

**SCOA Australia Incorporated**

ABN 20 315 946 727

**Financial Statements**

For the Year Ended 30 June 2017

# SCOA Australia Incorporated

ABN 20 315 946 727

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# SCOA Australia Incorporated

ABN 20 315 946 727

## Committee Member's Report For the Year Ended 30 June 2017

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

### 1. General information

#### Committee members

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

|                                 |                  |
|---------------------------------|------------------|
| Annette Barbetti                | President        |
| Peter Illidge                   | Vice President   |
| Tom Dent                        | Treasurer        |
| Anne Willenborg                 | Secretary        |
| George Szykarski                | Committee member |
| Barry Schafer                   | Committee member |
| John Blount                     | Committee member |
| Bob Steins                      | Committee member |
| <u>Former Committee members</u> |                  |
| Lance Garraway                  | Committee member |
| Alan Raftery                    | Committee member |
| Ewan Hazell                     | Committee member |
| Peter Hocking                   | Committee member |

#### Principal activities

The principal activities of the association during the financial year were to represent members and co-ordinate the activities of branches on issues having national or interstate implications for superannuated Commonwealth Officers.

#### Significant changes

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

### 2. Operating results

The profit (loss) of the association for the financial year after providing for income tax amounted to \$ 260,184 (2016: \$ 45,771).

Signed in accordance with a resolution of the members of the committee:



President: .....

Annette Barbetti



Treasurer: .....

Tom Dent

Dated: 4 August 2017

# SCOA Australia Incorporated

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## Statement by Members of the Committee

In the opinion of the committee the financial report as set out on pages 3 to 25:

1. Presents a true and fair view of the financial position of SCOA 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 SCOA 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:



President: .....  
Annette Barbetti



Treasurer: .....  
Tom Dent

Dated: 4 August 2017

# SCOA Australia Incorporated

ABN 20 315 946 727

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

|  |      | 2017           | 2016          |
|--|------|----------------|---------------|
|  | Note | \$             | \$            |
| Revenue  | 9    | 418,105        | 137,239       |
| Employee benefits expense                      |      | (39,367)       | -             |
| Other expenses                                 |      | (116,475)      | (88,662)      |
| Depreciation expense                           |      | (2,079)        | (2,375)       |
| <b>Profit (loss) before income tax</b>         |      | <b>260,184</b> | <b>46,202</b> |
| Income tax expense                             | 10   | -              | (431)         |
| <b>Profit (loss) for the year</b>              |      | <b>260,184</b> | <b>45,771</b> |
| <b>Total comprehensive income for the year</b> |      | <b>260,184</b> | <b>45,771</b> |

The accompanying notes form part of these financial statements.

# SCOA Australia Incorporated

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## Statement of Financial Position As At 30 June 2017

|                               | Note | 2017<br>\$     | 2016<br>\$     |
|-------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                 |      |                |                |
| CURRENT ASSETS                |      |                |                |
| Cash and cash equivalents     | 2    | 478,597        | 105,544        |
| Trade and other receivables   | 3    | 30             | -              |
| Current tax receivable        | 7    | 657            | -              |
| Other assets                  | 4    | 1,860          | 25,520         |
| TOTAL CURRENT ASSETS          |      | <u>481,144</u> | <u>131,064</u> |
| NON-CURRENT ASSETS            |      |                |                |
| Property, plant and equipment | 5    | 3,984          | 1,921          |
| TOTAL NON-CURRENT ASSETS      |      | <u>3,984</u>   | <u>1,921</u>   |
| TOTAL ASSETS                  |      | <u>485,128</u> | <u>132,985</u> |
| <b>LIABILITIES</b>            |      |                |                |
| CURRENT LIABILITIES           |      |                |                |
| Trade and other payables      | 6    | 139,751        | 56,820         |
| Current tax liabilities       | 7    | -              | 431            |
| Short-term provisions         | 8    | 3,647          | -              |
| TOTAL CURRENT LIABILITIES     |      | <u>143,398</u> | <u>57,251</u>  |
| NON-CURRENT LIABILITIES       |      |                |                |
| Long-term provisions          | 8    | 5,812          | -              |
| TOTAL NON-CURRENT LIABILITIES |      | <u>5,812</u>   | <u>-</u>       |
| TOTAL LIABILITIES             |      | <u>149,210</u> | <u>57,251</u>  |
| NET ASSETS                    |      | <u>335,918</u> | <u>75,734</u>  |
| <b>EQUITY</b>                 |      |                |                |
| Retained earnings             |      | <u>335,918</u> | <u>75,734</u>  |
| TOTAL EQUITY                  |      | <u>335,918</u> | <u>75,734</u>  |

