2017

Annual Report

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

Financial Year Ended 31 December 2017

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

The Board has continued to manage the governance of ACSEA (CMS) and the commitment "to deliver quality management services to member not-for-profit organisations" has seen improvement in membership renewal and new members. This has been a year of renewal. This year, CMS has assisted more members with employment matters and consequently have been able to minimise the costs of relation employee settlements for our members. Catherine Norris and Neale Brosnan our Joint General Managers have continued to strengthen the business. There has been an increase in demand for financial services and an increase in staff numbers; one part time employee in Financial services and one part time employee added to the HR/IR team. Our social media presence has grown, and Facebook webinars are proving popular. We continue to advocate for members in the areas of Early Education, Child Care, Parents and Citizens Associations, Community Organisation and Disability Services.

In February 2017, one of our Board Members Kylie Brannelly resigned and we would like to thank her for her contributions.

Following the elections held in March 2018 there have been a few other Board personnel changes; Barry Bicknell did not stand for re-election and we sincerely thank him for his invaluable contribution to the organisation for the past 31 years. Jennifer O'Brien was elected our new Vice-President and the Board would like to acknowledge her contributions to the growth and welfare of the organisation as our previous Treasurer. We would like to welcome Lyanna George (Treasurer) and Peter Hoens to the Board and extend our thanks to our fellow Board members for their ongoing commitment to ACSEA (CMS).

On behalf of the board we thank Neale, Catherine and our talented staff 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

2017 was another busy year for all of us at ACSEA (CMS), two additional staff members joined us, Natasha Shami joined our HR/IR team and Ellen Masters joined our Financial Services team. We continue to offer our many services to our members from Financial Audits, Financial Health Checks, Work Health and Safety Audits, and Industrial Relations/Human Resources Audits. As part of our dedication to our members we are continuing to develop and refine our services to make sure we offer our superior service to our members.

Michele Lark became a registered BAS Agent in 2017 with Neale Brosnan our other BAS Agent, this is another one of our fine services we provide to our members.

Our Roadshows were held in Toowoomba, Sunshine Coast, Gold Coast, Mackay, Townsville, Brisbane North and South. All Roadshows were well received again by our members.

A number of seminars were held throughout the year, ‘How to get that Grant’, ‘Fraud in Not for Profit’, ‘How to get your best out of your Canteens’, ‘Now I’m a Treasurer-What do I need to know’, P&C Treasurer’. We also ran a couple of workshops on ‘Difficult Conversation & Managing Conflict’, ‘Achieving your Leadership Success’. Thank you to our presenters, Michele Lark, Jocelyn Ashcroft and Lisa Bundesen and Andrew Brayne. The feedback from our members was excellent.

The ACSEA (CMS) staff work tirelessly throughout the year and continue to offer their superior service to assist our members and continue to do so. We would like to thank the staff for putting in so much hard work in supporting both of us and our Members.

Our Board has being a great support to all at ACSEA (CMS) and we would like to thank them for dedicating their time to ACSEA (CMS) and its members.

Signatures

Neale Brosnan

Signatures

Catherine Norris

Board of Management 2017

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. Jenny graduated with a Bachelor of Commerce from James Cook University in Townsville and is a Chartered Accountant.

