



# ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LTD

*The Body for Professional Bookkeepers*

**Annual Report**  
**2014–15**



# **Association of Accounting Technicians (Australia) Limited**

**ABN: 25 085 441 934**

## **Financial Report**

**For The Year Ended 30 June 2015**

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
**ABN 25 085 441 934**

**DIRECTORS' REPORT**

Your directors present this report on the Association of Accounting Technicians (Australia) Limited ('AAT Australia') for the financial year ended 30 June 2015.

**Board of Directors and Attendance at Board Meetings**

The names of each person who has been a director during the year and to the date of this report are:

	Appointed/ Ceased	Board Meetings	
		No. attended	No. eligible to attend
Deanne Firth	Ceased 9 August 2014	1	1
Yvonne Wilson		2	4
Simon Grant	Ceased 6 February 2015	2	2
Nicholas Diss		4	4
Daryl Koch		4	4
Gregory Dennis		4	4
Jeffery Hughes		3	4
Duncan Pittard	Appointed 9 August 2014	3	3

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal Activities**

The principal activity of the company during the period was to operate as a professional association of bookkeepers and accounting technicians providing members and students with services to meet their professional needs.

**AAT Australia's Objectives**

AAT Australia's prime objective is to position AAT Australia as the professional body of first choice for accounting paraprofessionals and BAS agents. AAT Australia's aim is to continue to be a strong, visible and respected professional body for accounting paraprofessionals and BAS agents offering membership and qualifications that are recognised and valued.

AAT Australia's focus and other business objectives are all encompassing:

- formal recognition in Australia for AAT Australia accounting paraprofessionals and BAS agents
- an enhancement of AAT Australia member's skills through education and training
- a career pathway for AAT Australia accounting paraprofessionals to progress to higher levels of the accounting profession, and
- to raise the profile of AAT Australia accounting paraprofessionals and BAS agents in Australia.

While adhering to corporate targets and governance, AAT Australia will continue to fulfil its promise of ethics and quality of education. AAT Australia is about promoting and ensuring appropriate professional standards and conduct for the benefit of industry in Australia. As a result of these increased standards, businesses in Australia will gain confidence in the services provided by AAT Australia members. AAT Australia's imperative objective is that industry can rely upon the services provided by BAS Agents.

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**

ABN 25 085 441 934

**DIRECTORS' REPORT (CONT'D)****Information on Directors (cont'd)**

Deanne Firth	Deanne Firth FCA is the Principal of Tactical Accounting & Super a public accounting firm specialising in audit. Prior to this Deanne managed Suntax another public accounting firm as well as working as an accountant/financial controller in industry including for IXL and Hawker de Havilland. Deanne is a Chartered Accountant also holding a Graduate Diploma, Bachelor of Commerce Accounting and a Diploma of Financial Services (Financial Planning).
Yvonne Wilson	Yvonne Wilson is a Policy Analyst in TAFE NSW. Previously Yvonne was the Teaching and Learning Manager for the Business and Finance Faculty, South Western Sydney Institute and, for a number of years, was the Program Manager for Accounting and Finance Courses for TAFE. In these roles she provided educational leadership and managed the development and delivery of high quality programs, in the Accounting/Bookkeeping disciplines. Yvonne's commercial experience consists of over 30 years of preparing statutory lodgements and taxation work for a variety of entities including companies, trusts, partnerships and superannuation funds. Other tasks included budgeting, wage analysis, management consulting/reporting and auditing. She holds a Graduate Diploma in Accounting from Flinders University, and a Bachelor of Education.
Simon Grant	Simon Grant FCA is currently the General Manager Members responsible for Sales and Marketing functions and all member engagement activities nationally across the Institute. The previous ten years, Simon held the role of General Manager of the Queensland office, where he was responsible for the delivery of member services, engagement and training. Prior to joining the Institute, Simon had seven years as a Director in Deloitte Corporate Finance in Brisbane and prior to that worked for a niche retail bank in Sydney for seven years as their Country Head of Credit for Australia. Simon qualified as a Chartered Accountant in 1987 with an antecedent firm that is now part Deloitte.
Daryl Koch	Daryl has been involved in NFP businesses for some time including past Chair of the Victorian Chapter of the Finance and Treasury Association, Past Board Member of a Melbourne Private Member's Club, Past Deputy Chair of the Disciplinary Tribunal of the Institute of Public Accountants (IPA), Current member of the Accounting Faculty at IPA and immediate past President of the Victorian Divisional Council of the IPA. In addition Daryl is currently a Board Director of Australian SME Alliance Ltd. Daryl presently runs Canterbury Commercial Services a Governance Advisory Practice.
Duncan Pittard	<p>Duncan is the general manager for Victoria and Tasmania at Chartered Accountants Australia and New Zealand. He joined the Institute in March 2004 and has more than 20 years experience in the accounting and finance profession.</p> <p>Duncan is responsible for leading and directing the performance of the Victorian and Tasmanian regions to ensure that the Institute effectively represents the needs of its membership and promotes the importance of the profession. He is responsible for the ongoing management of member advisory panels, delivery of member services and events, building proactive and effective stakeholder relationships and strategic planning of regional activities.</p>

