## AUSTRALIAN COMMUNICATIONS CONSUMER ACTION NETWORK LIMITED

## (ACCAN)

## A.B.N. 42 133 719 678

## Annual Financial Report

## For The Year Ended 30 June 2012

**Australian Communications Consumer Action Network Limited**

**A.B.N. 42 133 719 678**

## Financial Report For the year ended 30 June 2012

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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 2012 and the 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*

Michael Fraser Professor of Law

Chairperson Director, Communications Law Centre, UTS

President, Australian Copyright Council

Chair, Stolen Generations Foundation

President, Board of International PEN-Sydney

Solicitor, Supreme Court of NSW

AM, FAICD, BA (Hons), LLB (Hons)

Director since 4 November 2009

Appointed Chairperson on 10 November 2010

Johanna Plante Volunteer Coordinator, TafeSA Education Training - Deaf (ETD)   
Deputy Chairperson Programme and Auslan Programme

Volunteer, TafeSA ETD Programme

Chair, ACMA Co-regulatory Captioning Committee (2010/2011)

Bachelor of Engineering (First Class Honours)

Director since 10 November 2010

Deputy Chairperson since 10 November 2010

George Perry Director, Commercial & Finance, CHOICE

Treasurer Bachelor of Economics (Finance & Accounting)

Director since 10 November 2010

Treasurer since 10 November 2010

Susan Salthouse Director, Didactic Enterprises

Secretary Member, Advance Personnel Board

Member, Women in Adult & Vocational Education Board

BAgSci, DipEd

Director since 15 October 2008

Secretary since 9 November 2011

Kyle Miers Manager, Community Relations - Deaf Children Australia

Director Chairperson, ACCAN Standing Advisory Group on Disability Issues

(2010 - current)

Member, Optus Disability Advisory Group

Member, Telstra Disability Advisory Group

Director since 15 October 2008

Inaugural Secretary to 2009

**Directors’ Report**

**Directors (continued)**

*Name Qualifications and Experience*

Katherine Lane Principal Solicitor, Consumer Credit Legal Centre (NSW) Inc.

Director BA LLM

Director since 10 November 2010

Alex Varley Chief Executive, Media Access Australia

Director Director, ASIX

Director, ACC Enterprises Pty Ltd

B.Business (Marketing)

GradDip Urban Planning

Director since 10 November 2010

Carmen Daniels Research & Communications Manager, Co-founder,

Director Indigenous Consumer Assistance Network Ltd

Member, Consumer Consultative Committee,

Australian Competition Consumer Commission (ACCC)

Member, Indigenous Financial Services Network,

Reconciliation Australia

Accredited Member, Financial Counselling Association of Queensland (FACQ)

Currently completing BA, Community Development

Director since 9 November 2011

Harriet Raiche Adjunct Lecturer, Faculty of Law, University of NSW

Director Solicitor, Supreme Court of NSW

Research Associate, Communications Law Centre

Board Member, Australian Privacy Foundation

Member Policy Committee, Internet Society of Australia

Vice Chair, Asia Pacific At Large Regional Structure, 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

Katherine Obermayer Deputy Chair, Deafness Forum of Australia

Retired Director Online Content Manager, Zurich Financial Services

BA (Comms)

Director from 15 October 2008 to 9 November 2011

Secretary from 10 November 2010 to 9 November 2011

Douglas Kelso Consultant in Telecommunications and Broadcasting

Retired Director BEng (Hons), MEngSc, GradDip Media, Comms & IT Law, PhD

Director from 4 November 2009 to 9 November 2011

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

**Directors’ Report**

**Company Secretary**

Ms Teresa Corbin was appointed to the position of Company Secretary in October 2008. She was the former Chief Executive Officer of Consumers’ Telecommunications Network and has a Bachelor of Arts majoring in linguistics.

