



Annual Report

for the year ended 30 June 2017

National Office, Victoria and Queensland

Chairperson Report



As always, there is never a dull moment in aged care, and 2016-17 was no different.

Late in 2016, the Government responded to ACSA and other parties' lobbying efforts by changing methodology for the proposed Aged Care Financing Instrument (ACFI) funding cuts.

On 27 February 2017, Home Care Package funding transferred from the provider to the consumer.

The Oakden Report was officially handed down on the 10th April, followed by the Government announcing a review of aged care quality assurance systems.

On top of these key events for the industry, the media continued its focus on elder abuse, retirement village contracts and aged care quality.

We can be confident that ACSA, under the leadership of our CEO Pat Sparrow and her excellent Executive Leadership Team, is well placed to steer us through these choppy waters.

It has been a significant year for ACSA's progress to a national entity. A year ago we were able to proudly announce that all State Associations had voted to merge into "New ACSA" and we effectively launched the new entity, along with an early look at its new logo.

Since then, progress has been substantial. In February 2017, all staff transferred to ACSA. During the financial year each State Association worked through the legal and financial processes required to wrap up their local assets and have them transferred to ACSA. This was largely completed by 30 June 2017. There is a need for ongoing work to complete this, which we anticipate will be completed by the end of the 2017 calendar year.

Importantly, unlike some peak bodies who have undertaken similar approaches, we did not lose any State Associations along the way, nor has there been an exodus of individual members. On the contrary, new members are joining and we are receiving regular feedback about how Pat and her team have established ACSA as the 'go-to' industry body in Canberra.

The ACSA Board has identified some of the key next steps. These include a revamped member engagement strategy, even greater use of technology to communicate with members in new and meaningful ways, and a focus on value for members' money.

This is my last report as ACSA Chair, as I am resigning from the ACSA Board at the 2017 AGM. It's been a privilege to lead the national efforts of ACSA during such an historic period for the organisation. My thanks to all my Board colleagues, ACSA members and all the staff.

I'm delighted to announce that the Board has appointed Sara Blunt from SA/NT Division to take my place as Chair, with Stephen Cornelissen from Vic Division becoming Deputy.

I wish Sara, Stephen and all ACSA Board Directors and Divisional Councillors the very best and look forward to watching the organisation continue to go from strength to strength.

Paul Sadler
ACSA Chairperson

Chief Executive Officer Report



I was delighted to be appointed, and take up the reigns, as ACSA CEO on 1 August 2016.

At the beginning ACSA was still a Federation working towards becoming a national entity. The Boards and management of each of the State Associations are to be congratulated for their foresight and commitment to creating an organisation that is able to represent the members in a much stronger and more sophisticated manner.

Working with the CEOs of the States, and the Transition Team established to support this move, all staff transferred to ACSA management from 6 February 2017. This was a critical move which really supported staff across the country to come together and start shaping the new national organisation and culture.

As that national organisation began to emerge it was clear that more changes were needed to the structure for it to operate in the way intended and to best meet member interests. In April/May a more significant restructure was undertaken which, as is inevitable, saw some staff exit and new people join our ranks. ACSA's team now boasts over 50 staff right around the country. To a person they are positive, engaged and excited to be part of this organisation and on working for and representing aged care providers.

ACSA's executive worked hard to achieve this outcome and I thank Darren Mathewson, Trevor Lovelle, Melissa Centofanti, Illana Halliday (with ACSA until 03/02/2017) and Craig Bosworth (as Interim Divisional CEO NSW/ACT/QLD from 06/02/2017 to 30/06/2017), along with the Transition Team (Linda Perrine and Stephannie Kissun) for their commitment and good humour throughout the process.

It has also been an incredibly busy time in policy and politics with changes to the Aged Care Funding Instrument (ACFI), review work on residential care funding, ongoing issues with DHS means testing and payments system, work in the lead up to the release of the legislated review on aged care reform, February 2017 Home Care Packages, quality issues and reviews as a result of the shocking events at Oakden in SA and the list goes on.

ACSA has worked to position the industry, its members and itself as an organisation as the GO TO peak body through its work and narrative in the media and its advocacy and representation work. We have focussed on improving our policy and submissions and our relationship with politicians of all persuasions. I think there is evidence that ACSA is being successful in these endeavours.

Through all of this the ACSA Board has held fast to its vision and provided much support to me as a new CEO and to the organisation as a whole. It is appreciated, and counted on by all!

