2015

Annual Report

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

Financial Year Ended 31 December 2015

Contents

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

This has been an exciting and busy year for our organisation.

The Board has continued to manage the governance of ACSEA (CMS) and are firmly focused on the future with the implementation of the new strategic plan, which takes ACSEA (CMS) back to its origins and the reason it was formed: "to deliver quality management services to member not-for-profit organisations". Our direction for 2015 is "going back to our grass roots", and as the 2015 budget showed an expected decline in membership income and income from services to members we will continue to focus on our strengths and build a dynamic organisation that works with its members to meet their needs. Whilst this expectation was unfortunately realised, the strategic focus back on our core members will hopefully see a return to growth in our member numbers over the next few years.

Earlier in the year we had a change in leadership. Catherine Norris and Neale Brosnan became our Joint Managers. Both Neale and Catherine are long servicing employees of ACSEA with a combined wealth of experience and knowledge in the not-for-profit sector. Since their appointment in July 2015, their leadership has seen ACSEA refocus its attention on members' needs and strive to always deliver excellent service to our members, with an emphasis on increased personal contact with our members directly, via offering more seminars across the state, and offering webinars. We also continue to investigate new ways to reach out to our members, particularly through social media. We continue to advocate for members in the areas of Early Education, Child Care, Parents and Citizens Associations, Community Organisation and Disability Services.

Since selling our property in Bowen Hills a couple of years ago, we rented premises at Breakfast Creek. During this time though, we continued to look out for suitable properties to reinvest into. At the very end of 2015 we found such a property at Kelvin Grove, on the busy Kelvin Grove Road. We took possession of this property early in 2016. We hope our members take the opportunity to drop in to say hello.

I would like to extend my thanks to my fellow Board members for their ongoing commitment to ACSEA (CMS). Particular thanks is given to Allan Fazldeen whose vision and hard work led to the formation of this organisation. His contributions were recently recognised with an Order of Australia Medal for his services to Childcare Administration

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

I 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

In 2015 we celebrated our 40th Anniversary, and we organised a lot events to meet our members. There was a change in Management, Neale Brosnan and Catherine Norris were appointed Joint General Managers by the Board in July 2015.

As part of the 40th Anniversary celebrations, we visited a large number of long term members, and acknowledged their long term support we gave them a certificate of appreciation and some even received a nice box of chocolates.

We also introduced Roadshows to visited different parts of the state. These were held in Mackay, Cairns, Townsville, Sunshine Coast, Brisbane North, Brisbane South. The Roadshows were well received and we were able to assist members.

In September we held our first P&C Essential Workshop, which ran for a full day, and we had 5 different speakers presenting on issues that have been and do affect P&C Associations.

We also continued to run a number of seminars throughout the year. These seminars were well attended and we will continue to offer a seminar program with a diverse range of interesting relevant topics in 2016.

2015 has been a busy year for the staff, 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 to meet the increasingly diverse needs of our members.

ACSEA (CMS) has been active with the Queensland Industrial Relations Commission (QIRC) regarding the State Award modernisation process (the P&C Award), and members will be consulted and be given the opportunity to contribute to any changes, before they are presented to the QIRC.

In 2015 there was a Board election, with a new board member was appointed (Mrs Kylie Brannelly) and a long term Board member (Mr Laurie Moloney) resigned. A new staff member also joined us, Danielle Dennis who is our new Receptionist.