**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** | **Meetings** |
|  |  |  | **to Attend** | **Attended** |
| Michael Fraser  Johanna Plante  George Perry  Susan Salthouse  Kyle Miers  Katherine Lane  Alex Varley  Carmen Daniels  Harriet Raiche  Katherine Obermayer  Douglas Kelso |  |  | 5 5 5 5 5 5 5 3 3 2 2 | 5 5 4 5 3 5 5 3 3 2 2 |
|  |  |  |  |  |

**Committee Memberships**

|  |  |  |
| --- | --- | --- |
| **Committee** | **Members’ for 2012** | **Members’ for 2011** |
| Finance & Audit | George Perry (chairperson)  Alex Varley  Michael Fraser | George Perry (chairperson)  Alex Varley  Michael Fraser |
| Membership | Susan Salthouse (chairperson)  Katherine Lane  Carmen Daniels | Katherine Obermayer (chairperson)  Susan Salthouse  Douglas Kelso |
| Remuneration & Performance | Michael Fraser  George Perry | Michael Fraser  George Perry |
| Governance & Constitution | Katherine Lane  Johanna Plante  Harriet Raiche | Katherine Lane  Susan Salthouse  Johanna Plante |

**Directors’ Report**

**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. ACCAN provides 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 aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

No significant changes in the nature of the Company’s activity occurred during the financial year.

**Operating Results**

The surplus of the Company amounted to $14,864 (2011: $30,756).

**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.

**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.

**Directors’ Report**

**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 2012.

Signed in accordance with a resolution of the Board of Directors

Michael Fraser Johanna Plante

Director Director  
  
Dated this 1st day of August 2012  
Sydney, NSW

# Auditor’s Independence Declaration

**Under Section 307C of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2012 there has been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. 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 1st day of August 2012

Sydney, NSW

# Statement of Comprehensive Income

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | | **2012** |  | **2011** | |
|  | | **Note** |  | | **$** |  | **$** | |
|  | |  |  | |  |  |  | |
|  | |  |  | |  |  |  | |
| Revenue | | 2 | |  | 2,208,885 |  | 2,078,199 | |
|  | |  | |  |  |  |  | |
|  | Employee benefits expenses |  | | | (1,213,529) |  | | (1,042,350) |
|  | Project and program expenses |  | | | (340,060) |  | | (349,653) |
|  | Occupancy expenses |  | | | (159,551) |  | | (146,835) |
|  | Conferences and events |  | | | (83,629) |  | | (26,617) |
|  | Accommodation and travel |  | | | (67,821) |  | | (76,138) |
|  | Depreciation and amortisation | 3 | | | (59,376) |  | | (60,904) |
| I | Printing, postage and stationary |  | | | (54,632) |  | | (41,248) |
| 38,603 | Training and development |  | | | (44,957) |  | | (42,714) |
|  | Information technology |  | | | (42,635) |  | | (46,914) |
|  | Audit, legal and accountancy fees |  | | | (17,865) |  | | (18,663) |
|  | Marketing and advertising |  | | | (15,735) |  | | (29,050) |
| Loss on disposal of intangible assets | |  | |  | (14,182) |  | - | |
| Interest paid | |  | |  | (1,686) |  | (1,686) | |
| Other expenses | | 3 | |  | (78,363) |  | (164,671) | |
| Profit before income tax | |  | |  | 14,864 |  | 30,756 | |
| Income tax expense | | 1(k) | |  | - |  | - | |
| Profit after income tax | |  | |  | 14,864 |  | 30,756 | |

