

ANNUAL REPORT 2018

INCOME STATEMENTS

AUSTRALIAN ACCESS FEDERATION INCORPORATED

ABN 13 155 355 685

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
INCOME		
AAF Subscriptions	1,197,427	1,034,811
Rapid IdP Subscriptions	161,420	311,955
Bank Interest	14,692	20,033
Project Income	186,502	554,157
ORCID Income	501,564	431,890
Other Income	103,169	95,090
TOTAL INCOME	2,164,774	2,447,936
EXPENSES		
Staff Salaries & On-costs	1,575,694	1,339,971
General Operating Expenses	204,898	205,012
ORCID membership fee	175,765	155,020
Project Expenses	193,949	370,976
Meetings & Events	108,121	102,625
Depreciation	13,995	15,344
Accounting Fees	15,800	19,300
Audit Fees	3,000	2,400
TOTAL EXPENSES	2,291,222	2,210,648
NET CURRENT YEAR SURPLUS (DEFICIT)	(126,448)	237,288
Total Other Comprehensive Income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF THE ENTITY	(126,448)	237,288

AUSTRALIAN ACCESS FEDERATION INCORPORATED

ABN 13 155 355 685

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	2018 \$	2017 \$
ASSETS		
Current Assets		
Bank - Operating a/c	3,150	7,457
Bank – Online Saver a/c	3,060,611	1,959,060
Bank – US \$ a/c	190,868	86,906
Membership Debtors	236,679	1,396,887
Sundry Debtors	57,168	25,635
Total Current Assets	3,548,476	3,475,945
Non-Current Assets		
Company change costs	488	-
Equipment at wdv	14,049	19,921
Rental Bond	8,385	8,385
Total Non-Current Assets	22,922	28,306
TOTAL ASSETS	3,571,398	3,504,251
LIABILITIES & EQUITY		
Current Liabilities		
Payables & Accrued Expenses	199,808	247,703
GST liability	201,902	123,641
Prepaid Income – AAF	1,669,589	1,451,397
Prepaid Income – ORCID	541,821	479,911
Project Income in Advance	-	205,215
Employee leave entitlements	277,681	190,144
Total Current Liabilities	2,890,801	2,698,011
Non-Current Liabilities		
Employee leave entitlements	49,486	48,681
Total Non-Current Liabilities	49,486	48,681
TOTAL LIABILITIES	2,940,287	2,746,692
NET ASSETS	631,111	757,559
MEMBERS FUNDS		
Retained Surplus	631,111	757,559
TOTAL MEMBERS FUNDS	631,111	757,559

AUSTRALIAN ACCESS FEDERATION INCORPORATED

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from operating activities		3,501,565	2,643,832
Interest received		14,064	19,842
Payments to suppliers and employees		(2,305,812)	(2,436,346)
Net cash provided by operating activities	4(b)	<u>1,209,817</u>	<u>227,328</u>
Cash flows from investing activities			
Payment for Company change costs		(488)	
Payments for plant & equipment		(8,123)	(2,924)
Payment of Rental Deposit			(8,385)
Net cash (used by) investing activities		<u>(8,611)</u>	<u>(11,309)</u>
Net (Decrease)/Increase in cash held		1,201,206	216,019
Cash at the beginning of the year		2,053,423	1,837,404
Cash at the end of the year	4(a)	<u>3,254,629</u>	<u>2,053,423</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings \$	Total \$
Balance at 31 December 2016	<u>520,271</u>	<u>520,271</u>
Net surplus (deficit)	237,288	237,288
Balance at 31 December 2017	<u>757,559</u>	<u>757,559</u>
Net surplus (deficit)	(126,448)	(126,448)
Balance at 31 December 2018	<u>631,111</u>	<u>631,111</u>

AUSTRALIAN ACCESS FEDERATION INCORPORATED

ABN 13 155 355 685

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Committee has determined that the Association is not a reporting entity because there are no users dependent on a general purpose financial report. The Association is a not-for-profit entity for Australian Accounting Standards.

The financial statements are special purpose financial statements prepared for the purpose of complying with the NSW Associations Incorporation Act 2009 and to satisfy the financial reporting requirements of the constitution and to meet the needs of the members of the Association.

The financial statements have been prepared on the basis of a Tier 1 association.

The Association is a large registered charity and is subject to the ACNC reporting requirements.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Tier 1 association and the significant accounting policies disclosed below, which the committee members have determined are appropriate to meet the needs of members.

The financial report, except for the statement of cash flows, is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of the significant accounting policies adopted by the Association in the preparation of the financial report. These policies are consistent with the previous year unless stated otherwise.

