

**AUSTRALIAN COMMUNICATIONS CONSUMER
ACTION NETWORK LIMITED
(ACCAN)**

A.B.N. 42 133 719 678

Annual Financial Report

**For The Year Ended
30 June 2018**

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Financial Report
For the year ended 30 June 2018

Contents

Directors' Report	1
Auditor's Independence Declaration	6
Statement of Profit or Loss and other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	24
Independent Auditor's Report	25

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Report

Your Directors present their report together with the financial report of Australian Communications Consumer Action Network Limited ('the Company') for the financial year ended 30 June 2018 and the independent auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

<i>Name</i>	<i>Qualifications and Experience</i>
Deirdre O'Donnell Chairperson	Deputy Chair, The Victorian Commission for Gambling and Liquor Regulation Member of the Stewardship Council, The Missionary Sisters of Service Board member, St Columba's College Essendon BA, Dip Ed, MBA, M Comm Law, University of Melbourne Director since 21 September 2017 Appointed Chairperson on 16 November 2017
Chris Dodds Deputy Chairperson	Senior Policy Officer, Energy and Water Ombudsman of NSW Chairperson, Telstra's Low Income Assessment Committee – Representative of ACOSS Member, Telstra CEO-Consumer Roundtable Consumer Member, Advisory Committee for Communications Compliance Ltd Director since 2 September 2015 Appointed Deputy Chairperson on 16 November 2017
Ryan Sengara Director	Director, Department of Health, Government of Western Australia Sole Trader, Ryan Dean Sonny Sengara Master of Arts (Honours) Bachelor of Commerce Certified Professional, Australian Computer Society Director since 31 October 2012 Deputy Chairperson from 17 November 2016 to 16 November 2017
Dean Barton-Smith AM Director	Founder/Principal, Barton-Smith Enterprises Leader, National Mental Health Commission Associate Director/Co-Founder, Efficere Sports International Masters in Marketing Degree (Monash University) Fellow Australian Institute of Management (FAIM), Fellow Australian Marketing Institute (AFAMI), Certified Practicing Marketer Director since 20 February 2013
Nadia Moffatt Director	GAICD Non-executive director, Brain Injury SA Consumer Representative, Northern Adelaide Local Health Network Governing Council Community Member, SA Health Practitioners Tribunal Consumer Council member, National Stroke Foundation External Assurance Committee member, My Health Record – Australian Digital Health Agency Director since 15 September 2016

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Report

Directors (continued)

<i>Name</i>	<i>Qualifications and Experience</i>
Sarah Wilson Director	Project Officer, Shelter NSW Sole Trader, Sarah Wilson Bachelor of Arts, University of Newcastle Master Politics and Public Policy, Macquarie University Director since 15 September 2016
Harriet Raiche Director	Adjunct Lecturer, Faculty of Law, University of NSW Solicitor, Supreme Court of NSW Board Member, Australian Privacy Foundation Director, auDA Director, Internet Australia Asia Pacific Representative, At-Large Advisory Committee, ICANN BA and LLM, George Washington University, Washington DC LLB, Faculty of Law, UNSW Deputy Chair, ACCAN from 5 August 2008 to 10 November 2010 Director since 9 November 2011 to 15 September 2016 Deputy Chairperson from 31 October 2012 to 15 September 2016 Director since 21 September 2017
Heron Loban Director	Senior Lecture, Griffith Law School Solicitor, Supreme Court of Queensland Solicitor, High Court of Australia Director since 16 November 2017
Victoria Rubensohn AM Director	Consumer Director, Communications Compliance Ltd Independent Reviewer, Advertising Standards Bureau Consumer Member, Code Authority, ADMA Principal, Omni Media Director, Media Access Australia/Centre for Inclusive Design Chair, Communications Law Centre Ltd. Associate Member, Resolution Institute Member, Australian Institute of Company Directors Member, Advisory Board of Centre for Media Transition, UTS Master of Arts (Government) and Master of Human Rights, Sydney University LLB, University of NSW Director since 17 September 2014
Johanna Plante Director	Advisor, Deaf Community SA Convenor, 2016 National Auslan Conference Event Coordinator, WORLD DEAF RUGBY 7's Australia 2018 Volunteer Coordinator, TafeSA ETD Programme Bachelor of Engineering (First Class Honours) Director from 10 November 2010 to 21 September 2018 Deputy Chairperson from 9 December 2010 to 31 October 2012 Chairperson from 31 October 2012 to 21 September 2017

