At cost	684,273	-
	Accumulated depreciation	(21,972)	-
		662,301	-
	Reconciliation of the Opening and Closing balances of Strata Title Office		
	As at 1 January		
	Gross book value	-	-
	Accumulated depreciation and impairment	-	-
	Net book value 1 January	-	-
	Additions:		
	By purchase	684,273	-
	Depreciation expense	(21,972)	-
	Net book value 31 December	**662,301**	-
	Net book value as at 31 December represented by:		
	Gross book value	684,273	-
	Accumulated depreciation and impairment	(21,972)	-
	Net book value 31 December	**662,301**	-

		2016	2015
		$	$
Note 7:	**Current Liabilities**		
7(a)	**Trade payables**		
	Unsecured liabilities:		
	Trade payables	5,310	12,509
	Subtotal trade payables	5,310	12,509
	Payables to other reporting unit(s)	-	-
	Total trade payables	5,310	12,509

Settlement is usually made within 30 days.

No transactions were made with a reporting unit during the reporting period.

No payables were owing to employers as consideration for the employers making payroll deductions of membership subscriptions.

There were no payables owing in relation to legal costs and/or litigation matters.

		2016	2015
7(b)	**Other payables**	$	$
	Liability - Funds held in trust	357,518	311,642
	Other payables	96,017	86,627
	Total other payables	453,534	398,269
	Total other payables are expected to be settled in:		
	No more than 12 months	453,534	398,269
	More than 12 months	-	-
	Total other payables	453,534	398,269
Note 8:	**Provisions**		
	Employee Provisions		
	Office holders:		
	Annual leave	-	-
	Long service leave	-	-
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions-office holders	-	-
	Employees other than office holders:		
	Annual leave	58,890	40,651
	Long service leave	35,111	28,812
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions- employees other than office holders	94,001	69,463
	Total employee provisions	94,001	69,463
	Current	70,933	56,939
	Non current	23,068	12,524
		94,001	69,463

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 $	2015 $
Note 9:	**Other current liabilities**		
	Membership fees received in advance	368,200	396,571
Note 10:	**Non-current liabilities**		
	Interest only loan	300,000	-

The loan is secured by mortgage on the office premises at 5/321 Kelvin Grove Rd, Kelvin Grove and is for a term of two years. On the completion of this term the loan arrangements will be reviewed.

Note 11 Restructure

On 28 April 2015 the Australian Community Services Employers Association Queensland, Union of Employers was deregistered. The assets and liabilities of the association were transferred to Australian Community Services Employers Association, Union of Employers, a federally registered entity as at that date. The federally registered entity is now responsible for and manages all the financial affairs of the association.

	28.4.15
Assets acquired:	
Cash on hand and at bank	969,049
Shares at Market Value	501,932
Receivables and prepayments	201,904
Other debtors	45,992
Furniture and equipment at book value	11,159
Computer equipment at book value	26,001
	1,756,037
Less: Liabilities assumed	
Trade Payables	(19,942)
Funds held in Trust	(259,115)
Other payables	(89,071)
Annual leave	(43,216)
Long Service Leave	(46,210)
Membership fees received in advance	(334,555)
	(792,108)
Total net assets acquired	963,929

Note 12: Equity

	2016 $	2015 $
Accumulated funds		
Balance as at start of year	884,268	-
Net assets acquired on restructure	-	963,929
Surplus attributable to members	53,250	(79,661)
Balance as at end of year	937,517	884,268

During the financial year and at year-end, there was:

- no fund or account which operated in respect of compulsory levies or voluntary contributions;
- no monies were raised by compulsory levies or voluntary contributions that have been invested in assets;
- no funds or accounts were operated (other than general funds) which is required by the rules of the organisation;
- there were no transfers to and/or withdrawals from a fund or account which are kept for a specific purpose.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	For the period 28.4.15 to 31.12.15
Note 13:	**Cash flow**		
13(a)	**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	597,449	974,999
	Balance sheet	597,449	974,999
	Difference	0	0
	Reconciliation of net cash from operating activities to surplus after income tax		
	Surplus/(deficit) after income tax	53,250	(79,661)
	Adjustments for non-cash items		
	Depreciation	39,303	17,685
	Gain on sale of investments	(42,375)	(1,070)
	Unrealised (profit)/loss on financial assets held for trading	(34,175)	40,064
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other receivables	6,562	163,154
	(Increase)/decrease in other current assets	23,090	1,487
	Increase/(decrease) in trade and other payables	45,402	77,627
	GST clearing	2,665	(21,346)
	Increase/(decrease) in provisions	24,536	(19,962)
	Net cash from/(used by operating activities	**118,256**	177,978

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 $	For the period 28.4.15 to 31.12.15 $
Note 13:	**Cash flow (Continued)**		
13(b)	**Cash flow information**		
	Cash inflows		
	The Association	2,138,345	1,283,490
	Total cash inflows	2,138,345	1,283,490
	Cash outflows		
	The Association	2,515,895	1,277,540
	Total cash outflows	2,515,895	1,277,540

Note 14: Contingent liabilities, assets and commitments

14(a) Capital and leasing commitments

Operating lease commitments- as lessee

The operating leases are for office related equipment including a photocopier, telephone system, water dispenser and postal franking machine with lease terms ranging from 2 to 4 years.