The accompanying notes form part of these financial statements.

# SCOA Australia Incorporated

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## Statement of Changes in Equity For the Year Ended 30 June 2017

2017

|  | Retained<br>Earnings | Total          |
|--|----------------------|----------------|
| Note   | \$                   | \$             |
| <b>Balance at 1 July 2016</b>                | 75,734               | 75,734         |
| Profit attributable to members of the entity | 260,184              | 260,184        |
| <b>Balance at 30 June 2017</b>               | <b>335,918</b>       | <b>335,918</b> |

2016

|  | Retained<br>Earnings | Total         |
|--|----------------------|---------------|
| Note   | \$                   | \$            |
| <b>Balance at 1 July 2015</b>                | 29,963               | 29,963        |
| Profit attributable to members of the entity | 45,771               | 45,771        |
| <b>Balance at 30 June 2016</b>               | <b>75,734</b>        | <b>75,734</b> |

The accompanying notes form part of these financial statements.

# SCOA Australia Incorporated

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## Statement of Cash Flows

For the Year Ended 30 June 2017

|   | 2017                    | 2016                  |
|---|-------------------------|-----------------------|
| Note  | \$                      | \$                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                         |                       |
| Receipts from customers                             | 516,522                 | 155,923               |
| Payments to suppliers and employees                 | (140,182)               | (91,554)              |
| Interest received                                   | 1,286                   | 677                   |
| Income taxes paid                                   | (431)                   | (684)                 |
| Net cash provided by/(used in) operating activities | 13 <u>377,195</u>       | <u>64,362</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |                         |                       |
| Purchase of property, plant and equipment           | <u>(4,142)</u>          | -                     |
| Net cash provided by/(used in) investing activities | <u>(4,142)</u>          | -                     |
| Net increase/(decrease) in cash held                | 373,053                 | 64,362                |
| Cash and cash equivalents at beginning of year      | <u>105,544</u>          | 41,182                |
| Cash and cash equivalents at end of financial year  | 2 <u><u>478,597</u></u> | <u><u>105,544</u></u> |

The accompanying notes form part of these financial statements.



# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

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

The functional and presentation currency of SCOA Australia Incorporated is Australian dollars.

The financial report was authorised for issue by the committee members on 4 August 2017.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Act 1991 (ACT)* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (c) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(l) for further discussion on the determination of impairment losses.

#### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (d) Property, plant and equipment

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held available for use.

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

| Fixed asset class   | Depreciation rate |
|---------------------|-------------------|
| Plant and equipment | 25-50%            |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

#### (e) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

#### (f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (g) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) Employee provisions

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligation for short-term employee benefits are presented as current employee provisions in its statement of financial position.

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

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

#### (i) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest rate method.

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year. As the membership year is a calendar year, membership income received for the period 1 July to 31 December is allocated to the deferred income liability account as unearned income.

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

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (j) Income Tax

The principle of mutuality provides for the association's liability for income tax to relate only to net revenue from non-members, interest and other income, less any deductions that can be claimed under the *Income Tax Assessment Act 1997*.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which the committee members expect to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of setoff exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### (k) Goods and services tax (GST)

The association registered for GST on 1 July 2016, for the comparative figures GST is recognised as part of the cost of acquisition of assets or as part of the expense items.