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Report

Directors (continued)

<i>Name</i>	<i>Qualifications and Experience</i>
Sandra Milligan Director	Director and Principal Fellow, Assessment Research Centre, Melbourne Graduate School of Education, University of Melbourne BSc, BEd(Hons), MEd PHD Fellow Australian Institute of Company Directors Board member of the Australian Council for Educational Research Director from 31 October 2012 to 8 March 2018
Nigel Waters Director	Principal, Pacific Privacy Consulting Former deputy Australian Privacy Commissioner Committee member, Australian Privacy Foundation and Privacy International Life member, Electronic Frontiers Australia Member, CHOICE – Australian Consumers Association Masters degrees from the University of Cambridge, University of Pennsylvania and University of Technology Sydney Director from 31 October 2012 to 21 September 2017

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

Company Secretary

Ms Yuriko Hoshi was appointed to the position of Company Secretary in October 2013. She is a member of CPA Australia and has a Bachelor of Commerce majoring in Accounting.

Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors' of the Company during the financial year are:

Current Directors	Directors' Meetings	
	Meetings Eligible to Attend	Meetings Attended
Chris Dodds	5	3
Ryan Sengara	5	4
Victoria Rubensohn	5	4
Dean Barton-Smith	5	5
Nadia Moffatt	5	4
Sarah Wilson	5	5
Harriet Raiche	4	3
Deirdre O'Donnell	4	4
Heron Loban	2	2
Sandra Milligan	3	1
Johanna Plante	1	0
Nigel Waters	1	1

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Report

Committee Memberships

Finance & Audit

Members' for 2018

Chris Dodds (convenor)
Sandra Milligan (convenor)
Ryan Sengara
Deirdre O'Donnell
Nadia Moffatt

Members' for 2017

Sandra Milligan (convenor)
Johanna Plante
Ryan Sengara

Membership

Chris Dodds (convenor)
Sarah Wilson
Holly Raich

Chris Dodds (convenor)
Nigel Waters
Sarah Wilson

Remuneration & Performance

Deirdre O'Donnell (convenor)
Dean Barton-Smith
Chris Dodds

Ryan Sengara (convenor)
Johanna Plante
Chris Dodds

Governance & Constitution

Victoria Rubensohn (convenor)
Dean Barton-Smith (convenor)
Heron Loban
Nadia Moffatt

Nigel Waters (convenor)
Victoria Rubensohn
Dean Barton-Smith
Nadia Moffatt

Principal Activities, Objectives and Strategy

The principal activity of the Company during the financial year was to be the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN's short and long-term strategies to achieve its objectives is by providing a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians. Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN's strategy is to empower consumers so that they are well informed and can make good choices about products and services, which in turn will achieve ACCAN's objectives. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

Review of Operations and Performance

The surplus of the Company amounted to \$130,420 (2017: \$79,035).

ACCAN measures its performance via consumer feedback and industry complaint monitoring.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Dividends

The Company's Constitution prohibits the payment of dividends to the Members of the Company.

The Company is limited by guarantee and does not issue shares or options to purchase shares.

Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year.

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Report

Likely Developments

The Company will further develop the level of operations through the receipt of grants and the acquittal of those grants through various programs and projects.

No likely change in the Company's direction is projected.

Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification of Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company, other than those expressly allowed by the Corporation Act 2001.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Membership Liability

The extent of the liability of any member under the guarantee is a sum not exceeding \$10. The total liability of all members is \$1,380 if the company is wound up.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Board of Directors



Deirdre O'Donnell
Chairperson



Chris Dodds
Director

Dated this 16th day of August 2018
Sydney, NSW



ASHBY & Co.
CHARTERED
ACCOUNTANTS

Auditor's Independence Declaration

Under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

**To the Members of Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2018 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

