AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED

(ACCAN)

A.B.N. 42 133 719 678

Annual Financial Report

For The Year Ended 30 June 2020

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

Financial Report
For the year ended 30 June 2020

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Australian Communications Consumer Action Network Limited
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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 2020 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:

Name	*Qualifications and Experience*
Deirdre O'Donnell PSM Chairperson	Deputy Chair, The Victorian Commission for Gambling and Liquor Regulation Member of the Stewardship Council, The Missionary Sisters of Service Chair, 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
Victoria Rubensohn AM Director	Deputy Chair, 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 Member, Copyright Society of Australia Member, Communications and Media Law Association Member, NSW Council for Civil Liberties Member, Australian Advisory Committee, International Institute of Communications Master of Arts (Government) and Master of Human Rights, Sydney University LLB, University of NSW Director since 17 September 2014
Sarah Wilson Director	Assistant Director, Consumers and Markets Branch, Australian Energy Regulator Sole Trader, Sarah Wilson Non-voting member, Consumers Federation of Australia Bachelor of Arts, University of Newcastle Master Politics and Public Policy, Macquarie University Director since 15 September 2016

Directors' Report

Directors (continued)

Name	*Qualifications and Experience*
Nadia Moffatt Director	GAICD DLI FGLF 2018 Non-executive director, Brain Injury SA, Chair, Governance Sub-committee Director, Bonros Pty Ltd Consumer Council member, The Stroke Foundation External Assurance Committee member, My Health Record – Australian Digital Health Agency 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, 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 Director since 16 November 2017
Julian Thomas Director	Professor, RMIT University Centre Director, Australian Research Council Centre of Excellence in Automated Decision Making and Society Council Member and Fellow, Australian Academy of Humanities Advisory Board Member, Humanitech (Australian Red Cross) Member, Steering Committee, Digital Asia Hub for Internet and Society, University of Hong Kong Member, Telstra CEO-Consumer Roundtable Member, Australia and New Zealand Communications Association Member, International Communications Association Adjunct Professor, Swinburne University of Technology Director since 13 September 2018
Keith Besgrove Director	Joint Board Chair, the CAD Factory Vice Chair, Internet Australia Board Governing Member, auDA and Member of the Nominations Committee Member, Australian Computer Society's Profession Advisory Board Member, CommsAlliance and Chair of CommsAlliance's IOT Standards Advisory Committee Chair, Funding Committee Dragon Claw Member, Law Council Digital Commerce Committee Member, Steering Committee For NetThing Member, FIAP Advisory Committee Director since 12 September 2019

Directors' Report

Directors (continued)

Name	*Qualifications and Experience*
Dean Barton-Smith AM Director	Founder/Principal, Barton-Smith Enterprises Leader, National Mental Health Commission Associate Director/Co-Founder, Efficere Sports International Executive Coach – Institute of Executive Coach and Leadership Masters in Marketing Degree (Monash University) Fellow Australian Institute of Management (FAIM), Fellow Australian Marketing Institute (AFAMI), Certified Practicing Marketer Director from 20 February 2013 to 12 September 2019

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:

	Directors' Meetings	
Current Directors	**Meetings Eligible to Attend**	**Meetings Attended**
Deirdre O'Donnell	4	4
Chris Dodds	4	4
Victoria Rubensohn	4	4
Sarah Wilson	4	4
Nadia Moffatt	4	3
Harriet Raiche	4	3
Heron Loban	4	4
Julian Thomas	4	4
Keith Besgrove	3	3
Dean Barton-Smith	1	1

Directors' Report

Committee Memberships	Members' for 2020	Members' for 2019
Finance & Audit	Chris Dodds (convenor) Nadia Moffatt Julian Thomas Keith Besgrove	Chris Dodds (convenor) Deirdre O'Donnell Nadia Moffatt Julian Thomas
Membership	Chris Dodds (convenor) Sarah Wilson Harriet Raiche	Chris Dodds (convenor) Sarah Wilson Harriet Raiche Dean Barton-Smith
Remuneration & Performance	Deirdre O'Donnell (convenor) Chris Dodds Julian Thomas	Deirdre O'Donnell (convenor) Dean Barton-Smith Chris Dodds
Governance & Constitution	Victoria Rubensohn (convenor) Nadia Moffatt Heron Loban	Victoria Rubensohn (convenor) Nadia Moffatt Heron Loban

Principal Activities
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.