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

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

Signatures

Neale Brosnan

Signatures

Catherine Norris

Board of Management 2015

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

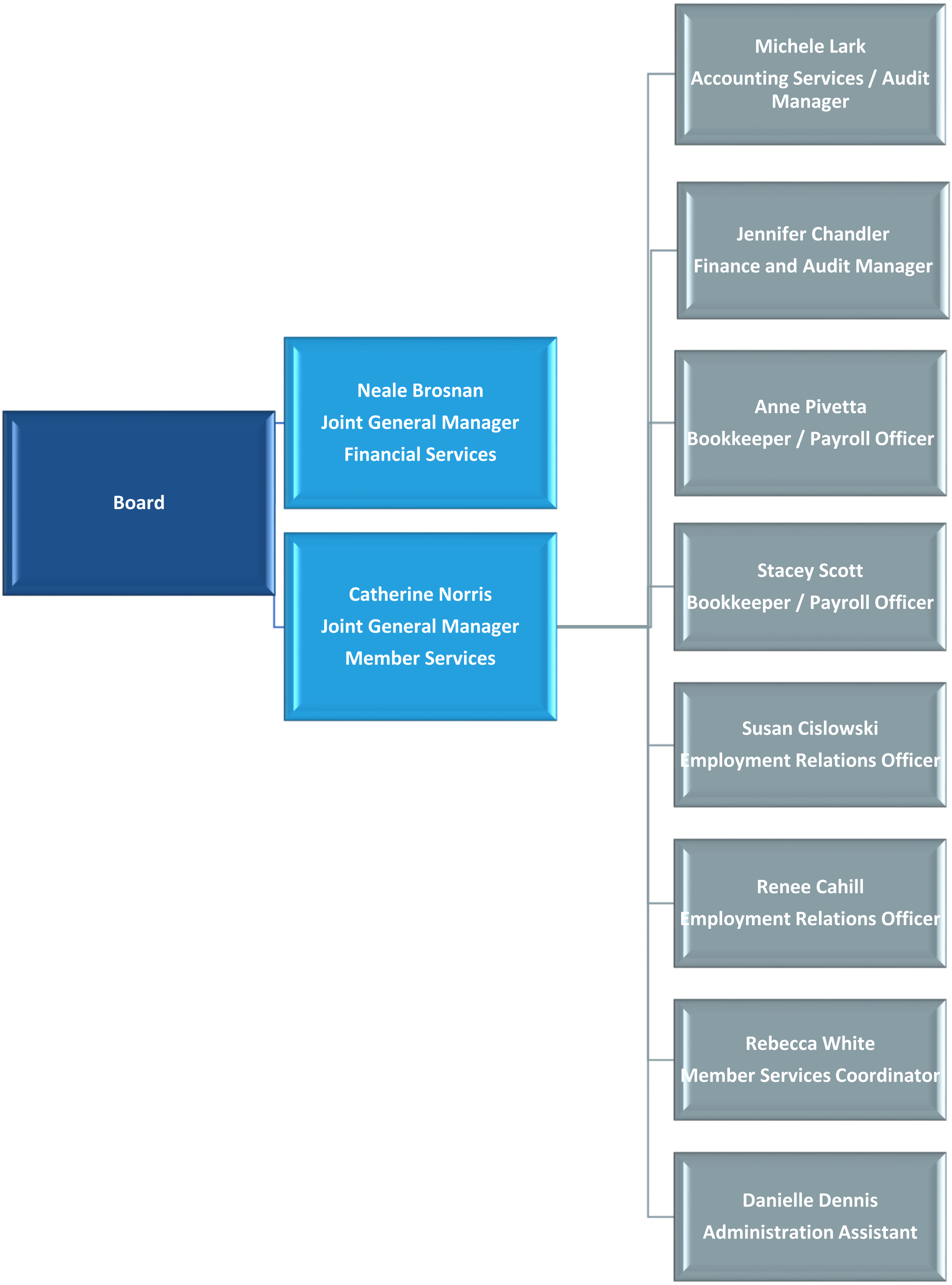
Barry has been a voluntary board member since 1987 originating as a voluntary representative of the Early Childhood learning sector. Barry is an Investment advisor and Authorised Fund Manager with WilsonHTM Investment Group and brings a valuable input to the running of ACSEA (CMS) as a not for profit 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.