The accompanying notes form part of these financial statements

# Statement of Financial Position

**As At 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  | **Note** |  | **$** |  | **$** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **ASSETS** |  |  |  |  |  |
| **CURRENT ASSETS** |  |  |  |  |  |
| Cash and cash equivalents | 5 |  | 532,883 |  | 427,346 |
| Trade and other receivables | 6 |  | 101,645 |  | 88,262 |
| Prepayments | 7 |  | 18,423 |  | 9,189 |
| **TOTAL CURRENT ASSETS** |  |  | 625,951 |  | 524,797 |
|  |  |  |  |  |  |
| **NON-CURRENT ASSETS** |  |  |  |  |  |
| Property, plant and equipment | 8 |  | 97,340 |  | 121,458 |
| Intangible assets | 9 |  | 30,555 |  | 58,319 |
| **TOTAL NON-CURRENT ASSETS** |  |  | 127,895 |  | 179,777 |
|  |  |  |  |  |  |
| **TOTAL ASSETS** |  |  | 780,846 |  | 704,574 |
|  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |
| **CURRENT LIABILITIES** |  |  |  |  |  |
| Trade and other payables | 10 |  | 213,250 |  | 177,754 |
| Loans and borrowings | 11 |  | - |  | 6,961 |
| Employee benefits | 12 |  | 128,230 |  | 99,549 |
| Deferred income | 13 |  | 2,703 |  | 555 |
| **TOTAL CURRENT LIABILITIES** |  |  | 344,183 |  | 284,819 |
|  |  |  |  |  |  |
| **NON-CURRENT LIABILITIES** |  |  |  |  |  |
| Employee benefits | 12 |  | 3,497 |  | 1,453 |
| **TOTAL NON-CURRENT LIABILITIES** |  |  | 3,497 |  | 1,453 |
|  |  |  |  |  |  |
| **TOTAL LIABILITIES** |  |  | 347,680 |  | 286,272 |
|  |  |  |  |  |  |
| **NET ASSETS** |  |  | 433,166 |  | 418,302 |
|  |  |  |  |  |  |
| **EQUITY** |  |  |  |  |  |
| Retained earnings |  |  | 433,166 |  | 418,302 |
| **TOTAL EQUITY** |  |  | 433,166 |  | 418,302 |

The accompanying notes form part of these financial statements

# Statement of Changes in Equity

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  | **Retained** |  |
|  |  |  |  | **Earnings** | **Total** |
|  |  |  |  | **$** | **$** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Balance at 1 July 2010** |  |  |  | 387,546 | 387,546 |
| Profit for the year |  |  |  | 30,756 | 30,756 |
| **Balance at 30 June 2011** |  |  |  | 418,302 | 418,302 |
| Profit for the year |  |  |  | 14,864 | 14,864 |
| **Balance at 30 June 2012** |  |  |  | 433,166 | 433,166 |

The accompanying notes form part of these financial statements

# Statement of Cash Flows

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  | **Note** |  | **$** |  | **$** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |
| Cash receipts from customers |  |  | 96,121 |  | 90,596 |
| Cash receipt of grants |  |  | 2,067,000 |  | 2,322,320 |
| Cash paid to suppliers and employees |  |  | (2,050,410) |  | (2,086,004) |
| Interest received |  |  | 23,148 |  | 16,366 |
| Interest paid |  |  | (1,686) |  | (1,686) |
| **Net cash from operating activities** | 14(b) |  | 134,173 |  | 341,592 |
|  |  |  |  |  |  |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |  |  |  |
| Acquisition of property, plant and equipment |  |  | (21,675) |  | (11,997) |
| Acquisition of intangible assets |  |  | - |  | (43,464) |
| **Net cash used in investing activities** |  |  | (21,675) |  | (55,461) |
|  |  |  |  |  |  |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |  |  |  |
| Payment of finance lease liabilities |  |  | (6,961) |  | (6,961) |
| **Net cash from (used in) financing activities** |  |  | (6,961) |  | (6,961) |
|  |  |  |  |  |  |
| Net increase (decrease) in cash and cash equivalents |  |  | 105,537 |  | 279,170 |
| Cash and cash equivalents at 1 July |  |  | 427,346 |  | 148,176 |
| Cash and cash equivalents at 30 June | 14(a) |  | 532,883 |  | 427,346 |

The accompanying notes form part of these financial statements

# Notes to the Financial Statements

**For The Year Ended 30 June 2012**

**Note 1 - Statement of Significant Accounting Policies**

The financial report is for Australian Communications Consumer Action Network Limited as an individual not-for-profit entity, incorporated and domiciled in Australia. Australian Communications Consumer Action Network Limited is a company limited by guarantee.

**Member Guarantee**

ACCAN is a company limited by Members’ guarantee under the *Corporations Act 2001*. The Company is incorporated and domiciled in Australia. If the Company 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 Company.