Short-term and Long-term Objectives
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 trusted, inclusive and available communications services for all Australians. Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues.

Strategies
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.

Key Performance Measures
ACCAN measures its own performance through the use of both qualitative and quantitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether short-term and long-term objectives are being achieved.

The deficit of the Company amounted to $3,997 (2019: Surplus: $196,472). ACCAN measures it performance via consumer feedback and industry complaint monitoring.

Directors' Report

New Accounting Standards
The Company has implemented three new Accounting Standards that are applicable for the current reporting period. *AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-For-Profit Entities* and *AASB 16: Leases* have been applied using the cumulative effect method, that is, by recognising the cumulative effect of initially applying *AASB 15, AASB 1058 and AASB 16* as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under *AASB 118: Revenue, AASB 1004: Contributions* and *AASB117: Leases.* Further information is provided in Note 1.

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.

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 $1,480 if the company is wound up.

Australian Communications Consumer Action Network Limited
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Directors' Report

Auditor's Independence Declaration
The auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Board of Directors

Deirdre O'Donnell	Chris Dodds
Chairperson	Deputy Chairperson

Dated this 13th day of August 2020
Sydney, NSW

mosaic audit
+ consulting

Vanessa Patricio
Principal
Level 26
44 Market Street
Sydney NSW 2000

Australian Communications Consumer Action Network Limited
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Auditor's Independence Declaration
Under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Australian Communications Consumer Action Network Limited

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012,* I am pleased to provide the following declaration of independence to the Directors of Australian Communications Consumer Action Network Limited.

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2020 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.

MOSAIC AUDIT & CONSULTING

Vanessa Patricio
Principal
Registered Company Auditor # 333315

Dated this 13th day of August 2020
Sydney, NSW

(02) 9089 8640
(02) 9089 8989
vanessa@mosaicac.com.au

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 2020

	Note	2020 $	2019 $
Revenue	2	3,346,942	3,360,827
Employee benefits expenses	15	(1,899,750)	(1,555,763)
Project and program expenses		(845,036)	(994,731)
Occupancy expenses		(24,189)	(208,824)
Accommodation and travel		(57,582)	(82,156)
Conferences and events		(83,123)	(74,110)
Printing, postage and stationary		(30,439)	(45,507)
Depreciation and amortisation	3	(204,924)	(29,450)
Training and development		(57,247)	(52,853)
Information technology		(55,134)	(50,922)
Audit, legal and accountancy fees		(15,304)	(21,082)
Marketing and advertising		(14,657)	(17,829)
Interest Paid		(17,661)	-
Other expenses		(45,893)	(31,128)
Surplus before income tax		(3,997)	196,472
Income tax expense	1(k)	-	-
Surplus/(deficit) after income tax		(3,997)	196,472
Other comprehensive income		-	-
Total comprehensive income for the year		(3,997)	196,472

The accompanying notes form part of these financial statements

Australian Communications Consumer Action Network Limited
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Statement of Financial Position
As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,651,426	2,313,362
Other Assets	6	59,453	64,610
TOTAL CURRENT ASSETS		1,710,879	2,377,972
NON-CURRENT ASSETS			
Property, plant and equipment	7	76,426	67,644
Intangible assets	8	32,535	835
Right of Use Assets	9	184,965	-
TOTAL NON-CURRENT ASSETS		293,926	68,479
TOTAL ASSETS		2,004,805	2,446,451
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	194,480	163,845
Lease Liabilities	11	205,976	-
Provisions	12	258,811	143,905
Other liabilities	13	97,001	832,260
TOTAL CURRENT LIABILITIES		756,268	1,140,010
NON-CURRENT LIABILITIES			
Lease Liabilities	11	8,758	-
Provisions	12	53,755	78,094
TOTAL NON-CURRENT LIABILITIES		62,513	78,094
TOTAL LIABILITIES		818,781	1,218,104
NET ASSETS		1,186,024	1,228,347
EQUITY			
Retained surplus		1,186,024	1,228,347
TOTAL EQUITY		1,186,024	1,228,347