Laurie Moloney – Board Member – Resigned March 2015

CMS Organisation Chart

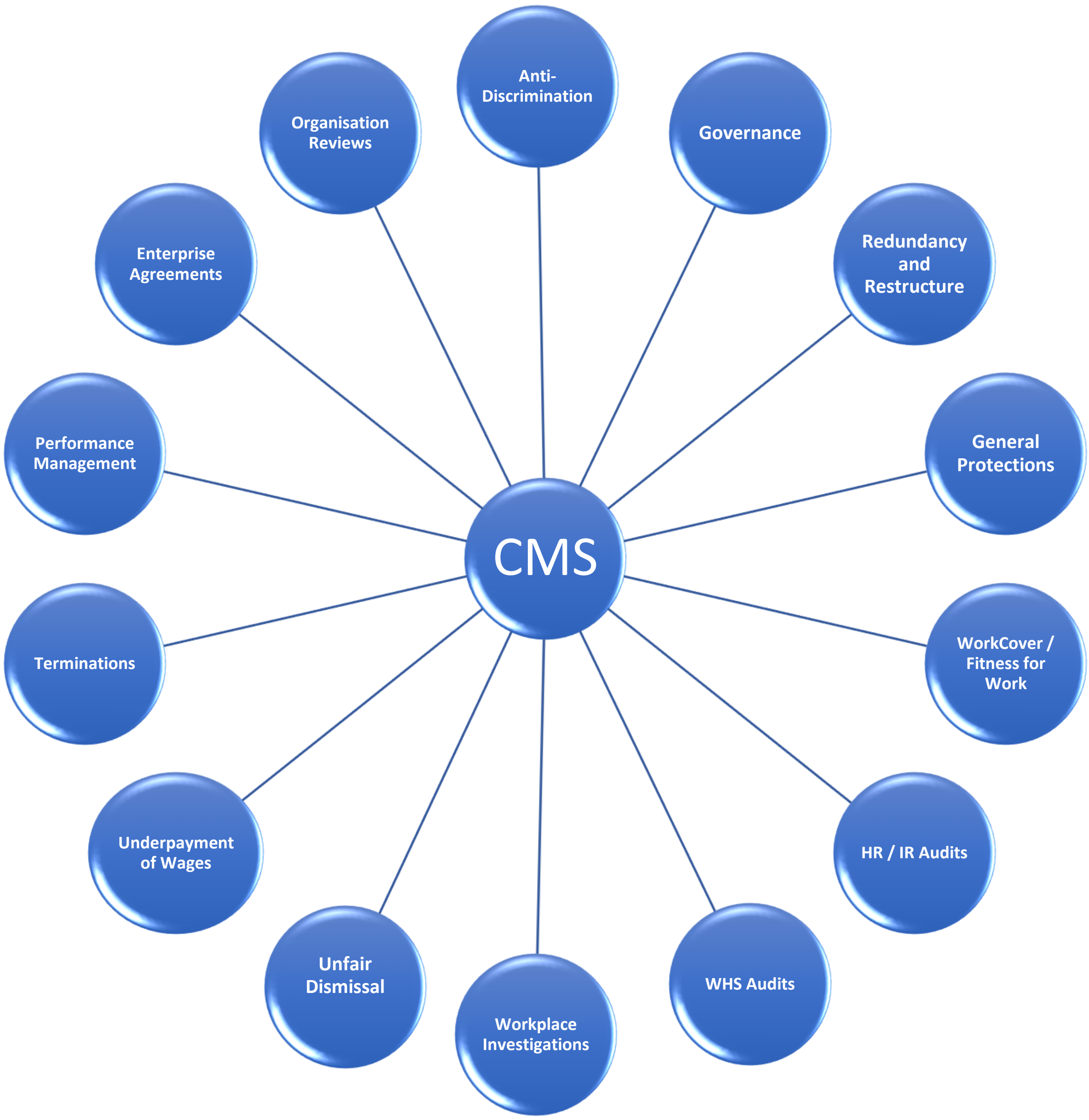


Services – Human Resources | Industrial Relations | Work Health & Safety | Training

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 continue to deliver in-house training and various site visits throughout 2015.