**Basis of Preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report has been prepared on a historical cost basis, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Board of Directors on 1 August 2012.

**Accounting Policies**

**(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 amount of goods and services tax (GST).

## Notes to the Financial Statements

**For The Year Ended 30 June 2012**

**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:

*Class of Fixed Asset**Depreciation Rate*

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 2012**

**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 2012**

**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:

1. the amount at which the financial asset or financial liability is measured at initial recognition;
2. less principal repayments;
3. 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
4. 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.

1. 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.

1. 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.

1. 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 2012**

**Note 1 - Statement of Significant Accounting Policies (continued)**

**(e) Financial Instruments (continued)**

1. 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.

1. 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.

**Derecognition**

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 2012**

**Note 1 - Statement of Significant Accounting Policies (continued)**

## (g) Employee Benefits

## Defined Contribution Plans

## A defined contribution plan is a post-employment benefit plan under which an Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## Other Long-term Employee Benefits

The Company’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

## Short-Term Employee Benefits

## Liabilities for employee benefits for wages, salaries, annual leave represent present obligations resulting from employee’s services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and superannuation.

## (h) Provisions

## A provision is recognised if, as a result of a past event, the Company has a present legal obligation or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and the risks

## specific to the liability.

**(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.

**(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 2012

**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 subsection 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**

ACCAN is dependent on the Department of Broadband, Communications and the Digital Economy (DBCDE) for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the DBCDE will not continue to support ACCAN.

**(n) New Standards and Interpretations Not Yet Adopted**

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 July 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

The following standards are mandatory for annual reporting periods beginning on or after 1 July 2013, with early adoption permissible.

* *AASB 1053: Application of Tiers of Australian Accounting Standards; and*
* *AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

As a not-for-profit entity, the Company will be eligible to apply the Tier 2 reporting requirements that are provided in these standards. If the Company should decide to do so, this will reduce some disclosure in the notes to the financial statements but will not affect the statements of financial position or comprehensive income.

## Notes to the Financial Statements

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  |  |  | **$** |  | **$** |
|  |  |  |  |  |  |
| **Note 2 – Revenue** | |  |  |  |  |
| Revenue from Government Grants and Other Grants | |  |  |  |  |
| * Federal Government Grants | |  | 2,077,000 |  | 2,032,000 |
| Sitting Fees | |  | 1,816 |  | 18,215 |
| Interest Revenue | |  | 23,148 |  | 16,366 |
| Membership Fees | |  | 12,365 |  | 5,020 |
| Conference Registration Revenue | |  | 25,892 |  | 921 |
| Sponsorship Revenue | |  | 66,846 |  | - |
| Other Revenue | |  | 1,818 |  | 5,677 |
| Total Revenue | |  | 2,208,885 |  | 2,078,199 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Note 3 – Expenses** | |  |  | |  |  |
| Other expenses | |  |  | |  |  |
| * Board & Committee Expenses | |  | 35,761 | |  | 33,530 |
| * Recruitment Costs | |  | - | |  | 32,924 |
| * Planning & Policy Development |  |  |  | 2,000 |  | 30,123 |
| * Sundry Expenses | |  | 15,563 | |  | 27,617 |
| * Broadband & Consumer Handbook | |  | - | |  | 20,000 |
| * Other Office Expenses | |  | 10,514 | |  | 13,206 |
| * Insurance | |  | 12,845 | |  | 5,059 |
| * Repairs & Maintenance | |  | 507 | |  | 1,355 |
| * Bank Fees | |  | 1,173 | |  | 857 |
| Total Other Expenses | |  | 78,363 | |  | 164,671 |
|  | |  |  | |  |  |
| Depreciation and Amortisation | |  |  | |  |  |
| * Furniture and Equipment | |  | 40,546 | |  | 38,094 |
| * Leasehold Improvements | |  | 5,247 | |  | 5,352 |
| * Website | |  | 13,583 | |  | 17,458 |
| Total Depreciation and Amortisation | |  | 59,376 | |  | 60,904 |
|  | |  |  | |  |  |
| Rental Expense on Operating Lease | |  | 138,644 | |  | 132,485 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Note 4 – Auditors Remuneration** |  |  |  |  |
| Remuneration of the auditor of the Company for: |  |  |  |  |
| * Audit and Review of the Financial Report |  | 11,000 |  | 11,000 |
| Total Auditors Remuneration |  | 11,000 |  | 11,000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Note 5 – Cash and Cash Equivalents** |  |  |  |  |
| Cash on hand |  | 50 |  | 315 |
| Cash at bank |  | 532,833 |  | 427,031 |
| Total Cash and Cash Equivalents |  | 532,883 |  | 427,346 |