ASHBY & CO CHARTERED ACCOUNTANTS

Anthony Ashby

Partner

Registered Company Auditor # 287837

Dated this 16th day of August 2018
Sydney, NSW

CONTACT

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Standards Legislation



Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Statement of Profit or Loss and other Comprehensive Income
For The Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	<u>2,262,167</u>	<u>2,523,527</u>
Employee benefits expenses	14	(1,344,558)	(1,444,146)
Project and program expenses		(211,800)	(402,635)
Occupancy expenses		(199,931)	(187,085)
Accommodation and travel		(59,711)	(75,487)
Conferences and events		(58,519)	(64,888)
Printing, postage and stationary		(48,192)	(47,835)
Depreciation and amortisation	3	(30,311)	(36,683)
Training and development		(47,888)	(46,952)
Information technology		(31,211)	(47,495)
Audit, legal and accountancy fees		(38,015)	(15,709)
Marketing and advertising		(23,094)	(19,502)
Loss on disposal of plant and equipment		-	-
Other expenses	3	<u>(38,517)</u>	<u>(56,075)</u>
Surplus before income tax		130,420	79,035
Income tax expense	1(k)	<u>-</u>	<u>-</u>
Surplus after income tax		<u>130,420</u>	<u>79,035</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>130,420</u>	<u>79,035</u>

The accompanying notes form part of these financial statements

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Statement of Financial Position
As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,706,140	1,215,520
Trade and other receivables	6	14,876	2,674
Prepayments	7	33,968	26,302
TOTAL CURRENT ASSETS		<u>2,754,984</u>	<u>1,244,496</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	60,692	69,968
Intangible assets	9	1,901	2,967
TOTAL NON-CURRENT ASSETS		<u>62,593</u>	<u>72,935</u>
TOTAL ASSETS		<u>2,817,577</u>	<u>1,317,431</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	237,059	167,271
Employee benefits	11	133,250	161,666
Deferred income	12	1,355,722	42,360
TOTAL CURRENT LIABILITIES		<u>1,726,031</u>	<u>371,297</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	-	-
Employee benefits	11	59,671	44,679
TOTAL NON-CURRENT LIABILITIES		<u>59,671</u>	<u>44,679</u>
TOTAL LIABILITIES		<u>1,785,702</u>	<u>415,976</u>
NET ASSETS		<u>1,031,875</u>	<u>901,455</u>
EQUITY			
Retained earnings		1,031,875	901,455
TOTAL EQUITY		<u>1,031,875</u>	<u>901,455</u>

The accompanying notes form part of these financial statements

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Statement of Changes in Equity
For The Year Ended 30 June 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2012	<u>433,166</u>	<u>433,166</u>
Surplus for the year	<u>155,122</u>	<u>155,122</u>
Balance at 30 June 2013	<u>588,288</u>	<u>588,288</u>
Surplus for the year	<u>76,132</u>	<u>76,132</u>
Balance at 30 June 2014	<u>664,420</u>	<u>664,420</u>
Surplus for the year	<u>127,574</u>	<u>127,574</u>
Balance at 30 June 2015	<u>791,994</u>	<u>791,994</u>
Surplus for the year	<u>30,426</u>	<u>30,426</u>
Balance at 30 June 2016	<u>822,420</u>	<u>822,420</u>
Surplus for the year	<u>79,035</u>	<u>79,035</u>
Balance at 30 June 2017	<u>901,455</u>	<u>901,455</u>
Surplus for the year	<u>130,420</u>	<u>130,420</u>
Balance at 30 June 2018	<u>1,031,875</u>	<u>1,031,875</u>

The accompanying notes form part of these financial statements

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Statement of Cash Flows
For The Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		117,482	134,024
Cash receipt from grants		3,755,968	2,563,000
Cash paid to suppliers and employees		(2,379,611)	(2,629,247)
Interest received		<u>16,751</u>	<u>25,817</u>
Net cash from operating activities	13(b)	<u>1,510,590</u>	<u>93,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(19,970)	(31,146)
Acquisition of intangible assets		<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(19,970)</u>	<u>(31,146)</u>
Net increase (decrease) in cash and cash equivalents		1,490,620	62,448
Cash and cash equivalents at 1 July		<u>1,215,520</u>	<u>1,153,072</u>
Cash and cash equivalents at 30 June	13(a)	<u><u>2,706,140</u></u>	<u><u>1,215,520</u></u>

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

The financial statements cover Australian Communications Consumer Action Network Limited as an individual entity, incorporated and domiciled in Australia. Australian Communications Consumer Action Network Limited is a company limited by guarantee.

The financial statements were authorised for issue by the Board of Directors on 16 August 2018.

Note 1 - Statement of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The entity 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 otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

(a) Revenue

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

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Furniture and equipment	10-25%
Leasehold improvements	33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(c) Intangibles

Website

Expenditure incurred for Websites acquired by the Company have finite lives which are measured at cost, less any accumulated amortisation and impairment losses.