Taking leadership at a time of significant internal and industry/policy level change has been both rewarding and challenging. You can be assured that we will build on the achievements to date and work to provide members with the very best support at all times.

Pat Sparrow
ACSA CEO

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Financial Statements

For the Year Ended 30 June 2017

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

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Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Committee's Report

30 June 2017

The committee members submit the financial report of the Association for the financial year ended 30 June 2017.

Committee members

The names of committee members throughout the year and at the date of this report are:

- Paul Sadler - President
- Stephen Cornelissen
- Sara Blunt
- Greg Burgess
- Ross Low
- Gregory Skelton
- John Murray

Principal activities

The principal activities of the Association during the financial year was representing State Association members and members in Queensland and Victoria as the national peak body of church, charitable and community providers of aged care services.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The surplus of the Association for the financial year amounted to \$ 171,715 (2016: Deficit \$ 293,409).

Signed in accordance with a resolution of the Members of the Committee:

Committee member:

Paul Sadler - President

Committee member:

Stephen Cornelissen

Dated 31 October 2017

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Statement of Comprehensive Income

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	2	2,309,066	2,299,877
Other income	2	12,719	2,205
Employee benefits expense		(1,030,449)	(1,391,001)
Depreciation and amortisation expense		(15,582)	(5,680)
State funds distribution		(8,000)	(117,668)
Occupancy expenses		(83,415)	(70,428)
IT and communication expenses		(33,302)	(34,051)
Meetings expenses		(262,094)	(259,708)
Conference expenses		(3,325)	(4,864)
Special projects - other expenses		(23,408)	(101,562)
Transition expenses		(426,124)	(423,562)
Impairment expenses		(50,000)	-
Other expenses	3	(214,371)	(186,967)
Surplus / (deficit) for the year		171,715	(293,409)
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		171,715	(293,409)

The accompanying notes form part of these financial statements.

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Statement of Financial Position

As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	701,073	462,354
Trade and other receivables	6	115,071	181,302
Other financial assets	5	232,603	213,817
Other assets	7	14,637	14,023
TOTAL CURRENT ASSETS		<u>1,063,384</u>	<u>871,496</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	-	25,000
Financial assets	5	-	25,000
Property, plant and equipment	8	45,189	11,053
TOTAL NON-CURRENT ASSETS		<u>45,189</u>	<u>61,053</u>
TOTAL ASSETS		<u>1,108,573</u>	<u>932,549</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	465,086	271,470
Employee benefits	11	-	46,955
Other liabilities	10	-	121,190
TOTAL CURRENT LIABILITIES		<u>465,086</u>	<u>439,615</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	-	21,162
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>21,162</u>
TOTAL LIABILITIES		<u>465,086</u>	<u>460,777</u>
NET ASSETS		<u>643,487</u>	<u>471,772</u>
EQUITY			
Retained earnings		<u>643,487</u>	<u>471,772</u>
TOTAL EQUITY		<u>643,487</u>	<u>471,772</u>

The accompanying notes form part of these financial statements.

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Retained Earnings
	\$
Balance at 1 July 2016	<u>471,772</u>
Surplus for the year	<u>171,715</u>
Balance at 30 June 2017	<u><u>643,487</u></u>

2016

	Retained Earnings
	\$
Balance at 1 July 2015	<u>765,181</u>
Deficit for the year	<u>(293,409)</u>
Balance at 30 June 2016	<u><u>471,772</u></u>

The accompanying notes form part of these financial statements.

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, partners and government	2,455,280	2,652,613
Payments to suppliers and employees	(2,176,171)	(2,752,566)
Interest and dividends received	15,395	17,687
Net cash provided by (used in) operating activities	15 <u>294,504</u>	<u>(82,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	-	1,259
Net payments for (proceeds from) investments	(6,067)	(13,745)
Payment for property, plant and equipment	(49,718)	(1,326)
Net cash provided (used) by investing activities	<u>(55,785)</u>	<u>(13,812)</u>
Net increase (decrease) in cash and cash equivalents held	238,719	(96,078)
Cash and cash equivalents at beginning of year	462,354	558,432
Cash and cash equivalents at end of financial year	4 <u>701,073</u>	<u>462,354</u>

The accompanying notes form part of these financial statements.

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial statements cover Aged & Community Services Australia Incorporated as an individual entity. Aged & Community Services Australia Incorporated is a not-for-profit association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act (ACT) 1991*.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Contributions from members, partners and government

Contributions are recognised in the statement of comprehensive income when the entity obtains control of the contribution, it is probable that the economic benefits gained from the contribution will flow to the entity and the amount of the contribution can be measured reliably.