The team has handled over **7985** enquiries during 2015.

ACSEA (CMS) HR/IR Team have represented and assisted members in significant matters during 2015 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 2015.

CMS Staff – Service

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Ten Years and Above Service		
Staff Member	**Position**	**Years at ACSEA (CMS)**
Susan Cislowski	Employment Relations Advisor	14
Catherine Norris	Joint General Manager – Member Services	11
Rebecca White	Members Services Coordinator	10

Up to Nine Years' Service		
Staff Member	**Position**	**Years at ACSEA (CMS)**
Neale Brosnan	Joint General Manager – Financial Services	5
Jennifer Chandler	Finance and Audit Manager	5
Michele Lark	Accounting Services and Audit Manager	4
Anne Pivetta	Bookkeeper/Payroll	4
Stacey Scott	Bookkeeper/Payroll	3
Renee Cahill	Employment Relations Advisor	2
Danielle Dennis	Administration Officer	Less 1 year

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 2014

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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 2015

The committee presents its report on the reporting unit for the financial year ended 31 December 2015.

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

The Association deregistered under the Industrial Relations Act 1999 (Qld) during the financial year. There was no change in the financial affairs of the reporting unit as a result of the deregistration.

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 a superannuation entity of Queensland Independence Education and Care Super (QIEC Super).

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 685.

Number of employees

The number of full time equivalent employees as at 31 December 2015 was 8.3 employees (2014: 8.6).

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 (elected 5 March 2015)
	Laurie Moloney (resigned 5 March 2015)

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: 24.5.16

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

On the 20th April 2016 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 2015:

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: 24.5.16

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $	2014 $
REVENUE			
Membership subscription		515,481	550,979
Services rendered income		555,397	628,580
Manuals and awards sales income		28,326	25,693
Capitation fees	3a	-	-
Levies	3b	-	
Interest income	3c	16,841	24,553
Rental income	3d	9,711	16,580
Grants and donations	3e	-	-
Investment income	3g	23,229	12,820
Other revenue		5,486	3,342
TOTAL REVENUE		**1,154,471**	1,262,548
EXPENDITURE			
Employee expenses	4a	776,142	803,912
Capitation fees	4b	-	-
Affiliation fees	4c	-	-
Administration expenses	4d	301,109	305,582
Grants or donations	4e	393	598
Depreciation expense	4f	28,715	37,696
Finance costs	4g	623	969
Legal costs	4h	12,196	7,755
Auditors remuneration	14	12,700	10,300
Brokerage & stamp duty		9,499	4,025
Insurance expense		14,076	14,003
Membership, subscriptions & member seminars		20,972	15,929
Unrealised loss on financial assets held for trading		30,316	29,791
Project & recoverable costs		22,260	36,610
TOTAL EXPENDITURE		**1,229,001**	1,267,170
OTHER INCOME			
Insurance claim		-	1,725
Net gain on disposal of investments		28,554	3,269
TOTAL OTHER INCOME		**28,554**	4,994
(DEFICIT)/SURPLUS BEFORE INCOME TAX		**(45,976)**	373
Income tax expense		-	-
(DEFICIT)/SURPLUS AFTER INCOME TAX		**(45,976)**	373
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		**(45,976)**	373

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	974,999	1,048,595
Trade and other receivables	5b	107,008	184,760
Financial assets	5c	631,176	361,924
Other current assets	5d	24,633	12,614
TOTAL CURRENT ASSETS		1,737,816	1,607,893
NON CURRENT ASSETS			
Furniture and equipment	6a	5,483	15,305
Computer equipment	6b	17,781	32,362
TOTAL NON CURRENT ASSETS		23,264	47,667
TOTAL ASSETS		**1,761,080**	1,655,560
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7a	12,509	6,692
Other payables	7b	398,269	287,509
Employee provisions	8	56,941	72,125
Other current liabilities	9	396,571	345,111
TOTAL CURRENT LIABILITIES		864,290	711,438
NON CURRENT LIABILITIES			
Employee provisions	8	12,524	13,880
TOTAL NON CURRENT LIABILITIES		12,524	13,880
TOTAL LIABILITIES		**876,814**	725,318
NET ASSETS		**884,266**	930,242
EQUITY			
Accumulated funds		884,266	930,242
TOTAL EQUITY		**884,266**	930,242