- (a) Income Tax:**
The income of the Association is exempt from income tax under Division 50-5 of Income Tax Assessment Act 1997
- (b) Income In Advance**
Income received for subscriptions from members and events which will occur in relation to the subsequent financial year are treated as income in advance

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(c) **Income**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Income from the rendering of a service is recognised upon the delivery of the service to the customer or based on the stage of completion of the service delivery at the end of the financial year.

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

(d) **Goods & Services Tax**

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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(e) **Membership & Sundry Debtors**

Membership Debtors and Sundry Debtors include amounts due from members as well as amounts receivable from others. 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.

(f) **Equipment.**

Equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation is calculated on a straight-line basis, over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. The carrying amount of equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the depreciated replacement cost of the asset. Equipment that has been contributed at no cost, or for nominal cost, is valued at the fair value of the asset at the date it is acquired.

(g) **Impairment**

At the end of each reporting date, the Association assesses whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the assets, being the assets depreciated replacement costs, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expenses in the income statement.

(h) **Staff Leave Entitlements**

Liabilities for staff salaries and staff leave entitlements expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of staff services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUE

(i) **Financial Assets**

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

(j) **Payables and Accrued Expenses**

Accounts payable 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 that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) **Foreign Currency Transactions and Balances**
Functional and presentation currency

The functional currency is measured using the currency of the primary economic environment in which the Association operates. The financial statements are presented in Australian dollars, which is the Association's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Comparative Figures

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

Critical Accounting Estimates and Judgments

(m) The committee members evaluate estimates and judgments incorporated into the financial report 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.

(n) **New and Amended Accounting Policies adopted**
Initial application of AASB 15: Revenue from Contracts with Customers

The entity has adopted the above accounting standard with a date of initial application of 1 January 2018. As a result, the entity has changed its Income accounting policies as detailed in the significant accounting policies note.

In regard to not-for-profit entities this new revenue recognition standard AASB 15 will be applicable only to exchange transactions with customers with performance obligations.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUE

There are detailed disclosure requirements with regard to significant judgements in determining the timing of the satisfaction of performance obligations, the transaction price, amounts allocated to the performance obligations and the assets recognised from costs to obtain or fulfil a contract with a customer.

The adoption of this standard did not have any significant impact on the Association's financial statements

(o) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The committee has decided not to early adopt any of the new and amended pronouncements. The committee's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main change introduced by the new Standard is the recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

This standard is not expected to have a significant impact on the Association's financial statements.

AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards.

The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUE

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit the entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

This standard is not expected to have a significant impact on the company's financial statements.

NOTE 2: ASSOCIATION DETAILS

The Australian Access Federation Incorporated is an incorporated association under the New South Wales legislation Associations Incorporation Act 2009.

The registered office of the Association is 10 Nyora Place, Jerrabomberra, NSW, 2619

The principal place of business of the association is Building 9, Banks Street, Yarralumla, ACT

The financial report was authorised for issue on the date the Committee Report was signed and dated.

NOTE 3: EVENTS AFTER THE REPORTING DATE

Since the end of the financial year there have been no material post balance date events that could affect the financial position and performance of the Association except as follows:

The Association held an extraordinary general meeting on 29th August 2018 and passed special resolutions:

- For the transfer of registration to a Company Limited by Guarantee
- For the change of name to Australian Access Federation Limited
- For the adoption of a new constitution
- To authorise the Associations committee members to give effect to these changes with an effective date from 1st January 2019.

The Association was registered by ASIC as an Australian Public Company Limited by Guarantee on the 4th January 2019.

All the assets and liabilities of the Association were transferred to the Company.

The principal place of business and the ABN are unchanged.

AUSTRALIAN ACCESS FEDERATION INCORPORATED

ABN 13 155 355 685

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

NOTE 4: CASH FLOW INFORMATION

	2018	2017
(a) Reconciliation of Cash	\$	\$
Bank - Operating a/c	3,150	7,457
Bank – Online Saver a/c	3,060,611	1,959,060
Bank – US \$ a/c	190,868	86,906
Cash at the end of the year	<u>3,254,629</u>	<u>2,053,423</u>
(b) Reconciliation of the operating surplus to the net cash provided by operating activities:-		
Operating surplus/(deficit)	(126,448)	237,288
Gain on disposal/write off of plant & equipment		
Depreciation and amortisation	13,995	15,344
Movement in assets and liabilities:-		
Decrease/(Increase) in receivables	1,160,208	(312,701)
Decrease/(Increase) in prepayments/ Other Debtors	(31,533)	3,718
(Decrease)/Increase in creditors/accruals	30,366	(13,567)
(Decrease)/Increase in prepaid income	74,887	293,071
(Decrease)/Increase in Employee liabilities	88,342	4,175
Net cash provided by operating activities	<u>1,209,817</u>	<u>227,328</u>