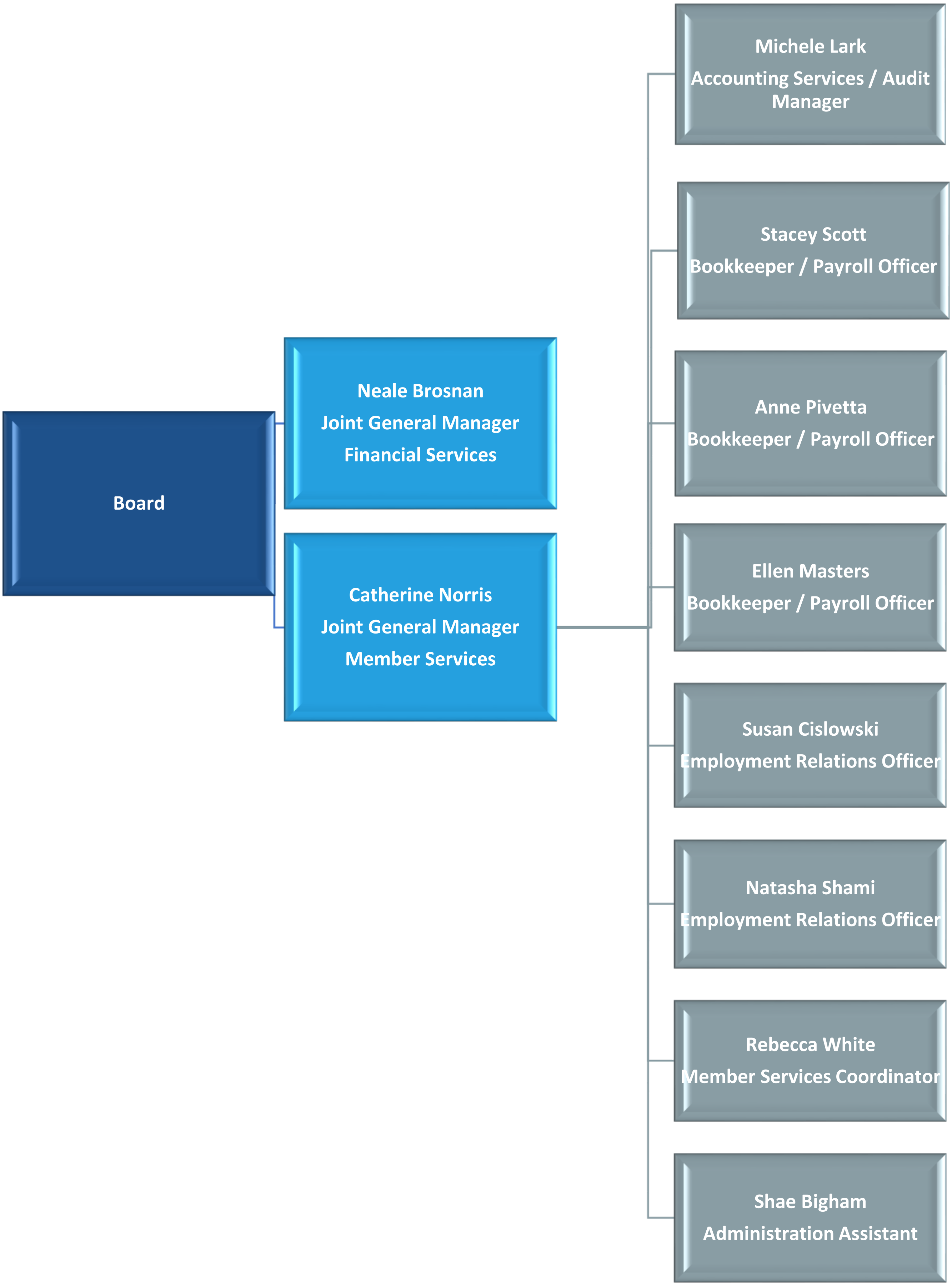
Barry Bicknell – Board Member

Barry has been a voluntary board member since 1987 originating as a voluntary representative of the Early Childhood learning sector. Barry is a retired 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 (Resigned 15th February 2017)