Website Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of comprehensive income as incurred.

Website Amortisation

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful life for the website is 4 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date.

(d) Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(e) 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 (i.e. trade date accounting is adopted).

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

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Quoted prices in an active market are used to determine fair value, where available. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

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 value with a consequential recognition of an income or expense in the statement of comprehensive income.

- (i) **Financial assets at fair value through profit or loss**
Financial assets are classified at 'fair value through profit or loss' when they are either 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 value 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.
- (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 Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Notes to the Financial Statements

For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets 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.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

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.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 expired. The difference between the carrying value of the financial liability, which is 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.

(f) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the Company 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 assets class, the Company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(g) Post-Employment Benefits and Short-term Employee Benefits

The Company provides post-employment benefits through defined contribution plans.

Defined Contribution Plans

The Company pays fixed contributions into independent entities for individual employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

Short-Term Employee Benefits

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement. Annual leave is included in 'other long-term benefit' and discounted when calculating the leave liability as the Company does not expect all annual leave for all employees to be used wholly within 12 months of the end of reporting period. Annual leave liability is still presented as current liability for presentation purposes under *AASB 101 Presentation of Financial Statements*.

(h) Provisions, Contingent Liabilities and Contingent Assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligations. Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole. Provisions are discounted at their present values, where the time value of the money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 1 - Statement of Significant Accounting Policies (continued)

(j) Goods and 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 (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(k) Income Tax

No income tax is payable by the Company for the financial year and subsequent years due to the ATO endorsement as a Charitable Institution. The Company has income tax exempt status under subdivision 50-B of the *Income Tax Assessment Act 1997*. The income tax exempt status is subject to annual self-reviews.

(l) Critical Accounting Estimates and Judgments

The Directors 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 Company.

It has not been necessary for the Directors to make any key estimates or judgements in the report.

(m) Economic Dependence & Going Concern

ACCAN is dependent on the Department of Communications and the Arts for the majority of its revenue used to operate the business. On 8 June 2017, a 5-year funding Deed was signed. The term of this funding Deed commences on 8 June 2017 and expires on 31 May 2022.

At the date of this report the Board of Directors, given this new 5-year agreement, believe ACCAN satisfies going concern and will continue operations in the normal manner accordingly.

(n) New Standards and Interpretations

The AASB have issued new standards and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company 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).
- *AASB 1058 - Income of Not-For-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

Although it is anticipated that *AASB 16 - Leases* will impact the entity's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact. *AASB 1058 - Income of Not-For-Profit Entities* is not anticipated to impact the entity's financial statements under existing accounting policies adopted.

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 2 – Revenue		
Federal Government Grants	2,261,000	2,330,000
- Independent Grants Rolled-In/(Unspent Rolled-Over)	(140,308)	25,182
Revenue from Other Grants	1,178,699	-
- NDIA Rolled-In/(Unspent Rolled-Over)	(1,178,699)	-
Sitting Fees	744	1,631
Interest Revenue	29,506	25,833
Membership Fees	11,903	10,668
Conference Registration	16,551	17,665
Conference Sponsorship	70,500	87,500
Corporate Sponsorship	12,000	12,000
Other Revenue	271	13,048
Total Revenue	<u>2,262,167</u>	<u>2,523,527</u>
Note 3 – Expenses		
Other expenses		
- Board & Committee Expenses	13,736	11,644
- Planning & Policy	2,818	7,773
- Sundry Expenses	1,573	12,896
- Other Office Expenses	9,321	11,284
- Insurance	9,554	10,940
- Repairs & Maintenance	300	146
- Bank Fees	1,215	1,392
Total Other Expenses	<u>38,517</u>	<u>56,075</u>
Depreciation and Amortisation		
- Furniture and Equipment	26,692	20,565
- Leasehold Improvements	2,553	12,317
- Website	1,066	3,801
Total Depreciation and Amortisation	<u>30,311</u>	<u>36,683</u>
Rental Expense on Operating Lease	<u>189,885</u>	<u>178,628</u>
Note 4 – Auditors Remuneration		
Remuneration of the auditor of the Company for:		
- Audit and Review of the Financial Report	12,250	11,500
- Audit and Review of Financial Acquitall	500	500
Total Auditors Remuneration	<u>12,750</u>	<u>12,000</u>
Note 5 – Cash and Cash Equivalents		
Cash on hand	270	181
Cash at bank	<u>2,705,870</u>	<u>1,215,339</u>
Total Cash and Cash Equivalents	<u>2,706,140</u>	<u>1,215,520</u>