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (k) Goods and services tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (l) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (I) Financial instruments

##### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *(iv) Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

##### *(v) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### **Impairment**

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (l) Financial instruments

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

#### (m) Fair value of assets and liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the association at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in the highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the association's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (n) Comparative figures

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

When the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

#### (o) Critical accounting estimates and judgements

The committee members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

##### *Key estimates - Impairment*

The association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### (p) 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 against early adoption of these Standards. The following table summarises those future requirements, and their impact on the association:

| Standard Name   | Effective date for entity | Requirements  | Impact   |
|---|---------------------------|---|--|
| AASB 9 Financial Instruments and amending standards<br>AASB 2010-7 /<br>AASB 2012-6 /<br>AASB 2013-9 /<br>AASB 2014-1 /<br>AASB 2014-7 /<br>AASB 2014-8 | 30 June 2019              | Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value. | The available-for-sale investments held will be classified as fair value through OCI and will no longer be subject to impairment testing. Other impacts on the reported financial position and performance have not yet been determined. |



# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (p) New Accounting Standards and Interpretations

| Standard Name   | Effective date for entity | Requirements   | Impact   |
|---|---------------------------|--|--|
| AASB 15 Revenue from contracts with customers and amending standards<br>AASB 2014-5 /<br>AASB 2015-8 /<br>AASB 2016-3 /<br>AASB 2016-7 /<br>AASB 2016-8 | 30 June 2020              | AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.<br>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.<br>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements. | The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.  |
| AASB 16 Leases  | 30 June 2020              | AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet.<br>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.<br>A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.   | The new standard does not make any significant changes to lessor accounting and as such is only expected to impact lessee accounting from a lessee's perspective. Whilst the impact of AASB 16 has not yet been quantified, the entity may have operating leases which we anticipate will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease. |

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Cash and Cash Equivalents

|              | 2017           | 2016           |
|--------------|----------------|----------------|
| Note         | \$             | \$             |
| CURRENT      |                |                |
| Cash at bank | 478,597        | 105,544        |
| 13, 14       | <u>478,597</u> | <u>105,544</u> |

### 3 Trade and Other Receivables

|  | 2017      | 2016     |
|--|-----------|----------|
| Note   | \$        | \$       |
| CURRENT  |           |          |
| Trade receivables                                | 30        | -        |
| <b>Total current trade and other receivables</b> | <u>30</u> | <u>-</u> |
| 14   |           |          |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 4 Other Assets

|             | 2017         | 2016          |
|-------------|--------------|---------------|
| Note        | \$           | \$            |
| CURRENT     |              |               |
| Prepayments | 1,860        | 25,520        |
|             | <u>1,860</u> | <u>25,520</u> |

### 5 Property, plant and equipment

|  | 2017         | 2016         |
|--|--------------|--------------|
| Note                                       | \$           | \$           |
| Plant and equipment                        |              |              |
| At cost                                    | 8,892        | 4,750        |
| Accumulated depreciation                   | (4,908)      | (2,829)      |
| <b>Total property, plant and equipment</b> | <u>3,984</u> | <u>1,921</u> |

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 5 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:

|                                       | Plant and<br>Equipment<br>\$ | Total<br>\$  |
|---------------------------------------|------------------------------|--------------|
| <b>Year ended 30 June 2017</b>        |                              |              |
| Balance at the beginning of year      | 1,921                        | 1,921        |
| Additions                             | 4,142                        | 4,142        |
| Depreciation expense                  | (2,079)                      | (2,079)      |
| <b>Balance at the end of the year</b> | <b>3,984</b>                 | <b>3,984</b> |
| <b>Year ended 30 June 2016</b>        |                              |              |
| Balance at the beginning of year      | 4,296                        | 4,296        |
| Depreciation expense                  | (2,375)                      | (2,375)      |
| <b>Balance at the end of the year</b> | <b>1,921</b>                 | <b>1,921</b> |