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



The staff members we said goodbye to in 2017

Jennifer Chandler
Finance & Audit Manager

↓

Petrina Jockel
Bookkeeper / Payroll Officer

↓

Renee Cahill
Employment Relations Officer

↓

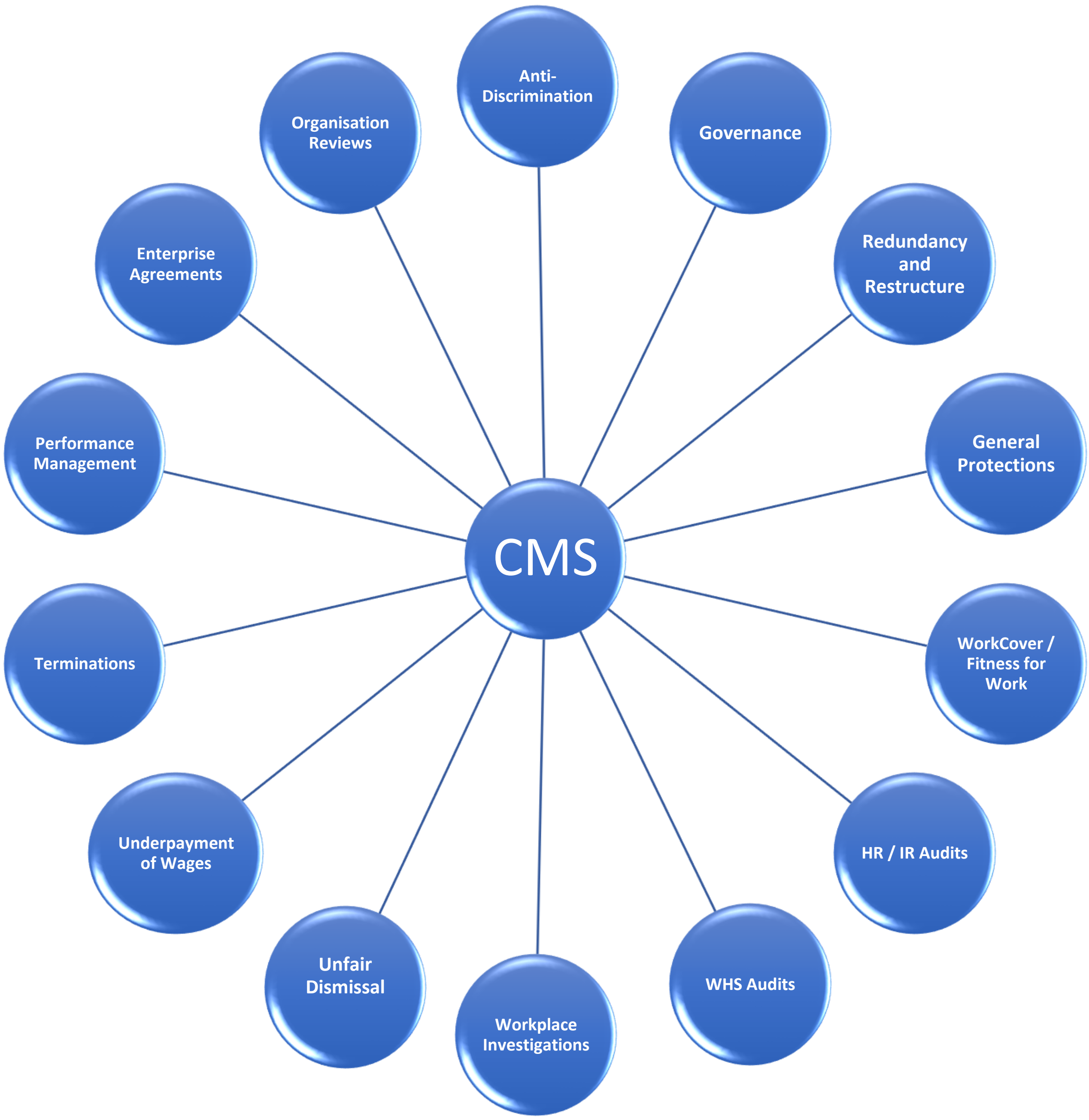
Danielle Dennis
Administration Assistant

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 2017.

The team has handled over **12,201** enquiries during 2017.