When contributions are received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the contribution is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the contribution is recognised as income on receipt.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest rate method.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Furniture, Fixtures and Fittings	10 - 20%
Office Equipment	13 - 20%
Computer Equipment	50 - 67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Association has some financial assets which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Impairment of financial assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(h) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(i) Adoption of new and revised accounting standards

During the current year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments	1/01/2018	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	Financial instruments classified as available for sale (AFS) will now be reported through other comprehensive income (OCI) and no longer recognised through the profit or loss. AASB 9 is not likely to have a material impact on the financial statements.
AASB 15 Revenue from Contracts with Customers	1/01/2019	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on revenue derived from provision of services and contract modifications. The impact of AASB 15 on revenue recognition and measurement has not been assessed at this stage.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(j) New Accounting Standards and Interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	1/01/2019	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	The changes in operating lease recognition requirements in AASB 16 may result in recognising a number of operating lease commitments on the Statement of Financial Position. It is anticipated that this may increase the balances of right to use assets and lease liabilities. The disclosure requirements have also been updated in this standard. The impact of AASB 16 on recognition and measurement of the right to use assets and leases liabilities have not been assessed at this stage.
AASB 1058 Income of NFP (Not For Profit) Entities	1/01/2019	The Standard supersedes all the income recognition requirements relating to private sector NFP entities and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. The timing of income recognition depends on whether such transactions give rise to a liability or other performance obligations (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity to enable the entity to further its objectives.	Each revenue stream, including grant agreements will need to be reviewed to determine the impact of AASB 1058. Some grant agreements which were previously recognised immediately on receipt may be able to be deferred and recognised as revenue as the performance obligations are satisfied. The impact of AASB 1058 on recognition and measurement of the right to use assets and leases liabilities have not been assessed at this stage.

In addition to the above, the AASB has issued amendments to the Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The committee members do not expect the adoption of these standards to have any significant impact on the reported position or performance of the Association.

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
2 Revenue and Other Income		
Revenue		
- interest received	2,097	6,736
- dividend income	13,298	10,951
- national partners	105,500	270,924
- membership	1,214,673	1,252,791
- operating grants	360,000	180,000
- national conference	66,585	204,431
- transition income	452,579	288,421
- other revenue	94,334	85,623
Total Revenue	2,309,066	2,299,877
Other Income		
- net gain on disposal of property, plant and equipment	-	246
- net gain on disposal of financial assets	3,165	1,959
- fair value adjustment to financial assets	9,554	-
	12,719	2,205
3 Result for the Year		
The result for the year includes the following specific expenses:		
Net loss on disposal of property, plant and equipment	1,259	-
Bad debts	65,282	-
Auditor's remuneration	15,000	12,700
Fair value adjustment to financial assets	-	12,694
4 Cash and cash equivalents		
Cash at bank and in hand	668,901	430,831
Short-term bank deposits	32,172	31,523
	701,073	462,354
5 Other financial assets		
CURRENT		
Financial assets at fair value through profit or loss	232,603	213,817
NON-CURRENT		
Other investments	25,000	25,000
Provision for impairment	(25,000)	-
Total non-current assets	-	25,000

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
6 Trade and other receivables		
CURRENT		
Trade receivables	104,124	96,511
Other receivables	10,947	84,791
	<u>115,071</u>	<u>181,302</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.		
NON-CURRENT		
Other receivables	25,000	25,000
Provision for impairment	(25,000)	-
	<u>-</u>	<u>25,000</u>
7 Other assets		
CURRENT		
Prepayments	14,637	14,023
	<u>14,637</u>	<u>14,023</u>
8 Property, plant and equipment		
PLANT AND EQUIPMENT		
Furniture, fixture and fittings		
At cost	22,340	22,340
Accumulated depreciation	(16,152)	(14,402)
Total furniture, fixture and fittings	<u>6,188</u>	<u>7,938</u>
Office equipment		
At cost	7,774	7,774
Accumulated depreciation	(6,648)	(6,011)
Total office equipment	<u>1,126</u>	<u>1,763</u>
Computer equipment		
At cost	84,515	34,796
Accumulated depreciation	(46,640)	(33,444)
Total computer equipment	<u>37,875</u>	<u>1,352</u>
Total property, plant and equipment	<u>45,189</u>	<u>11,053</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
8 Property, plant and equipment		