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 2020

	Retained Earnings $	Total $
Balance at 1 July 2018	1,031,875	1,031,875
Surplus for the year	196,472	196,472
Balance at 30 June 2019	1,228,347	1,228,347
Balance at 1 July 2019	1,228,347	1,228,347
Cumulative adjustment upon adoption of new accounting standard – *AASB 16*	(38,326)	(38,326)
Deficit for the year	(3,997)	(3,997)
Balance at 30 June 2020	1,186,024	1,186,024

The accompanying notes form part of these financial statements

Statement of Cash Flows
For The Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants		2,639,154	2,886,309
Other receipts		210,392	183,520
Payments to suppliers and employees		(3,264,706)	(3,469,057)
Finance costs		(17,661)	-
Interest received		24,848	41,786
Net cash used in operating activities	14(b)	(407,973)	(357,442)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(35,218)	(35,336)
Payment for intangible assets		(33,522)	-
Net cash used in investing activities		(68,740)	(35,336)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(185,223)	-
Net cash used in financing activities		(185,223)	-
Net decrease in cash and cash equivalents		(661,936)	(392,778)
Cash and cash equivalents at 1 July		2,313,362	2,706,140
Cash and cash equivalents at 30 June	14(a)	1,651,426	2,313,362

Notes to the Financial Statements
For The Year Ended 30 June 2020

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 13 August 2020.

Note 1 - Statement of Significant Accounting Policies

Basis of Preparation
Australian Communications Consumer Action Network Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Accounting Standards.*

The financial statements are general purpose financial statements that have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB). The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 Recognition
The Company has applied *AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058)* using the cumulative effective method of initially applying *AASB 15 and AASB* 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under *AASB 118 and AASB 1004* are disclosed separately since they are different from those under *AASB 15 and AASB 1058*.

In the current year

Operating Grants and Sponsorships
When the Company receives operating grant revenue or sponsorships, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to *AASB 15*:

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 1 - Statement of Significant Accounting Policies (continued)

(a) Revenue (continued)

Operating Grants and Sponsorships (continued)

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example *AASB 9, AASB 16, AASB 116 and AASB 138*);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

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

In the comparative year

Non-reciprocal grant revenue is recognised in profit or loss 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 the Company 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 state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Australian Communications Consumer Action Network Limited 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 profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest 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).

Note 1 - Statement of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment

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

Plant and equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount of plant and equipment is written down immediately to the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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.

Depreciation
The depreciation amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	10.00%-33.33%
Leasehold improvements	22.50%

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

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.

(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.

Note 1 - Statement of Significant Accounting Policies (continued)

(d) Leases

The Company as lessee
At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

(i) fixed lease payments less any lease incentives;
(ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
(iii) the amount expected to be payable by the lessee under residual value guarantees;
(iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
(v) lease payments under extension options if lessee is reasonably certain to exercise the options; and
(vi) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practicable expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers.*

Classification and Subsequent Measurement

Financial liabilities
Financial liabilities are subsequently measured at:
- (i) amortised cost; or
- (ii) fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- (i) a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- (ii) held for trading; or
- (iii) initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- (i) incurred for the purpose of repurchasing or repaying in the near term;
- (ii) part of a portfolio where there is an actual pattern of short-term profit taking; or
- (iii) a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 1 - Statement of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Classification and Subsequent Measurement (continued)

Financial assets
Financial assets are subsequently measured at:
- (i) amortised cost; or
- (ii) fair value through other comprehensive income; or
- (iii) fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- (i) the contractual cash flow characteristics of the financial asset; and
- (ii) the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- (i) the financial asset is managed solely to collect contractual cash flows; and
- (ii) the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- (i) the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- (ii) the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:
- (i) it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- (ii) it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- (iii) it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which *AASB 3* applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Note 1 - Statement of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