ACSEA (CMS) HR/IR Team have represented and assisted members in significant matters during 2017 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 2017.

CMS Staff – Service

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Ten Years and Above Service		
Staff Member	Position	Years at ACSEA (CMS)
Susan Cislowski	Employment Relations Advisor	16
Catherine Norris	Joint General Manager – Member Services	13
Rebecca White	Members Services Coordinator	12

Up to Nine Years' Service		
Staff Member	Position	Years at ACSEA (CMS)
Neale Brosnan	Joint General Manager – Financial Services	7
Jennifer Chandler	Finance and Audit Manager	7
Michele Lark	Accounting Services and Audit Manager	6
Anne Pivetta	Bookkeeper/Payroll	5
Stacey Scott	Bookkeeper/Payroll	5
Natasha Shami	Employment Relations Advisor	
Shae Bigham	Administration Officer	
Ellen Masters	Bookkeeper / Payroll Officer	

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 2017

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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 2017

The committee presents its operating report on the reporting unit for the financial year ended 31 December 2017.

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 2017.

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 690.

Number of employees

The number of full time equivalent employees as at 31 December 2017 was 9.75 employees (2016: 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	(resigned 15th February 2017)

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: 17-May-18

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

On the 13th May 2018 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 2017:

The Committee of Management declares that in its opinion:

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

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

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

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

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

  (i) meetings of the committee of management were held in accordance with the rules of the organisation; 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; and

  (vi) no order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act.

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

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: 17 May 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 $	2016 $
REVENUE			
Membership subscription		538,284	508,218
Services rendered income		598,211	482,422
Manuals and awards sales income		23,117	25,633
Capitation fees	3a	-	-
Levies	3b	-	-
Interest income	3c	5,081	4,635
Grants and donations	3d	-	-
Net gains from sale of assets	3e	-	384
Investment income	3f	22,536	19,972
Other revenue		764	3,850
TOTAL REVENUE		**1,187,993**	1,045,114
OTHER INCOME			
Insurance claim		-	8,574
Net proceeds from termination of operating lease		28,987	
Sundry income		164	-
Net gain on disposal of investments		6,613	42,375
TOTAL OTHER INCOME		**35,764**	50,949
TOTAL INCOME		**1,223,757**	1,096,063
EXPENSES			
Employee expenses	4a	753,872	696,414
Capitation fees	4b	-	-
Affiliation fees	4c	-	-
Administration expenses	4d	190,232	243,319
Grants or donations	4e	-	-
Depreciation expense	4f	38,337	39,303
Finance costs	4g	14,207	15,887
Legal costs	4h	-	150
Auditors remuneration	14	13,650	12,376
Brokerage & stamp duty		13,849	8,832
Insurance expense		15,207	14,907
Membership, subscriptions & member seminars		20,986	17,180
Unrealised (profit)/loss on financial assets held for trading		(62,867)	(34,175)
Project & recoverable costs		62,324	28,622
TOTAL EXPENSES		**1,059,796**	1,042,814
SURPLUS FOR THE YEAR		**163,960**	53,250
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**163,960**	53,250

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

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	745,643	597,449
Trade and other receivables	5b	110,499	73,234
Financial assets	5c	910,525	794,686
Other current assets	5d	1,735	-
TOTAL CURRENT ASSETS		1,768,401	1,465,369
NON CURRENT ASSETS			
Furniture and equipment	6a	17,091	20,178
Computer equipment	6b	9,543	10,712
Strata Title Office	6c	638,100	662,301
TOTAL NON CURRENT ASSETS		664,735	693,191
TOTAL ASSETS		**2,433,136**	2,158,560
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7a	3,495	5,310
Other payables	7b	580,928	453,534
Employee provisions	8	77,997	70,933
Other current liabilities	9	642,959	368,200
TOTAL CURRENT LIABILITIES		1,305,379	897,977
NON CURRENT LIABILITIES			
Employee provisions	8	26,279	23,068
Other non-current liabilities	9	-	300,000
TOTAL NON CURRENT LIABILITIES		26,279	323,068
TOTAL LIABILITIES		**1,331,658**	1,221,045
NET ASSETS		**1,101,478**	937,517
EQUITY			
Accumulated funds	10	1,101,478	937,517
TOTAL EQUITY		**1,101,478**	937,517