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2017				
Balance at the beginning of year	7,938	1,763	1,352	11,053
Additions	-	-	49,718	49,718
Depreciation expense	(1,750)	(637)	(13,195)	(15,582)
Balance at the end of the year	6,188	1,126	37,875	45,189
Year ended 30 June 2016				
Balance at the beginning of year	9,118	2,314	4,988	16,420
Additions	-	-	1,325	1,325
Disposals - written down value	-	-	(1,013)	(1,013)
Depreciation expense	(1,180)	(551)	(3,948)	(5,679)
Balance at the end of the year	7,938	1,763	1,352	11,053

9 Trade and other payables

CURRENT

Unsecured liabilities

Trade payables

Sundry payables and accrued expenses

87,362	86,559
377,724	184,911
465,086	271,470

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

10 Income in Advance

Transition funding in advance

Membership fees in advance

-	110,079
-	11,111
-	121,190

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
11 Employee Benefits		
Current liabilities		
Annual leave	-	46,955
Non-current liabilities		
Long service leave	-	21,162
Total employee benefits	<u>-</u>	<u>68,117</u>
12 Capital and Leasing Commitments		
Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	61,056
- between one year and five years	-	9,018
	<u>-</u>	<u>70,074</u>

Operating leases have been taken out for the office at Deakin and for the office photocopier. The office lease payments are increased on an annual basis to reflect the market rentals.

13 Financial Risk Management

The main risks Aged & Community Services Australia Incorporated is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity price risk.

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The totals for each category of financial instruments are the same as the carrying value as shown in the statement of financial position.

(a) Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due. At 30 June 2017 the Association does not believe it is exposed to any material liquidity risk.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and may not reflect management's expectations. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The Association's liabilities have contractual maturities which are summarised below:

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Financial Risk Management

Liquidity risk

	Within 1 year		1 to 5 years		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Trade payables	87,362	86,559	-	-	87,362	86,559
Total	87,362	86,559	-	-	87,362	86,559

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. At 30 June 2017 the company does not believe it is exposed to any material interest rate risk.

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Aged & Community Services Australia Incorporated and arises principally from Aged & Community Services Australia Incorporated's receivables. At 30 June 2017 the Association does not believe it is exposed to any material credit risk.

14 Key Management Personnel Compensation

The totals of remuneration paid to the key management personnel of Aged & Community Services Australia Incorporated during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	57,956	354,085
Post-employment benefits	5,506	187,960
	63,462	542,045

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
15 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Surplus / (deficit) for the year:	171,715	(293,409)
Non-cash flows in surplus / (deficit):		
- depreciation	15,582	5,680
- impairment of assets	50,000	-
- net (gain) / loss on disposal of property, plant and equipment	-	(246)
- net (gain) / loss on disposal of investments	(3,165)	(1,959)
- unrealised (gains)/losses on investments	(9,554)	12,694
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	66,231	80,778
- (increase)/decrease in other assets	(614)	43,330
- increase/(decrease) in income in advance	(121,190)	31,090
- increase/(decrease) in trade and other payables	193,616	59,120
- increase/(decrease) in provisions	(68,117)	(19,344)
Cashflow from operations	294,504	(82,266)

16 Events Occurring After the Reporting Date

Aged & Community Services Australia Incorporated commenced transitioning to a national body during 2015. This will become effective 1 July 2017 and the assets and liabilities of the Association will be transferred to the national entity, Aged & Community Services Australia in the 2017/18 financial year.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Notes to the Financial Statements

For the Year Ended 30 June 2017

17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

18 Association Details

The principal place of business of the association is:

Aged & Community Services Australia Incorporated

Level 1

10 Tresiger Court

DEAKIN ACT 2600

Aged & Community Services Australia Incorporated

ABN: 65 070 261 871

Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 2 to 17:

1. Present fairly the financial position of Aged & Community Services Australia Incorporated as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Aged & Community Services Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Committee member
Paul Sadler - President

Committee member.....
Stephen Cornelissen

Dated 31 October 2017

Aged & Community Services Australia Incorporated

Independent Audit Report to the members of Aged & Community Services Australia Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aged & Community Services Australia Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Aged & Community Services Australia Incorporated is in accordance with the Associations Incorporation Act 1991 of the Australian Capital Territory, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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.

Responsibilities of the Committee and Those Charged with Governance

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act 1991 of the Australian Capital Territory and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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.
- Conclude on the appropriateness of the committee'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.

We communicate with the committee 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.

ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants

G D WINNETT
Director

31 October 2017