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

*McLean Delmo Bentleys Audit Pty Ltd*  
**McLean Delmo Bentleys Audit Pty Ltd**

*James Ridley*  
**James Ridley**  
**Partner**

Hawthorn  
16 October 2015

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
**ABN 25 085 441 934**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	309,218	290,552
Trade and other receivables	8	1,200	894
Other assets	9	14,755	38,449
<b>Total current assets</b>		<u>325,173</u>	<u>329,895</u>
<b>Non-Current Assets</b>			
Plant and equipment	10	27,298	3,862
<b>Total non-current assets</b>		<u>27,298</u>	<u>3,862</u>
<b>Total Assets</b>		<b>352,471</b>	<b>333,757</b>
<b>Current Liabilities</b>			
Trade and other payables	11	401,482	474,943
Provisions	12	14,250	12,172
Borrowings	13	90,000	-
<b>Total current liabilities</b>		<u>505,732</u>	<u>487,115</u>
<b>Non-Current Liabilities</b>			
Provisions	12	6,670	5,238
Borrowings	13	960,000	1,050,000
<b>Total non-current liabilities</b>		<u>966,670</u>	<u>1,055,238</u>
<b>Total Liabilities</b>		<u><b>1,472,402</b></u>	<u><b>1,542,353</b></u>
<b>Net Liabilities</b>		<u><b>(1,119,931)</b></u>	<u><b>(1,208,596)</b></u>
<b>Equity</b>			
Accumulated losses		<u>(1,119,931)</u>	<u>(1,208,596)</u>
<b>Total Equity</b>		<u><b>(1,119,931)</b></u>	<u><b>(1,208,596)</b></u>

The accompanying notes form part of these financial statements.

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
**ABN 25 085 441 934**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Note</b>	<b>2015</b> <b>\$</b>	<b>2014</b> <b>\$</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from members and customers		701,591	775,554
Payments to suppliers and employees		(625,487)	(575,055)
Interest received		2,297	743
Interest paid		(31,385)	(33,648)
Net cash provided by operating activities	14	<u>47,016</u>	<u>167,594</u>
<b>Cash Flows from Investing Activities</b>			
Payment for plant and equipment		(28,350)	(3,418)
Net cash used in investing activities		<u>(28,350)</u>	<u>(3,418)</u>
<b>Net increase in cash held</b>		<b>18,666</b>	<b>164,176</b>
Cash and cash equivalents at the beginning of the year		<u>290,552</u>	<u>126,376</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b><u>309,218</u></b>	<b><u>290,552</u></b>

The accompanying notes form part of these financial statements.

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**

ABN 25 085 441 934

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(c) Income Tax**

The company is a non profit organisation to which the principle of mutuality applies. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. The effect of this is that the company only pays income tax on net income, which is not derived from members. Income that is derived from members is exempt from income tax.