### 6 Trade and Other Payables

|                       | 2017<br>\$     | 2016<br>\$    |
|-----------------------|----------------|---------------|
| <b>CURRENT</b>        |                |               |
| Unsecured liabilities |                |               |
| Trade payables        | 2,400          | -             |
| Deferred income       | 137,351        | 56,820        |
|                       | <b>139,751</b> | <b>56,820</b> |

#### (a) Financial liabilities at amortised cost classified as trade and other payables

|  | 2017<br>\$   | 2016<br>\$ |
|--|--------------|------------|
| <b>Trade and other payables:</b>                         |              |            |
| - total current  | 139,751      | 56,820     |
| <b>Less:</b>   |              |            |
| - deferred income  | (137,351)    | (56,820)   |
| <b>Financial liabilities as trade and other payables</b> | <b>2,400</b> | <b>-</b>   |

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

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 7 Tax assets and liabilities

|                                | Note | 2017<br>\$ | 2016<br>\$ |
|--------------------------------|------|------------|------------|
| CURRENT                        |      |            |            |
| GST receivable                 |      | 657        | -          |
| <b>Current tax receivable</b>  |      | <b>657</b> | <b>-</b>   |
| CURRENT                        |      |            |            |
| Income tax payable             |      | -          | 431        |
| <b>Current tax liabilities</b> |      | <b>-</b>   | <b>431</b> |

### 8 Provisions

|                                  | Note | 2017<br>\$                            | 2016<br>\$                                      |
|----------------------------------|------|---------------------------------------|---|
| CURRENT                          |      |                                       |   |
| Provision for annual leave       |      | 3,647                                 | -   |
|                                  |      | <b>3,647</b>                          | <b>-</b>  |
| NON-CURRENT                      |      |                                       |   |
| Provision for long service leave |      | 5,812                                 | -   |
|                                  |      | <b>5,812</b>                          | <b>-</b>  |
|                                  |      | <b>Provision for<br/>annual leave</b> | <b>Provision for<br/>long service<br/>leave</b> |
|                                  |      | <b>\$</b>                             | <b>\$</b>                                       |
| <b>Current and Non-Current</b>   |      |                                       | <b>Total</b>                                    |
| Opening balance at 1 July 2016   |      | -                                     | -   |
| Additional provisions            |      | 7,145                                 | 12,957  |
| Provisions used                  |      | (3,498)                               | (3,498)   |
| <b>Balance at 30 June 2017</b>   |      | <b>3,647</b>                          | <b>9,459</b>                                    |

#### Employee Provisions

Employee provisions represent amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the association does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 9 Revenue and Other Income

|                        | 2017           | 2016           |
|------------------------|----------------|----------------|
| Note                   | \$             | \$             |
| Revenue                |                |                |
| - member subscriptions | 144,305        | 81,796         |
| - donations            | 259,488        | 47,094         |
| - interest received    | 1,286          | 677            |
| - sundry income        | 13,026         | 7,672          |
| <b>Total Revenue</b>   | <b>418,105</b> | <b>137,239</b> |

During the year donated funds were received from the Superannuated Commonwealth Officers Association (Federal Council) Inc, ACT, NSW and Victorian State branches as part of their winding up process.

### 10 Income Tax Expense

(a) The major components of tax expense (income) comprise:

|                                 | 2017     | 2016       |
|---------------------------------|----------|------------|
| Note                            | \$       | \$         |
| Current tax expense             |          |            |
| Current tax                     | -        | 431        |
| <b>Total income tax expense</b> | <b>-</b> | <b>431</b> |

(b) Reconciliation of income tax to accounting profit:

|  | 2017   | 2016   |
|--|--------|--------|
| Note   | \$     | \$     |
| Prima facie tax payable on profit before income tax at 30% (2016: 30%) | 78,055 | 13,861 |
| Less:  |        |        |
| Tax effect of:   |        |        |
| - non-taxable member income arising from principle of mutuality        | 78,055 | 13,430 |
| Income tax expense   | -      | 431    |

### 11 Auditors' Remuneration

|   | 2017  | 2016  |
|---|-------|-------|
| Note  | \$    | \$    |
| Remuneration of the auditor of the association for: |       |       |
| - auditing or reviewing the financial statements    | 1,950 | 2,090 |

# SCOA Australia Incorporated

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## Notes to the Financial Statements For the Year Ended 30 June 2017

### 12 Key Management Personnel Disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including any committee member is considered key management personnel.