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Accumulated funds $	Total equity $
Balance at 1 January 2016	10	**884,268**	**884,268**
Surplus/(deficit)		53,250	53,250
Other comprehensive income		-	-
Closing balance at 31 December 2016		**937,517**	**937,517**
Surplus/(deficit)		163,960	163,960
Other comprehensive income		-	-
Closing balance at 31 December 2017	10	**1,101,478**	**1,101,478**

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and clients		1,270,266	1,167,219
Dividends received		22,536	19,972
Interest received		5,081	4,635
Cash used			
Payments to suppliers		(228,597)	(383,516)
Payments to employees		(743,597)	(671,878)
Finance costs paid		(13,426)	(15,887)
GST paid		(82,831)	(2,290)
Net cash from/(used by) operating activities	11a	229,432	118,256
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of assets		-	471
Proceeds from sale of investments		511,836	596,047
Cash used			
Payments for purchase of plant & equipment		(9,879)	(709,318)
Payments for investments		(558,195)	(683,007)
Net cash from/(used by) investing activities		(56,238)	(795,808)
FINANCING ACTIVITIES			
Cash received			
Proceeds from borrowings		-	350,000
Cash used			
Repayment of borrowings		(25,000)	(50,000)
Net cash from/(used by) financing activities		(25,000)	300,000
Net (decrease)/increase in cash & cash equivalents held		148,194	(377,550)
Cash & cash equivalents at the beginning of the reporting year		597,449	974,999
Cash & cash equivalents at the end of the reporting period	5a	745,643	597,449

The accompanying notes form part of these financials statements

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1: SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period 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.

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.

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

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 2017

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 1058 Income of Not-for-profit Entities

Effective for periods beginning on or after 1 January 2019

New standard that largely replaces AASB 1004 Contributions by clarifying and simplifying income recognition requirements for not-for-profit (NFP) entities. Whilst AASB 1004 will remain, its scope is limited to certain government entities.

The standard and its extensive guidance establish principles for NFP entities relating to:

a. Transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives; and
b. The receipt of volunteer services.

The timing of revenue recognition will depend on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to the asset received by the NFP entity.

Where a sufficiently specific enforceable performance obligation exists in an arrangement, the NFP entity is required to apply AASB 15 in relation to the performance obligation.

- Timing of revenue recognition may be delayed to coincide with satisfaction of performance obligations.
- Leases at lower than market terms (e.g. peppercorn leases) will be recognised at fair value and accounted for under AASB 16 Leases.
- Depreciation expense may increase as a result of peppercorn leases being recognised at fair value.
- Volunteer services received are required to be recognised at fair value by local governments, government departments, general government sectors and whole of governments. Other NFP entities may elect to recognise such services as an asset or expense.

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 re-measurement 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.

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)

1.14 Financial assets (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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘other gains and losses’ line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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	3 to 5 years
Strata Title Office	10 to 40 years	10 to 40 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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.

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.