**(d) Financial Instruments**

**Initial recognition and measurement**

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

Financial instruments are initially measured at fair value plus transaction 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 exactly 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.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**(i) 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.

**(ii) 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 liability is derecognised.

**Impairment**

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



**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**

**ABN 25 085 441 934**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(h) Revenue**

Revenue from membership subscriptions and receipts attributable to the current financial year are recognised as revenue. Members' subscriptions and receipts relating to periods beyond the current financial year are shown in the statement of financial position as members' subscriptions in advance under the heading of payables in current liabilities.

Revenue from the sale of goods is recognised upon delivery of goods to customers.

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

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

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

**(i) Goods and Services Tax (GST)**

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 of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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.

**(j) Comparative Figures**

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

**(k) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments 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 company.

**Key estimates – Impairment**

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

No impairment has been recognised for the year ended 30 June 2015.

**(l) New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory applicable dates for future reporting periods and which the company has decided not to early adopt. Due to the nature of the company's activities, it does not expect them to have any material effect on the company's financial statements.

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
**ABN 25 085 441 934**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
<b>Note 7: Cash and Cash Equivalents (cont'd)</b>		
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:		
Cash and cash equivalents	309,218	290,552
<b>Note 8: Trade and Other Receivables</b>		
Trade receivables, net	1,200	894
<b>Note 9: Other Assets</b>		
Prepayments	11,735	34,984
Accrued income	3,020	3,465
Total other assets	14,755	38,449
<b>Note 10: Plant and Equipment</b>		
Plant and equipment – at cost	47,392	19,042
Less accumulated depreciation	(20,094)	(15,180)
Total plant and equipment	27,298	3,862
<b>Movements in Carrying Amounts</b>		
Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are as follows:		
Balance at the beginning of the year	3,862	5,736
Additions	28,350	3,418
Depreciation expense	(4,914)	(5,292)
Carrying amount at the end of the year	27,298	3,862
<b>Note 11: Trade and Other Payables</b>		
Trade creditors	25,103	31,308
Members subscriptions in advance	300,410	327,921
Other income in advance	16,894	40,443
Accrued expenses	32,263	30,351
GST payable	26,812	44,920
Total trade and other payables	401,482	474,943

**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
**ABN 25 085 441 934**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
<b>Note 14: Cash Flow Information</b>		
Reconciliation of cash flow from operations with surplus		
Surplus for the year	88,665	137,355
Non-cash flows items:		
Depreciation and amortisation	4,914	5,292
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(306)	(191)
(Increase)/Decrease in other assets	23,694	(31,648)
Increase/(Decrease) in trade and other payables	(73,461)	42,607
Increase/(Decrease) in provisions	3,510	14,179
Cash flows from operations	<u>47,016</u>	<u>167,594</u>

**Note 15: Related Party Transactions**

Directors' related entities:

Payments to CPA Australia, a company where Mr. Nicholas Diss, a director, is Deputy CFO and Mr. Jeff Hughes, a director, is COO of Member Services.

- Interest	10,453	12,937
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Payments to Chartered Accountants Australia New Zealand, a company Mr. Simon Grant, a director, Head of Members and Mr. Duncan Pittard, a director, is General Manager Victoria and Tasmania.

- Interest	10,453	12,937
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**ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**  
ABN 25 085 441 934

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Association of Accounting Technicians (Australia) Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the Corporations Act 2001 and:
  - i comply with Australian Accounting Standards applicable to the company; and
  - ii give a true and fair view of the financial position of the company as at 30 June 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. Having regard to the matters disclosed in Note 16 to the financial statements, in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Nicholas Diss

Signed in Melbourne, this 15th day of October 2015.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED**

**Opinion**

In our opinion, the financial report of Association of Accounting Technicians (Australia) Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 16 in the financial report which indicates that the company has a net deficiency of \$1,119,931 at 30 June 2015. This condition, along with the other matters as set forth in Note 16, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

James Ridley

James Ridley  
Partner

Hawthorn  
16 October 2015