	2016 $	2015 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	39,204	37,605
- between 12 months and 5 years	56,980	88,877
	96,184	126,482

14(b) Contingent liabilities and contingent assets

There are no contingent assets or contingent liabilities at the date of this report.

Note 15: Related party transactions

15(a) Related party transactions

Mr B. Bicknell was a Director of Wilson HTM (Stockbrokers) (retired from directorship on 30 June 2015) which was engaged in investing activities for the Association. All transactions were carried on normal commercial terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	For the period 28.4.15 to 31.12.15
		$	$
Note 15:	**Related party transactions (Continued)**		
15(a)	**Related party transactions (Continued)**		
	Expenses paid to Wilson HTM (Stockbrokers) during his period of directorship include the following:		
	Brokerage fees	-	964
	Mr K Teague is partner of Cooper Grace Ward Lawyers who act on behalf of the association.		
	Expenses paid to Cooper Grace Ward Lawyers include the following:		
	Legal fees (advice)	8,012	11,087

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided for any related party payables during the financial year.

		2016	For the period 28.4.15 to 31.12.15
		$	$
15(b)	**Key Management Personnel Remuneration for the Reporting Period**		
	Short-term employee benefits		
	Salary (including annual leave taken)	195,957	129,137
	Annual leave accrued	24,036	19,424
	Performance bonus	-	-
	Total short-term employee benefits	219,992	148,561
	Post-employment benefits:		
	Superannuation	18,872	12,905
	Total post-employment benefits		
	Other long-term benefits:		
	Long service leave	19,322	15,979
	Total other long-term benefits		
	Total	258,187	177,444

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	For the period 28.4.15 to 31.12.15
	$	$
Note 16: Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	11,476	9,700
Other services	900	-
Total remuneration of auditors	12,376	9,700

Other services performed by the auditors is the preparation and lodgement of the Annual Fringe Benefits Tax return.

Note 17: Financial instruments

Financial risk management

The Association's financial instruments consist of deposits with banks, accounts receivables and payable, external borrowings and investments in shares in companies listed on the Australian Stock Exchange.
The Association does not have any derivative instruments at 31 December 2016.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Financial risk exposures and management

The main risks the Association is exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The Association's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the Association, by way of various measures detailed below. There have been no changes in the Financial Risk Management Strategies from 2015.

The Board of the Association analyses interest rate exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

Risk management is carried out by the board and key management personnel.

		2016 $	2015 $
Note 17:	**Financial instruments (Continued)**		
17(a)	**Categories of Financial Instruments**		
	Financial assets		
	Fair value through profit or loss:		
	- Shares in listed corporations	794,686	631,176
	Loans and receivables:		
	- Trade and other receivables	73,234	107,008
	- Cash and cash equivalents	597,449	974,999
	Total	670,683	1,082,007
	Carrying amount of financial assets	1,465,369	1,713,183
	Financial liabilities		
	Other Financial liabilities:		
	- Trade and other payables	458,845	410,778
	- Interest only loan	300,000	-
	Carrying amount of financial liabilities	758,845	410,778

17(b) Net income and expense from Financial Assets

	2016 $	For the period 28.4.15 to 31.12.15
Fair value through profit or loss		
Held for trading:		
Change in fair value	34,175	(40,064)
Dividend revenue	19,972	18,455
Net gain/(loss) at fair value through profit and loss	**54,147**	(21,609)
Loans and receivables		
Interest revenue	4,635	9,744
Impairment gain/(expense)	2,500	(2,500)
Net gain from loans and receivable	**7,135**	7,244
Net gain from financial assets	**61,282**	(14,365)

17(c) Net income and expense from Financial Liabilities

At amortised cost	-	-
Net gain/(loss) from financial liabilities	-	-

Note 17: Financial instruments (Continued)

17(d) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Association's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	2016 $	2015 $
Financial assets		
Trade and other receivables	40,800	75,733
Total	40,800	75,733

Collateral held as security

No collateral is held as security for any of the trade and other receivable balances.