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Accumulated funds $	Total equity $
Balance at 1 January 2014	10	**929,869**	**929,869**
Total comprehensive income			
Surplus attributable to members		373	373
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**373**	**373**
Closing balance at 31 December 2014		**930,242**	**930,242**
Total comprehensive income			
Surplus/(deficit) attributable to members		(45,976)	(45,976)
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		**(45,976)**	**(45,976)**
Closing balance at 31 December 2015		**884,266**	**884,266**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 $	2014 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and clients		1,356,931	1,186,832
Dividends received		23,229	12,820
Interest received		16,841	24,554
Cash used			
Payments to suppliers and employees		(1,118,153)	(1,288,885)
Finance costs paid		(623)	(969)
GST paid		(76,496)	(71,921)
Net cash from/(used by) operating activities	11a	201,729	(137,569)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		462,069	143,797
Cash used			
Payments for purchase of plant & equipment		(4,312)	(6,253)
Payments for investments		(733,083)	(309,252)
Net cash from/(used by) investing activities		(275,326)	(171,708)
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings		-	-
Net cash from/(used by) financing activities		-	-
Net increase/(decrease) in cash & cash equivalents held		(73,596)	(309,278)
Cash & cash equivalents at the beginning of the reporting year		1,048,595	1,357,873
Cash & cash equivalents at the end of the reporting year	5a	974,999	1,048,595

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 Interpretives 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 Employer's Association Union of Employers (trading as Community Management Solutions) as 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 the 28 April 2015, the Association deregistered from the Queensland Industrial Relations Commission. There is continuity in the reporting requirements between the Queensland Industrial Relations Commission and the Fair Work Commission. Accordingly, no adjustments in comparative figures have resulted.

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.

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.

IFRS 16 Leases

Under IFRS 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 IFRS 16 is adopted.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

This Amending Standard amends AASB 116: Property, Plant and Equipment and AASB 138: Intangible Assets to:

- establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; and
- clarify the limited circumstances in which revenue-based methods may be used for measuring the consumption of the economic benefits embodied in an intangible asset.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

This Amending Standard makes a number of narrow-focus amendments that address concerns regarding the application of some of the presentation and disclosure requirements in AASB 101: Presentation of Financial Statements, including:

- an entity discloses its significant accounting policies (not a summary of those policies);
- specific line items in the statement of profit or loss and other comprehensive income and statement of financial position can be disaggregated;
- materiality applies in respect of items specifically required to be presented or disclosed, even when AASB 101 contains a list of specific requirements or describes them as minimum requirements;
- entities have flexibility in relation to the order in which they present their notes; and
- the requirements that apply when additional subtotals are presented in the statement of profit or loss and other comprehensive income and statement of financial position.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.4 New Australian Accounting Standards (Continued)

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

Consistent with the AASB's policy of not providing unnecessary local guidance on matters covered by International Financial Reporting Standards (IFRS), this Amending Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, thereby allowing AASB 1031 to be effectively withdrawn. Accordingly, in the future guidance on materiality will be only found in AASB 101: Presentation of Financial Statements and AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors.

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

This Standard makes amendments to AASB 124 Related Party Disclosures to extend the scope of that Standard to include not-for-profit public sector entities.

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).

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

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 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.

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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	2015	2014
Furniture and equipment	3 to 10 years	4 to 10 years
Computer equipment	2 to 5 years	3 to 4 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 16A.

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 2015

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

1.23 Finance costs

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

1.24 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 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Association.