		2017 $	2016 $
Note 3:	**Income**		
3(a)	**Capitation fees**		
	The Association	-	-
3(b)	**Levies**		
	Compulsory or voluntary levy or appeal	-	-
3(c)	**Interest**		
	Deposits	5,081	4,635
	Loans	-	-
		5,081	4,635
3(d)	**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	22,536	19,972

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017 $	2016 $
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	655,767	586,679
	Superannuation	66,149	57,135
	Leave and other entitlements	10,275	24,536
	Separation and redundancies	-	13,592
	Other employee expenses	21,680	14,471
	Subtotal employee expenses employees other than office holders	753,872	696,414
	Total employee expenses	753,872	696,414
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	2,599	3,717
	Contractors/consultants	62,204	43,975
	Property expenses	24,290	25,548
	Office expenses	40,168	69,422
	Information communications technology	23,356	26,271
	Other	9,478	28,869
	Subtotal administration expense	162,095	197,802
	Operating lease rentals:		
	Minimum lease payments - office premises	-	12,648
	Minimum lease payments - equipment	28,137	32,870
		28,137	45,518
	Total administration expenses	190,232	243,319

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017 $	2016 $
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**		
	Land & buildings	24,201	21,972
	Property, plant & equipment	14,136	17,331
	Total depreciation	38,337	39,303
4(g)	**Finance costs**		
	Finance charges - loans	14,207	15,887
	Total finance costs	14,207	15,887
4(h)	**Legal costs**		
	Litigation	-	-
	Other legal matters	-	150
	Total legal costs	-	150
4(i)	**Other expenses**		
	Penalties - via RO Act or RO Regulations	-	-
	Total other expenses	-	-

		2017 $	2016 $
Note 5:	**Current Assets**		
5(a)	**Cash and cash equivalents**		
	Cash at bank	291,963	239,410
	Cash at bank - held in trust	452,847	357,518
	Cash on hand	832	521
	Total cash and cash equivalents	745,643	597,449

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.

		2017 $	2016 $
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) - net	-	-
	Other receivables		
	Trade receivables	109,637	40,800
	Less: Provision for doubtful debts	-	-
		109,637	40,800
	Other debtors	861	32,434
	Total trade and other receivables - net	110,499	73,234

Credit risk

Refer to Note 15(d) for assessment of credit risk.

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

		2017 $	2016 $
5(c)	**Financial assets**		
	Financial assets held for trading:		
	- shares in listed corporations at market value	910,525	794,686
	Total financial assets	910,525	794,686
5(d)	**Other current assets**		
	Prepayments	1,735	-
	Total other current assets	1,735	-

			2017 $	2016 $
Note 6:	**Non current assets**			
6(a)	**Furniture and equipment**			
	At cost		34,443	31,652
	Accumulated depreciation		(17,352)	(11,474)
	Total furniture and equipment		17,091	20,178
	Reconciliation of the Opening and Closing balances of furniture and equipment			
	As at 1 January			
	Gross book value		31,652	11,349
	Accumulated depreciation and impairment		(11,474)	(5,866)
	Net book value 1 January		20,178	5,483
	Additions:			
	By purchase		2,791	20,303
	By transfer of asset	Note 11	-	-
	Depreciation expense		(5,878)	(5,521)
	Disposals:			
	Other - Write offs and scrapping of assets		-	(87)
	Net book value 31 December		**17,091**	20,178
	Net book value as at 31 December represented by:			
	Gross book value		34,443	31,652
	Accumulated depreciation and impairment		(17,352)	(11,474)
	Net book value 31 December		**17,091**	20,178
6(b)	**Computer equipment**			
	At cost		41,431	34,652
	Accumulated depreciation		(31,888)	(11,474)
	Total computer equipment		9,543	20,178
	Reconciliation of the Opening and Closing balances of computer equipment			
	As at 1 January			
	Gross book value		34,342	29,600
	Accumulated depreciation and impairment		(23,630)	(11,819)
	Net book value 1 January		10,712	17,781
	Additions:			
	By purchase		7,089	4,742
	By transfer of assets	Note 11	-	-
	Depreciation expense		(8,258)	(11,811)
	Disposals:			-
	Other - Write offs and scrapping of assets		-	-
	Net book value 31 December		**9,543**	10,712