De-recognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:
- (i) the right to receive cash flows from the asset has expired or been transferred;
- (ii) all risk and rewards of ownership of the asset have been substantially transferred; and
- (iii) the Company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The Company recognises a loss allowance for expected credit losses on:
- (i) financial assets that are measured at amortised cost or fair value through other comprehensive income;
- (ii) lease receivables;
- (iii) contract assets (eg amount due from customers under construction contracts);
- (iv) loan commitments that are not measured at fair value through profit or loss; and
- (v) financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- (i) financial assets measured at fair value through profit or loss; or
- (ii) equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Note 1 - Statement of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

De-recognition (continued)

Derecognition of financial assets (continued)
The Company uses the following approaches to impairment, as applicable under *AASB 9*:
- (i) the general approach;
- (ii) the simplified approach;
- (iii) the purchased or originated credit-impaired approach; and
- (iv) low credit risk operational simplification.

General approach
Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:
- (i) if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- (ii) if there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- (i) trade receivables; and
- (ii) lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach
For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
- (i) significant financial difficulty of the issuer or borrower;
- (ii) a breach of contract (eg default or past due event);
- (iii) a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- (iv) the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- (v) the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

Note 1 - Statement of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

De-recognition (continued)

Low credit risk operational simplification approach (continued)
A financial asset is considered to have low credit risk if:

(i) there is a low risk of default by the borrower;
(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
(iii) adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets
At the end of 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 recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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 asset belongs.

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

Note 1 - Statement of Significant Accounting Policies (continued)

(g) Employee Benefits

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

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position

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

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

(h) Provisions

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

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

(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.

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 1 - Statement of Significant Accounting Policies (continued)

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

(m) 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.

Key estimates

<u>Useful lives of property, plant and equipment</u>
As described in Note 1(b), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

<u>Performance obligations under AASB 15</u>
To identify a performance obligation under *AASB 15*, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

<u>Lease term and Option to Extend under AASB 16</u>
The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Company.

<u>Employee benefits</u>
For the purpose of measurement, *AASB 119: Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(n) 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 5-year agreement, believe ACCAN satisfies going concern and will continue operations in the normal manner accordingly.

Note 1 - Statement of Significant Accounting Policies (continued)

(o) Fair Value of Assets and Liabilities
The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

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

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

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

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

(p) New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 16
The Company has adopted *AASB 16: Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with *AASB 16* the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases) recognised as operating leases under *AASB 117: Leases* where the Company is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for equipment was measured at its carrying amount as if *AASB 16: Leases* had been applied since the commencement date, but discounted using the Company's weighted average incremental borrowing rate on 1 July 2019.

The right of use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid- and accrued lease payments previously recognised at 1 July 2019 (that are related to the lease).

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 1 - Statement of Significant Accounting Policies (continued)

(p) New and Amended Accounting Standards Adopted by the Company (continued)

Initial application of AASB 16 (continued)

The following practical expedients have been used by the Company in applying *AASB 16* for the first time:

(i) for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;

(ii) leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same was as short-term leases;

(iii) the use of hindsight to determine lease terms on contracts that have options to extend or terminate;

(iv) applying *AASB 16* to leases previously identified as leases under *AASB 117: Leases* and *Interpretation 4*: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application; and

(v) not applying *AASB 16* to leases previously not identified as containing a lease under *AASB 117* and *Interpretation 4*.

Initial application of AASB 15 and AASB 1058

The Company has applied AASB 15: Revenue from Contracts with Customers and *AASB 1058: Income of Not-for-Profit Entities* using the cumulative effective method of initially applying *AASB 15* and *AASB 1058* as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under *AASB 118: Revenue* and *AASB 1004: Contributions*.

The Company has elected to apply *AASB 1058* retrospectively only to contracts that are not completed contracts at the date of initial application. There was no adjustment to opening retained surplus on 1 July 2019. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in *AASB 15*.