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

	Not past due nor impaired 2016 $	Past due or impaired 2016 $	Not past due nor impaired 2015 $	Past due or impaired 2015 $
Trade and other receivables	23,651	17,149	25,993	49,741

Ageing of financial assets that were past due but not impaired - 2016

	0 to 30 days	31 to 60 days	60+ days	Total
Trade and other receivables	5,004	10,576	1,569	**17,149**

Ageing of financial assets that were past due but not impaired - 2015

	0 to 30 days	31 to 60 days	60+ days	Total
Trade and other receivables	6,902	17,566	25,273	**49,741**

Note 17: Financial instruments (Continued)

17(e) Liquidity risk

The Association manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and ensuring that adequate funds are maintained.

Trade payables are short-term in nature.
The Association is not exposed to any significant liquidity risk.

The table below analyses the Association's trade and other payables and borrowings into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash-flows.

Contractual maturities for financial liabilities- As at 31 December 2016

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	458,845	-	-	-	458,845
Interest only loan	-	-	-	300,000	-	300,000
	-	458,845	-	300,000	-	758,845

Contractual maturities for financial liabilities- As at 31 December 2015

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables		410,778	-	-	-	410,778
	-	410,778	-	-	-	410,778

17(f) Market risk

Interest rate risk

The Association is exposed to interest rate risk through its variable rate borrowings and through its cash and cash equivalents.

Cash flow sensitivity analysis for variable rate instruments

The Committee of Management have considered the impact of the disclosure requirements of AASB 7 "Financial Instruments Disclosures", most specifically paragraphs 40 – 41 and does not consider that these disclosures are necessary given the impact of any variations in the interest rates and the required disclosure thereof is not considered material.

Price risk

The Association is not exposed to any material commodity price risk.

Foreign currency risk

The Association does not have any exposures to foreign currencies at the reporting date.

Note 17: Financial instruments (Continued)

17(g) Capital risk management

The Association manages its capital to ensure that it will be able to continue as a going concern and maximise the return to the Association to enable it to provide its ongoing services to its members. The maximisation of the return is achieved through the optimisation of its financial assets, debt and equity.

The capital structure consists of cash and cash equivalents, investments in companies listed on the Australian Stock Exchange and accumulated surplus. The Association's board reviews the composition of the capital structure on a regular basis to ensure that an optimal return is generated.

This strategy remains unchanged from 31 December 2015.

Note 18: Fair value measurement

18(a) Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

· Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2016 was assessed to be insignificant.

· Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

· Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

All fair value measurements have been categorised as Level 1 in the fair value hierarchy.

Note 19: Section 272 Fair Work (Registered organisations) Act 2009

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

Information to be provided to members or 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.

Crowe Horwath.
PART OF FINDEX

Crowe Horwath Audit Queensland
ABN 13 969 921 386
Member Crowe Horwath International

Audit and Assurance Services

Level 16 120 Edward Street
Brisbane QLD 4000
Australia

Tel +61 7 3233 3555
Fax +61 7 3233 3567

www.crowehorwath.com.au

Australian Community Services Employer's Association Union of Employers Trading as Community Management Solutions

Independent Auditor's Report

To the members of Australian Community Services Employer's Association Union of Employers Trading as Community Management Solutions

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Australian Community Services Employer's Association Union of Employers, which comprises the statement of financial position as at 31 December 2016 the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the committee of management.

In our opinion:

a) the financial report gives a true and fair view of the financial position of Australian Community Services Employer's Association, Union of Employers as at 31 December 2016, and its financial performance and its cash flows for the year ended on that date;

b) complying with Australian Accounting Standards; and

c) the general purpose financial statements was presented fairly in accordance with the requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the RO Act

Basis for Opinion

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

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

Responsibilities of the committee of management for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the committee of management determines is necessary to enable the preparation and fair presentation of a financial report that 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

Report on Other Legal and Regulatory Requirements

In our opinion, Australian Community Services Employers Association, Union of Employers:

a) have had no wages recovery activity during the financial year and have prepared the financial statements and notes and properly and fairly report all information required by the reporting guidelines of the General Manager, including nil activity and:
   I. fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
   II. donations or other contributions deducted from recovered money.
b) Have used the going concern basis of accounting in the preparation of the reporting unit's financial statements and is considered appropriate.

We declare that the signing director, Mike McDonald is:

a) an approved auditor
b) a member of the Institute of Chartered Accountants in Australia, and
c) holds a current Public Practice Certificate.

Crowe Horwath

Crowe Horwath Audit Queensland

Mike McDonald
Partner
Dated at Brisbane 6th day of June 17

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