		2015 $	2014 $
Note 3:	**Income**		
3(a)	**Capitation fees**		
	The Association	-	-
3(b)	**Levies**		
	Compulsory or voluntary levy or appeal	-	-
3(c)	**Interest**		
	Deposits and loans	16,841	24,553
3(d)	**Rental revenue**		
	Office rental	9,711	16,580
3(e)	**Grants or donations**		
	Grants	-	-
	Donations	-	-
		-	-
3(f)	**Net gains from sale of assets**		
	Land & building	-	-
	Plant & equipment	-	-
	Total net gain from sale of assets	-	-
3(g)	**Dividends**		
	Dividends received	23,229	12,820

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 2015

		2015	2014
		$	$
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	678,439	709,631
	Superannuation	66,929	70,082
	Leave and other entitlements	8,886	8,280
	Separation and redundancies	13,592	-
	Other employee expenses	8,296	15,919
	Subtotal employee expenses employees other than office holders	776,142	803,912
	Total employee expenses	776,142	803,912
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	1,432	2,737
	Contractors/consultants	90,235	79,834
	Property expenses	11,779	29,402
	Office expenses	45,362	48,835
	Information communications technology	25,432	26,573
	Other	24,176	18,965
	Subtotal administration expense	198,416	206,346
	Operating lease rentals:		
	Office premises	70,675	68,705
	Minimum lease payments -equipment	32,018	30,531
		102,693	99,236
	Total administration expenses	301,109	305,582

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 2015

		2015	2014
		$	$
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	393	598
	Total paid that exceeded $1,000	-	-
	Total grants or donations	393	598
4(f)	**Depreciation**		
	Property, plant & equipment	28,715	37,696
	Total depreciation	28,715	37,696
4(g)	**Finance costs**		
	Finance charges	623	969
	Total finance costs	623	969
4(h)	**Legal costs**		
	Litigation	10,096	-
	Other legal matters	2,100	7,755
	Total legal costs	12,196	7,755
4(i)	**Other expenses**		
	Penalties - via RO Act or RO Regulations	-	-
	Total other expenses	-	-
Note 5:	**Current Assets**		
5(a)	**Cash and cash equivalents**		
	Cash at bank	662,468	893,197
	Cash at bank - held in trust	311,642	155,024
	Cash on hand	889	374
	Total cash and cash equivalents	974,999	1,048,595

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015 $	2014 $
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	78,233	143,455
	Less: Provision for doubtful debts	(2,500)	-
		75,733	143,455
	Other debtors	31,275	41,305
	Total trade and other receivables	107,008	184,760

Credit risk

Refer to Note 14d for assessment of credit risk.

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

		2015 $	2014 $
5(c)	**Financial assets**		
	Financial assets held for trading:		
	- shares in listed corporations at market value	631,176	361,924
		631.176	361,924
5(d)	**Other current assets**		
	Prepayments	8,578	6,559
	Sundry receivables	16,055	6,055
		24,633	12,614

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
		$	$
Note 6:	**Non current assets**		
6(a)	**Furniture and equipment**		
	At cost	56,925	56,735
	Accumulated depreciation	(51,442)	(41,430)
	Total furniture and equipment	5,483	15,305
	Reconciliation of the Opening and Closing balances of furniture and equipment		
	As at 1 January		
	Gross book value	56,735	56,387
	Accumulated depreciation and impairment	(41,430)	(27,905)
	Net book value 1 January	15,305	28,482
	Additions:		
	By purchase	190	349
	Depreciation expense	(10,012)	(13,526)
	Net book value 31 December	**5,483**	15,305
	Net book value as at 31 December represented by:		
	Gross book value	56,925	56,736
	Accumulated depreciation and impairment	(51,442)	(41,431)
	Net book value 31 December	**5,483**	15,305
6(b)	**Computer equipment**		
	At cost	127,293	123,171
	Accumulated depreciation	(109,512)	(90,809)
		17,781	32,362
	Reconciliation of the Opening and Closing balances of computer equipment		
	As at 1 January		
	Gross book value	123,171	123,644
	Accumulated depreciation and impairment	(90,809)	(73,016)
	Net book value 1 January	32,362	50,628
	Additions:		
	By purchase	4,122	5,904
	Depreciation expense	(18,703)	(24,170)
	Net book value 31 December	**17,781**	32,362
	Net book value as at 31 December represented by:		
	Gross book value	127,293	129,548
	Accumulated depreciation and impairment	(109,512)	(97,186)
	Net book value 31 December	**17,781**	32,362