	2020 $	2019 $
Note 2 – Revenue		
Revenue		
Federal Government Grants Received This Year	2,399,232	2,305,091
- Independent Grants Rolled-In From Prior Year	133,954	140,308
- Independent Grants Unspent Rolled Over To Next Year	(96,321)	(133,954)
Revenue from NDIA Grant Received This Year		318,826
- NDIA Rolled-In From Prior Year	658,076	1,178,699
- NDIA Unspent Rolled Over To Next Year	-	(658,076)
Total revenue	3,094,941	3,150,894
Other income		
Sitting Fees	1,037	1,187
Interest Revenue	21,186	41,132
Membership Fees	11,633	12,672
Conference Registration	15,685	18,535
Conference Sponsorship	71,000	62,500
Corporate Sponsorship	19,000	13,633
Other Revenue & Management Fees	112,460	60,274
Total other revenue	252,001	209,933
Total Revenue and other income	3,346,942	3,360,827

Transaction price allocated to the remaining performance obligation

The table below shows the grant revenue expected to be recognised in the future related to the performance obligations that are unsatisfied (partially satisfied) at the reporting date.

	2021 $	Total $
Revenue from government grants and other grants	96,321	96,321

	2020 $	2019 $
Note 3 – Surplus for the year		
Expenses		
Finance costs		
- Interest expense on lease liabilities	17,661	-
Depreciation and Amortisation		
- Furniture and Equipment	22,110	21,206
- Leasehold Improvements	4,326	7,178
- Website	1,822	1,066
- Right of Use Assets	176,666	-
Total Depreciation and Amortisation	204,924	29,450

Notes to the Financial Statements
For The Year Ended 30 June 2020

	2020 $	2019 $
Note 4 – Auditors Remuneration		
Remuneration of the auditor of the Company for:		
- Audit and Review of the Financial Report	12,000	12,250
- Audit and Review of Financial Acquittals	1,000	500
Total Auditors Remuneration	13,000	12,750
Note 5 – Cash and Cash Equivalents		
Cash on hand	339	198
Cash at bank	1,651,087	2,313,164
Total Cash and Cash Equivalents	1,651,426	2,313,362
Note 6 – Other Assets		
Bonds	200	200
Accrued income	10,361	14,023
Prepayments	48,892	50,387
	59,453	64,610
Note 7 – Property, Plant and Equipment		
Furniture and equipment – at cost	190,317	175,143
Accumulated depreciation	(121,721)	(119,655)
	68,596	55,488
Leasehold improvements – at cost	96,587	96,587
Accumulated amortisation	(88,757)	(84,431)
	7,830	12,156
Total property, plant and equipment	76,426	67,644

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 2019	175,143	96,587
Acquisitions	35,218	-
Disposals / Write-Off	(20,044)	-
Balance at 30 June 2020	190,317	96,587
Depreciation, amortisation and impairment losses		
Balance at 1 July 2019	119,655	84,431
Depreciation for the year	22,110	4,326
Amortisation for the year	-	-
Impairment loss	-	-
Disposals / Write-Off	(20,044)	-
Balance at 30 June 2020	121,721	88,757

Note 7 – Property, Plant and Equipment (continued)	**Furniture and Equipment**	**Leasehold Improvements**
Carrying Amounts	**$**	**$**
At 1 July 2019	55,488	12,156
At 30 June 2020	68,596	7,830

	2020	**2019**
	$	**$**
Note 8 – Intangibles		
Website – at cost	49,567	16,045
Accumulated amortisation	(17,032)	(15,210)
Total intangibles	32,535	835

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 2019	16,045
Acquisitions	33,522
Disposals / Write-Off	-
Balance at 30 June 2020	49,567
Amortisation and impairment losses	
Balance at 1 July 2019	15,210
Amortisation for the year	1,822
Impairment loss	-
Disposals / Write-Off	-
Balance at 30 June 2020	17,032
Carrying Amounts	
At 1 July 2019	835
At 30 June 2020	32,535

Note 9 – Right of use assets

The Company's lease portfolio includes office equipment and building leases. The building lease is a 4-year lease term. The office equipment is a 5-year lease term.