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 6 – Trade and Other Receivables		
Trade Receivables	-	553
Provision for impairment	-	-
	-	<u>553</u>
Other Receivables	<u>14,876</u>	<u>2,121</u>
Total Trade and Other Receivables	<u><u>14,876</u></u>	<u><u>2,674</u></u>
Note 7 – Prepayments		
Prepayments	<u><u>33,968</u></u>	<u><u>26,302</u></u>
Note 8 – Property, Plant and Equipment		
Furniture and equipment – at cost	141,069	154,494
Accumulated depreciation	<u>(96,847)</u>	<u>(90,825)</u>
	<u>44,222</u>	<u>63,669</u>
Leasehold improvements – at cost	96,587	83,862
Accumulated amortisation	<u>(80,117)</u>	<u>(77,563)</u>
	<u>16,470</u>	<u>6,299</u>
Total property, plant and equipment	<u><u>60,692</u></u>	<u><u>69,968</u></u>

Movements in Carrying Amounts

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

	Furniture and Equipment	Leasehold Improvements
	\$	\$
Cost or deemed cost		
Balance at 1 July 2017	154,494	170,272
Acquisitions	7,245	24,696
Disposals / Write-Off	<u>(20,670)</u>	<u>(40,474)</u>
Balance at 30 June 2018	<u><u>141,069</u></u>	<u><u>154,494</u></u>

Depreciation, amortisation and impairment losses

Balance at 1 July 2017	90,825	110,734
Depreciation for the year	26,692	20,565
Amortisation for the year	-	-
Impairment loss	-	-
Disposals / Write-Off	<u>(20,670)</u>	<u>(40,474)</u>
Balance at 30 June 2018	<u><u>96,847</u></u>	<u><u>90,825</u></u>

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 8 – Property, Plant and Equipment (continued)

	Furniture and Equipment	Leasehold Improvements
	\$	\$
Carrying Amounts		
At 1 July 2017	63,669	6,299
At 30 June 2018	44,222	16,470
	2018	2017
	\$	\$

Note 9 – Intangibles

Website – at cost	16,045	16,045
Accumulated amortisation	(14,144)	(13,078)
Total intangibles	1,901	2,967

Movements in Carrying Amounts

Movement in the carrying amounts for intangibles between the beginning and the end of the current financial year:

	Website
	\$
Cost	
Balance at 1 July 2017	16,045
Acquisitions	-
Disposals / Write-Off	-
Balance at 30 June 2018	16,045

Amortisation and impairment losses

Balance at 1 July 2017	13,078
Amortisation for the year	1,066
Impairment loss	-
Disposals / Write-Off	-
Balance at 30 June 2018	14,144

Carrying Amounts

At 1 July 2017	2,967
At 30 June 2018	1,901

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 10 – Trade and Other Payables		
CURRENT		
Trade payables	4,729	4,129
Other payables	232,330	163,142
	<u>237,059</u>	<u>167,271</u>
Note 11 – Employee Benefits		
CURRENT		
Liability for annual leave	95,592	113,350
Liability for long service leave	37,658	48,316
	<u>133,250</u>	<u>161,666</u>
NON-CURRENT		
Liability for long service leave	59,671	44,679
	<u>59,671</u>	<u>44,679</u>
Movement in employee benefits		
Opening balance at 1 July 2017	206,345	178,905
Adjustments	(13,424)	27,440
Closing balance at 30 June 2018	<u>192,921</u>	<u>206,345</u>
Note 12 – Deferred Income		
Membership fees received in advance	1,715	-
Conference Registration received in advance	-	360
Conference Sponsorship received in advance	35,000	42,000
Grants Rolled Over to Next Year	1,319,007	-
	<u>1,355,722</u>	<u>42,360</u>
Note 13 – Cash Flow Information		
(a) Reconciliation of cash		
Cash on hand	270	181
Cash at bank	2,705,870	1,215,339
Total cash and cash equivalents	<u>2,706,140</u>	<u>1,215,520</u>
(b) Reconciliation of cash flow from operating activities		
<i>Cash flows from operating activities</i>		
Profit after income tax for the year	130,420	79,035
Adjustments for:		
Depreciation and amortisation	30,311	36,683
Loss on disposal of intangible assets	-	-
Change in assets and liabilities:		
Change in trade and other receivables	(12,202)	314
Change in prepayments	(7,666)	(7,930)
Change in trade and other payables	69,788	(22,163)
Change in employee benefits	(13,423)	27,440
Change in deferred income	1,313,362	(19,785)
Net cash from operating activities	<u>1,510,590</u>	<u>93,594</u>