		2017	2016
Note 6:	**Non current assets**		
Note 6(b)	**Computer equipment (Continued)**	**$**	**$**
	Net book value as at 31 December represented by:		
	Gross book value	41,431	34,342
	Accumulated depreciation and impairment	(31,888)	(23,630)
	Net book value 31 December	**9,543**	10,712
6(c)	**Strata Title Office**		
	At cost	684,273	684,273
	Accumulated depreciation	(46,173)	(21,972)
	Total strata title office	638,100	662,301
	Reconciliation of the Opening and Closing balances of Strata Title Office		
	As at 1 January		
	Gross book value	684,273	
	Accumulated depreciation and impairment	(21,972)	-
	Net book value 1 January	662,301	-
	Additions:		
	By purchase	-	684,273
	Depreciation expense	(24,201)	(21,972)
	Net book value 31 December	**638,100**	662,301
	Net book value as at 31 December represented by:		
	Gross book value	684,273	684,273
	Accumulated depreciation and impairment	(46,173)	(21,972)
	Net book value 31 December	**638,100**	662,301

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017 $	2016 $
Note 7:	**Current Liabilities**		
7(a)	**Trade payables**		
	Unsecured liabilities:		
	Trade payables	3,495	5,310
	Subtotal trade creditors	3,495	5,310
	Payables to other reporting unit(s)	-	-
	Total trade payables	3,495	5,310
	Settlement is usually made within 30 days.		

		2017 $	2016 $
7(b)	**Other payables**		
	Liability - Funds held in trust	452,701	357,518
	Other payables	128,227	96,017
	Consideration to employees for payroll deductions	-	-
	Legal costs		
	Litigation	-	-
	Other legal matters	-	-
	Total other payables	580,928	453,534
	Total other payables are expected to be settled in:		
	No more than 12 months	580,928	453,534
	More than 12 months	-	-
	Total other payables	580,928	453,534
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	68,110	58,890
	Long service leave	36,166	35,111
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions- employees other than office holders	104,276	94,001
	Total employee provisions	104,276	94,001
	Current	77,997	70,933
	Non current	26,279	23,068
	Total employee provisions	104,276	94,001

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 $	2016 $
Note 9: Other current and non current liabilities		
Current		
Membership fees received in advance	367,959	368,200
Interest only loan	275,000	-
Non current		
Interest only loan	-	300,000

The loan is secured by mortgage on the office premises at 5/321 Kelvin Grove Rd, Kelvin Grove and expires in December 2018. On the completion of this term the loan arrangements will be reviewed.

Note 10: Equity

	2017 $	2016 $
10(a) *Accumulated funds*		
Balance as at start of year	937,517	884,268
Surplus attributable to members	163,960	53,250
Balance as at end of year	1,101,477	937,517
10(b) *Other specific disclosures - funds*		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year		
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Note 11: Cash flow

		2017	2016
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	745,643	597,449
	Balance sheet	745,643	597,449
	Difference	-	-
	Reconciliation of surplus to net cash from operating activities:		
	Surplus for the year	163,960	53,250
	Adjustments for non-cash items		
	Depreciation	38,337	39,303
	Gain on sale of investments	(6,613)	(42,375)
	Unrealised (profit)/loss on financial assets held for trading	(62,867)	(34,175)
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other receivables	(68,837)	6,562
	(Increase)/decrease in other current assets	29,838	23,090
	Increase/(decrease) in trade and other payables	133,406	45,402
	GST clearing	(8,066)	2,665
	Increase/(decrease) in provisions	10,274	24,536
	Net cash from/(used by) operating activities	**229,432**	118,256

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
		$	$
Note 11:	**Cash flow (Continued)**		
11(b)	**Cash flow information**		
	Cash inflows		
	The Association	1,809,718	2,138,345
	Total cash flows	1,809,718	2,138,345
	Cash outflows		
	The Association	1,661,524	2,515,895
	Total cash outflows	1,661,524	2,515,895

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.