No assets have been acquired during the year as part of an amalgamation, restructure, change in Reporting Unit(RU), determination by the GM or revocation by GM.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
		$	$
Note 7:	**Current Liabilities**		
7(a)	**Trade payables**		
	Unsecured liabilities:		
	Trade payables	12,509	6,693
	Subtotal trade payables	12,509	6,693
	Payables to other reporting unit(s)	-	-
	Total trade payables	12,509	6,693

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.

No liabilities have been acquired during the year as part of an amalgamation, restructure, change in Reporting Unit(RU), determination by the GM or revocation by GM.

		2015	2014
7(b)	**Other payables**	$	$
	Liability - Funds held in trust	311,642	155,024
	Other payables	86,627	132,485
	Total other payables	398,269	287,509
	Total other payables are expected to be settled in:		
	No more than 12 months	398,269	287,509
	More than 12 months	-	-
	Total other payables	398,269	287,509
Note 8:	**Provisions**		
8(a)	**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	40,652	41,613
	Long service leave	28,813	44,392
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions- employees other than office holders	69,465	86,005
	Total employee provisions	69,465	86,005
	Current	56,941	72,125
	Non current	12,524	13,880
		69,465	86,005

		2015	2014
		$	$
Note 9:	**Other current liabilities**		
	Membership fees received in advance	396,571	345,111
Note 10:	**Equity**		
	Accumulated funds		
	Balance as at start of year	930,242	929,869
	Surplus attributable to members	(45,976)	373
	Balance as at end of year	884,266	930,242

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.

		2015	2014
Note 11:	**Cash flow**		
11(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	974,999	1,048,595
	Balance sheet	974,999	1,048,595
	Difference	-	-
	Reconciliation of net cash from operating activities to surplus after income tax		
	Surplus/(deficit) after income tax	(45,976)	373
	Adjustments for non-cash items		
	Depreciation	28,715	37,696
	Gain on sale of investments	(28,554)	(3,269)
	Unrealised loss on financial assets held for trading	30,316	29,791
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other receivables	119,181	(95,406)
	(Increase)/decrease in other current assets	(1,989)	(35,694)
	Increase/(decrease) in trade and other payables	119,894	(62,684)
	GST clearing	(3,318)	(8,465)
	Increase/(decrease) in provisions	(16,540)	89
	Net cash from/(used by operating activities	**201,729**	(137,569)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	$	$

Note 11: Cash flow (Continued)

11(b) Cash flow information

	2015	2014
Cash inflows		
The Association	1,859,070	1,368,003
Total cash inflows	1,859,070	1,368,003
Cash outflows		
The Association	1,932,666	1,677,280
Total cash outflows	1,932,666	1,677,280

Note 12: Contingent liabilities, assets and commitments

12(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.

	2015	2014
	$	$
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	37,605	88,880
- between 12 months and 5 years	88,877	122,388
	126,482	211,268

Capital commitment

At 31 December 2015 the Association has entered into a contract to purchase a new principal place of business. The purchase contract has a settlement date of 20 January 2016. The purchase price of the property is $565,000 (GST exclusive).

12(b) Contingent liabilities and contingent assets

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

Note 13: Related party transactions

13(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.