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Notes to the Financial Statements
For The Year Ended 30 June 2018

	2018	2017
	\$	\$
Note 14 – Employee Remuneration		
(a) Employee Benefits Expenses		
Expenses recognised for employee benefits are analysed below.		
Wages and salaries	1,233,309	1,290,144
Superannuation – defined contributions plan	113,492	118,290
Workers compensation insurance	8,955	7,804
Employee benefit provisions	(13,423)	27,440
Recruitment related costs	2,225	468
	<u>1,344,558</u>	<u>1,444,146</u>

Note 15 – Operating Leases

Non-cancellable operating lease rentals are payable as follows:

Payable – minimum lease payments

- Less than one year	193,693	184,638
- Between one and five years	<u>629,402</u>	<u>823,095</u>
	<u>823,095</u>	<u>1,007,733</u>

The company leases office premises and office equipment under operating leases. The leases typically run for a period between three to five years, with an option to renew the lease after that date. Lease payments are reviewed every year for changes in the consumer price index.

During the year an amount of \$189,885 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2017: \$178,628).

Note 16 – Contingent Liabilities

A contingent liability exists for a secured bank guarantee for \$49,800 (2017: \$49,800) in favour of the company's office lease. The bank guarantee is secured by a term deposit.

Note 17 – Related Party Transactions

The Company's related parties include its Directors' and key management personnel described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(a) Directors' compensation

The Directors act in an honorary capacity and receive no compensation for their services. During the year travel expenses totalling \$29,406 (2017: \$32,562) were incurred in fulfilling their role.

(b) Key management personnel

The names and positions of those having authority for planning, directing and controlling the Company's activities, directly or indirectly (other than Directors), are:

- Teresa Corbin, Chief Executive Officer
- Narelle Clark, Director of Operations - Deputy Chief Executive Officer
- Yuriko Hoshi, Business Manager
- Una Lawrence, Director of Policy

During the year key management personnel remuneration totalled \$584,359 (2017: \$609,735).

Notes to the Financial Statements
For The Year Ended 30 June 2018

Note 18 – Events after the Reporting Period

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Note 19 – Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the number of members was 138 (2017: 115).

Note 20 - Entity Details

The registered office of the entity is:

Australian Communications Consumer Action Network Limited
Suite 4.02, Level 4
55 Mountain Street
Ultimo NSW 2007

The principal place of business is:

Australian Communications Consumer Action Network Limited
Suite 4.02, Level 4
55 Mountain Street
Ultimo NSW 2007

Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678

Directors' Declaration

The directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 23, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

(a) Give a true and fair view of the financial position of the registered entity as at 30 June 2018 and of its performance for the year ended on that date; and

(b) Comply with Australian Accounting Standards.

2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Deirdre O'Donnell
Chairperson



Chris Dodds
Director

Dated this 16th day of August 2018
Sydney, NSW



Independent Auditor's Report

To the Members of Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

Opinion

We have audited the financial report of Australian Communications Consumer Action Network Limited (the registered entity), which comprises the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of Australian Communications Consumer Action Network Limited is prepared, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Charities and Not-for-profits Commission Regulation 2013*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Div 60 of the *Australian Charities and Not-for-profits Regulation 2013*.

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 registered entity in accordance with the auditor independence requirements of the ACNC Act and, 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 responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report

To the Members of Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

Responsibilities of Those Charged with Governance for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

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

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

CONTACT

STREET

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ASHBY & Co.
CHARTERED
ACCOUNTANTS

Independent Auditor's Report

**To the Members of
Australian Communications Consumer Action Network Limited
A.B.N. 42 133 719 678**

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

ASHBY & CO CHARTERED ACCOUNTANTS

Anthony Ashby

Partner

Registered Company Auditor # 287837

Dated this 16th day of August 2018
Sydney, NSW

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