Options to extend or terminate

The option to extend or terminate are contained in the building lease of the Company. There were no extension options for office equipment leases. These clauses provide the Company opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Company.

The extension options or termination options which were probable to be exercised have been included in the calculation of the right of use asset.

Concessionary lease

There are no concessionary leases.

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 9 – Right of use assets (continued)

AASB related amounts recognised in the statement of financial position

	2020
Right of use assets	**$**
Leased building	695,596
Accumulated depreciation	(521,697)
	173,899
Leased equipment	13,833
Accumulated depreciation	(2,767)
Balance at 30 June 2020	11,066
Total right of use asset	184,965

Movement in carrying amounts	
Leased buildings:	
Recognised on initial application of AAB 16	
(previously classified as operating leases under AASB 117)	695,596
Depreciation expense	(521,697)
Net carrying amount	173,899
Leased equipment:	
Recognised on initial application of AAB 16	
(previously classified as operating leases under AASB 117)	13,833
Depreciation expense	(2,767)
Net carrying amount	11,066
Total net carrying amount	184,965

AASB related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	176,666
Interest expense on lease liabilities	17,661

	2020 $	2019 $
Note 10 – Trade and Other Payables		
CURRENT		
Trade payables	4,509	37,873
Other payables	189,971	125,972
	194,480	163,845
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- total current	194,480	163,845
- total non-current	-	-
Financial liabilities as trade and other payables	194,480	163,845
Note 11 – Lease Liabilities		
CURRENT		
Lease liabilities	205,976	-
NON-CURRENT		
Lease liabilities	8,758	-
Note 12 – Provisions		
CURRENT		
Provision for employee benefits: annual leave	165,665	104,731
Provision for employee benefits: long service leave	93,146	39,174
	258,811	143,905
NON-CURRENT		
Provision for employee benefits: long service leave	53,755	78,094
Analysis of total provisions		
Opening balance at 1 July 2019	221,999	192,921
Adjustments	90,567	29,078
Closing balance at 30 June 2020	312,566	221,999

Provision for employee benefits
Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Notes to the Financial Statements
For The Year Ended 30 June 2020

	2020 $	2019 $
Note 13 – Other liabilities		
Membership fees received in advance	680	230
Conference Sponsorship received in advance	-	40,000
Contract liability - Government funding	96,321	792,030
	97,001	832,260
Contract liabilities		
Balance at the beginning of the year	-	-
Reclassified from deferred income on initial application of AASB 15	792,030	-
Less:		
Grants for which performance obligations were satisfied during the year	(792,030)	-
Additions:		
Grants for which performance obligations will only be satisfied in subsequent years	96,321	-
Closing balance at the end of the year	96,321	-

If grants are enforceable and have sufficiently specific performance obligations in accordance with *AASB 15* the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

Note 14 – Cash Flow Information
(a) Reconciliation of cash

	2020 $	2019 $
Cash on hand	339	198
Cash at bank	1,651,087	2,313,164
Total cash and cash equivalents	1,651,426	2,313,362

(b) Reconciliation of cash flow from operating activities

	2020 $	2019 $
Cash flows from operating activities		
Surplus/(deficit) after income tax for the year	(3,997)	196,472
Adjustments for:		
Depreciation and amortisation	204,924	29,450
Change in assets and liabilities:		
Change in other assets	5,157	(15,765)
Change in trade and other payables	30,635	(73,215)
Change in provisions	90,567	29,078
Change in other liabilities	(735,259)	(523,462)
Net cash from used in operating activities	(407,973)	(357,442)

Notes to the Financial Statements
For The Year Ended 30 June 2020

	2020 $	2019 $
Note 15 – Employee Remuneration		
(a) Employee Benefits Expenses		
Expenses recognised for employee benefits are analysed below.		
Wages and salaries	1,643,983	1,360,724
Superannuation	154,233	121,749
Workers compensation insurance	9,474	11,404
Employee benefit provisions	90,567	29,078
Recruitment related costs	1,493	32,808
	1,899,750	1,555,763