The totals of remuneration paid to key management personnel of the association during the year are as follows:

|                              | 2017          | 2016     |
|------------------------------|---------------|----------|
| Note                         | \$            | \$       |
| Short-term employee benefits | 17,190        | -        |
|                              | <u>17,190</u> | <u>-</u> |

### 13 Cash Flow Information

#### (a) Reconciliation of cash

|   | 2017             | 2016           |
|---|------------------|----------------|
| Note  | \$               | \$             |
| Cash at the end of the financial year as shown in the is reconciled to items in the statement of financial position as follows: |                  |                |
| Cash and cash equivalents   | 2 <u>478,597</u> | 105,544        |
|   | <u>478,597</u>   | <u>105,544</u> |

#### (b) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of profit (loss) to net cash provided by (used in) operating activities:

|  | 2017           | 2016          |
|--|----------------|---------------|
| Note   | \$             | \$            |
| Profit (loss) for the year                           | 260,184        | 45,771        |
| Non-cash flows in profit (loss):                     |                |               |
| - depreciation                                       | 2,079          | 2,375         |
| Changes in assets and liabilities:                   |                |               |
| - (increase)/decrease in trade and other receivables | (687)          | -             |
| - (increase)/decrease in prepayments                 | 23,660         | (2,892)       |
| - increase/(decrease) in deferred income             | 80,531         | 19,361        |
| - increase/(decrease) in trade and other payables    | 2,400          | -             |
| - increase/(decrease) in income taxes payable        | (431)          | (253)         |
| - increase/(decrease) in provisions                  | 9,459          | -             |
| Cash flow from operations                            | <u>377,195</u> | <u>64,362</u> |

#### (c) Credit standby arrangements with banks

The association has no credit standby or financing facilities in place.

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 13 Cash Flow Information

#### (d) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the year.

### 14 Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

|   | Note | 2017<br>\$     | 2016<br>\$     |
|---|------|----------------|----------------|
| <b>Financial Assets</b>                 |      |                |                |
| Cash and cash equivalents               | 2    | 478,597        | 105,544        |
| Loans and receivables                   | 3    | 30             | -              |
| <b>Total financial assets</b>           |      | <b>478,627</b> | <b>105,544</b> |
| <b>Financial Liabilities</b>            |      |                |                |
| Financial liabilities at amortised cost |      |                |                |
| - Trade and other payables              | 6    | 2,400          | -              |
| <b>Total financial liabilities</b>      |      | <b>2,400</b>   | <b>-</b>       |

#### Financial Risk Management Policies

The committee members' risk management strategy seeks to assist the association in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee members on a regular basis. These include credit risk policies and future cash flow requirements.

#### Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

#### 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 the association.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 14 Financial Risk Management

#### Credit risk

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### *Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 3.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Aggregates of such amounts are as detailed at Note 3.

Credit risk related to balances with banks and other financial institutions is managed by committee members. The following table provides information regarding credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

|   | <b>Note</b> | <b>2017</b><br><b>\$</b> | <b>2016</b><br><b>\$</b> |
|---|-------------|--------------------------|--------------------------|
| Cash and cash equivalents<br>- AA Rated | 2           | <b>478,597</b>           | 105,544                  |

#### Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.



# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 14 Financial Risk Management

#### Liquidity risk

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

|  | Within 1 year |          | 1 to 5 years |          | Total        |
|--|---------------|----------|--------------|----------|--------------|
|  | 2017          | 2016     | 2017         | 2016     | 2017         |
|  | \$            | \$       | \$           | \$       | \$           |
| <b>Financial liabilities - due for payment</b> |               |          |              |          |              |
| Trade payables (excluding deferred income)     | 2,400         | -        | -            | -        | 2,400        |
| <b>Total</b>                                   | <b>2,400</b>  | <b>-</b> | <b>-</b>     | <b>-</b> | <b>2,400</b> |

The table below reflects the maturity analysis for financial assets.

|   | Within 1 Year  |                | 1 to 5 Years |          | Total          |                |
|---|----------------|----------------|--------------|----------|----------------|----------------|
|   | 2017           | 2016           | 2017         | 2016     | 2017           | 2016           |
|   | \$             | \$             | \$           | \$       | \$             | \$             |
| <b>Financial assets - cash flows realisable</b> |                |                |              |          |                |                |
| Cash and cash equivalents                       | 478,597        | 105,544        | -            | -        | 478,597        | 105,544        |
| Trade, term and loans receivables               | 30             | -              | -            | -        | 30             | -              |
| <b>Total</b>                                    | <b>478,627</b> | <b>105,544</b> | <b>-</b>     | <b>-</b> | <b>478,627</b> | <b>105,544</b> |

#### Market risk

##### (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. The association is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the association to interest rate risk are limited to fixed interest securities and cash and cash equivalents.

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 14 Financial Risk Management

#### *Sensitivity Analysis*

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit or loss and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

|             | <b>2017</b>                           | <b>2016</b>                           |
|-------------|---------------------------------------|---------------------------------------|
|             | <b>+/-2.00% in<br/>interest rates</b> | <b>+/-2.00% in<br/>interest rates</b> |
|             | <b>\$</b>                             | <b>\$</b>                             |
| Net results | <b>9,000</b>                          | 2,000                                 |
| Equity      | <b>9,000</b>                          | 2,000                                 |

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

#### **(ii) Fair values**

##### *Fair value estimation*

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position and notes to the financial statements. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the association. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the fair value figures calculated bear little relevance to the association.

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude deferred income which is not considered to be a financial instrument.

### 15 Capital Management

The committee members control the capital of the association to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised within tolerable risk parameters. The committee members ensure that the overall risk management strategy is in line with this objective.

The association's capital consists of financial liabilities, supported by financial assets.

# SCOA Australia Incorporated

ABN 20 315 946 727

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 15 Capital Management

The committee members effectively manage the association's capital by assessing the association's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes in the strategy adopted by the committee members to control the capital of the association since the previous year.

The gearing ratios for the year ended 30 June 2017 and 30 June 2016 are as follows:

|                                | <b>Note</b> | <b>2017</b>      | <b>2016</b> |
|--------------------------------|-------------|------------------|-------------|
|                                |             | <b>\$</b>        | <b>\$</b>   |
| Total borrowings               |             | -                | -           |
| Less Cash and cash equivalents | 2           | <b>(478,597)</b> | (105,544)   |
| Net debt                       |             | <b>(478,597)</b> | (105,544)   |
| Equity                         |             | <b>335,918</b>   | 75,734      |
| Total capital                  |             | <b>(142,679)</b> | (29,810)    |
| Gearing ratio                  |             | - %              | - %         |

### 16 Association Details

The principal place of business of the association is:

SCOA Australia Incorporated  
Building 3, Pearce Community Centre  
Collect Place  
Pearce ACT 2607

## Independent Auditor's Report

### To the members of SCOA Australia Incorporated

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of SCOA Australia Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other 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 statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended; and
- (ii) complying 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 auditor independence requirements of 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report

### To the members of SCOA Australia Incorporated

#### Responsibilities of Committee Members' and Those Charged with Governance

The committee members are responsible for the preparation and fair presentation of the financial report in accordance with *the Associations Incorporation Act (ACT) 1991*, and for such internal control as the committee members determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

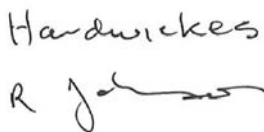
Those charged with governance are responsible for overseeing the Association's financial reporting process.

#### 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.

#### Hardwickes

Chartered Accountants



Robert Johnson FCA  
Partner

Canberra

Dated: 4 August 2017