		2015	2014
		$	$
Note 13:	**Related party transactions (Continued)**		
13(a)	**Related party transactions (Continued)**		
	Expenses paid to Wilson HTM (Stockbrokers) during his period of directorship include the following:		
	Brokerage fees	5,253	3,256
	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	12,996	-
	Mr L Maloney is associated with Livingstones Australia who act on behalf of the Association.		
	Expenses paid to Livingstones Australia include the following:		
	Consulting fees	258	2,397

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. There have been no guarantees provided for any related party payables during the financial year.

		2015	2014
		$	$
13(b)	**Key Management Personnel Remuneration for the Reporting Period**		
	Short-term employee benefits		
	Salary (including annual leave taken)	222,166	143,849
	Annual leave accrued	19,424	11,845
	Performance bonus	-	-
	Total short-term employee benefits	241,590	155,694
	Post-employment benefits:		
	Superannuation	20,292	17,415
	Total post-employment benefits		
	Other long-term benefits:		
	Long service leave	15,979	21,977
	Total other long-term benefits		
	Total	277,860	195,086

Note 14: Remuneration of Auditors

	2015 $	2014 $
Value of the services provided		
Financial statement audit services	11,000	10,300
Other services	1,700	-
Total remuneration of auditors	12,700	10,300

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

Note 15: 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 2015.

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 2014.

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.

		2015	2014
		$	$
Note 15:	**Financial instruments (Continued)**		
15(a)	**Categories of Financial Instruments**		
	Financial assets		
	Fair value through profit or loss:		
	- Shares in listed corporations	631,176	361,924
	Loans and receivables:		
	- Trade and other receivables	107,008	184,760
	- Cash and cash equivalents	974,999	1,048,595
	Total	1,082,007	1,233,355
	Carrying amount of financial assets	1,713,183	1,595,280
	Financial liabilities		
	Other Financial liabilities:		
	- Trade and other payables	410,778	294,202
	Carrying amount of financial liabilities	410,778	294,202
15(b)	**Net income and expense from Financial Assets**		
	Fair value through profit or loss		
	Held for trading:		
	Change in fair value	(30,316)	(29,791)
	Dividend revenue	23,229	12,820
	Net loss at fair value through profit and loss	**(7,087)**	(16,971)
	Loans and receivables		
	Interest revenue	16,841	24,553
	Impairment expense	(2,500)	3,000
	Net gain from loans and receivable	**14,341**	27,553
	Net gain from financial assets	**7,254**	10,582
15(c)	**Net income and expense from Financial Liabilities**		
	At amortised cost	-	-
	Net gain/(loss) from financial liabilities	-	-

Note 15: Financial instruments (Continued)

15(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.

	2015	2014
	$	$
Financial assets		
Trade and other receivables	75,733	143,455
Total	75,733	143,455

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	Past due or impaired	Not past due nor impaired	Past due or impaired
	2015	2015	2014	2014
	$	$	$	$
Trade and other receivables	25,993	49,741	103,521	39,934

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**

Ageing of financial assets that were past due but not impaired - 2014

	0 to 30 days	31 to 60 days	60+ days	Total
Trade and other receivables	19,609	12,875	7,450	**39,934**

Note 15: Financial instruments (Continued)

15(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 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

Contractual maturities for financial liabilities- As at 31 December 2014

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables						
		294,202	-	-	-	294,202
	-	294,202	-	-	-	294,202

15(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 15: Financial instruments (Continued)

15(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 2014.

Note 16: Fair value measurement

16(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 2015 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 Group 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 2015 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 17: 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)

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN COMMUNITY SERVICES EMPLOYER'S ASSOCIATION UNION OF EMPLOYERS

Report on the Financial Report

We have audited the accompanying financial report of Australian Community Services Employers Association, Union of Employers, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the board of management.

Board of Management Responsibility for the Financial Report

The Board of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

MOORE STEPHENS

Opinion

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 2015, and its financial performance and its cash flows for the year ended on that date; and

b) complying with Australian Accounting Standards.

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 recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including nil;
   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.

Moore Stephens
Chartered Accountants

Mike McDonald
Director

Brisbane

Date: 25 May 2016

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