	2017	2016
	$	$
Future minimum rentals payable under non-cancellable operating leases as at 31 December are:		
- within one year	29,986	39,204
- After one year but not more than five years	75,132	56,980
	105,119	96,184

Other continue assets or liabilities

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

		2017	2016
		$	$
Note 13:	**Related party disclosures**		
13(a)	**Related part transactions for the Reporting Period**		

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:

	2017	2016
Legal fees (advice)	-	8,012

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 or received for any related party receivables or payables.

		2017	2016
		$	$
13(b)	**Key Management Personnel Remuneration for the Reporting Period**		
	Short-term employee benefits		
	Salary (including annual leave taken)	213,146	195,957
	Annual leave accrued	28,600	24,036
	Performance bonus	-	-
	Total short-term employee benefits	241,746	219,992
	Post-employment benefits:		
	Superannuation	20,129	18,872
	Total post-employment benefits	20,129	18,872
	Other long-term benefits:		
	Long service leave	19,289	19,322
	Total other long-term benefits	19,289	19,322
	Termination benefits	-	-
	Total	281,164	258,187

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2016	2017
	$	$
Note 14: Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	12,750	11,476
Other services	900	900
Total remuneration of auditors	13,650	12,376

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 2017.

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 2016.

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.

Note 15: Financial instruments (Continued)

15(a) Categories of Financial Instruments

	2017 $	2016 $
Financial assets		
Fair value through profit or loss:		
- Shares in listed corporations	910,525	794,686
Loans and receivables:		
- Trade and other receivables	110,499	73,234
- Cash and cash equivalents	745,643	597,449
Total	856,141	670,683
Carrying amount of financial assets	1,766,666	1,465,369
Financial liabilities		
Other Financial liabilities:		
- Trade and other payables	584,423	458,845
- Interest only loan	275,000	300,000
Carrying amount of financial liabilities	859,423	758,845

15(b) Net income and expense from Financial Assets

	2017 $	2016
Fair value through profit or loss		
Held for trading:		
Change in fair value	62,867	34,175
Dividend revenue	22,536	19,972
Net gain/(loss) at fair value through profit and loss	**85,403**	54,147
Loans and receivables		
Interest revenue	5,081	4,635
Impairment gain/(expense)	-	2,500
Net gain from loans and receivable	**5,081**	7,135
Net gain from financial assets	**90,483**	61,282

15(c) Net income and expense from Financial Liabilities

	2017	2016
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.

	2017 $	2016 $
Financial assets		
Trade and other receivables	109,637	40,800
Total	109,637	40,800

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
	2017	2017	2016	2016
	$	$	$	$
Trade and other receivables	77,599	32,038	23,651	17,149

Ageing of financial assets that were past due but not impaired - 2017

	0 to 30 days	31 to 60 days	60+ days	Total
Trade and other receivables	5,159	24,309	2,570	**32,038**

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**

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 2017

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	584,423	-	-	-	584,423
Interest only loan	-	275,000	-	-	-	275,000
Total	-	859,423	-	-	-	859,423

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	-	458,844	-	-	-	458,844
Interest only loan	-	-	300,000	-	-	300,000
Total	-	458,844	300,000	-	-	758,844

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 2017

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 2016.

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 2017 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 2017 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)

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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 financial report of Australian Community Services Employer's Association, Union of Employers (the 'Association'), which comprises the statement of financial position as at 31 December 2017 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Association as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

(a) The Australian Accounting Standards; and

(b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Committee of Management for the Financial Report

The committee of management of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the reporting requirements of *Fair Work (Registered Organisations) Act 2009* and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, committee of management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of management either intend to liquidate the Association or to cease operations, or have 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.

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

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

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

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

We declare that the signing director, Mike McDonald is:

a) an approved auditor

b) a member of the Institute of Chartered Accountants in Australia

c) holds a current public practice certificate.

Crowe Horwath.

Crowe Horwath Audit Queensland

Mike McDonald
Partner

Brisbane
Date: 22 May 2018.