Note 16 – Capital and Leasing Commitments

Operating Lease Commitments

Non–cancellable operating leases contracted for but not recognised in the financial statements:

	2020 $	2019 $
Payable – minimum lease payments		
- Not later than one year	-	202,273
- Later than one year and not later than five years	-	443,732
- Later than five years	-	874
	-	646,879

The office lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a four-year term. Increases in lease commitments occur in line with the consumer price index (CPI).

The office equipment lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term.

Capital Expenditure Commitments

	2020 $	2019 $
Plant and equipment	-	-
	-	-

Note 17 – Contingent Liabilities and Contingent Assets

A contingent liability exists for a secured bank guarantee for $49,800 (2019: $49,800) in favour of the company's building lease. The bank guarantee is secured by a term deposit.

There were no contingent assets in relation to 30 June 2020 and 30 June 2019.

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 18 - Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company, is considered key management personnel (KMP).

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
Andrew Williams, Director of Operations
Yuriko Hoshi, Business Manager
Una Lawrence, Director of Policy
Wayne Hawkins, Director of Inclusion

The totals of remuneration paid to KMP of the Company during the year are as follows:

KMP compensation:

	2020 $	2019 $
- short-term employee benefits	678,573	618,117
- post-employment benefits	61,657	51,855
- other long-term benefits	18,721	8,831
Total compensation	758,951	678,803

Note 19 – Other Related Party Transactions
The Company's other related parties include its Directors'.

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.

Directors' compensation
The Directors act in an honorary capacity and receive no compensation for their services. During the year travel expenses totalling $23,031 (2019: $35,954) were incurred in fulfilling their role.

Note 20 – Financial Risk Management
The Company's financial instruments consist mainly of deposits with banks, short-term investments, payables and lease liabilities. The carrying amounts for each category of financial instruments, measured in accordance with *AASB 9: Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 $	2019 $
Financial Assets			
Financial assets at amortised cost:			
- cash and cash equivalents	5	1,651,426	2,313,362
Total financial assets		1,651,426	2,313,362
Financial Liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	10	194,480	163,845
- lease liabilities	11	214,734	-
Total financial liabilities		409,214	163,845

Notes to the Financial Statements
For The Year Ended 30 June 2020

Note 21 – 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 22 – 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 2020, the number of members was 148 (2019: 140).

Note 23 - 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 8 to 33, 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 2020 and of its performance for the year ended on that date; and

   (b) Comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the registered entity.

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
Deputy Chairperson

Dated this 13th day of August 2020
Sydney, NSW

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Vanessa Patricio
Principal
Level 26
44 Market Street
Sydney NSW 2000

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 2020 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, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the accompanying financial report of Australian Communications Consumer Action Network Limited is prepared, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 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.

<u>Matters Relating to the Electronic Presentation of the Audited Financial Report</u>
This auditor's report relates to the financial report of Australian Communications Consumer Action Network Limited for the year ended 30 June 2020 included on the Australian Communications Consumer Action Network Limited website. The registered entity's directors are responsible for the integrity of Australian Communications Consumer Action Network Limited website. We have not been engaged to report on the integrity of Australian Communications Consumer Action Network Limited website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

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 registered entity's annual report for the year ended 30 June 2020, 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.

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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 – Reduced Disclosure Requirements and the *ACNC Act* 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 registered entity 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 the directors.
- 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.
- 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.

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To the Members of
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Report on Other Legal and Regulatory Requirements
In accordance with the requirements of section 60-45(3)(b) of the *Australian Charities and Not-for-profits Commission Act 2012* we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the *Australian Charities and Not-for-profits Commission Act 2012.* We have nothing to report in this regard.

MOSAIC AUDIT & CONSULTING

Vanessa Patricio
Principal
Registered Company Auditor # 333315

Dated this 13th day of August 2020
Sydney, NSW

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