The Company’s exposure to interest rate risk and a sensitivity analysis for financial assets and financial liabilities are disclosed in note 15.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  |  |  | **$** |  | **$** |
|  |  |  |  |  |  |
| **Note 6 – Trade and Other Receivables** | |  |  |  |  |
| Trade Receivables | |  | 2,645 |  | 262 |
| Provision for impairment | |  | - |  | - |
|  | |  | 2,645 |  | 262 |
| Other Receivables | |  | 99,000 |  | 88,000 |
| Total Trade and Other Receivables | |  | 101,645 |  | 88,262 |
|  | |  |  |  |  |
| The Company’s exposure to credit and impairment losses related to trade and other receivables is disclosed in note 15. | | | | | |
| disclosed in note 15. | |  |  |  |  |
|  | |  |  |  |  |
| **Note 7 – Prepayments** | |  |  |  |  |
| Prepayments | |  | 18,423 |  | 9,189 |
|  | |  |  |  |  |
| **Note 8 – Property, Plant and Equipment** | |  |  |  |  |
| Furniture and equipment – at cost | |  | 203,881 |  | 182,206 |
| Accumulated depreciation | |  | (106,954) |  | (66,408) |
|  | |  | 96,927 |  | 115,798 |
| Leasehold improvements – at cost | |  | 16,060 |  | 16,060 |
| Accumulated amortisation | |  | (15,647) |  | (10,400) |
|  | |  | 413 |  | 5,660 |
| Total property, plant and equipment | |  | 97,340 |  | 121,458 |

**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** |  | **Leasehold** |
|  |  | **Equipment** |  | **Improvements** |
| **Cost or deemed cost** |  | **$** |  | **$** |
| Balance at 1 July 2010 |  | 170,209 |  | 16,060 |
| Acquisitions |  | 11,997 |  | - |
| Balance at 30 June 2011 |  | 182,206 |  | 16,060 |
| Acquisitions |  | 21,675 |  | - |
| Balance at 30 June 2012 |  | 203,881 |  | 16,060 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Depreciation, amortisation and impairment losses** |  |  |  |  |
| Balance at 1 July 2010 |  | 28,314 |  | 5,048 |
| Depreciation for the year |  | 38,094 |  | - |
| Amortisation for the year |  | - |  | 5,352 |
| Impairment loss |  | - |  | - |
| Balance at 30 June 2011 |  | 66,408 |  | 10,400 |
| Depreciation for the year |  | 40,546 |  | 5,247 |
| Amortisation for the year |  | - |  | - |
| Impairment loss |  | - |  | - |
| Balance at 30 June 2012 |  | 106,954 |  | 15,647 |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | | |  |  | | |
| **Note 8 – Property, Plant and Equipment (continued)** | | |  | **Furniture and** | | |  | **Leasehold** | |
|  | | |  | **Equipment** | | |  | **Improvements** | |
| **Carrying Amounts** | | |  | **$** | | |  | **$** | |
| At 1 July 2010 | | |  | 141,895 | | |  | 11,012 | |
| At 30 June 2011 | | |  | 115,798 | | |  | 5,660 | |
|  | | |  |  | | |  |  | |
| At 1 July 2011 | | |  | 115,798 | | |  | 5,660 | |
| At 30 June 2012 | | |  | 96,927 | | |  | 413 | |
|  | | |  |  | | |  |  | |
| **Leased Equipment**  The company leases a telephone system under a finance lease arrangement. The leased equipment secures lease obligations. At 30 June 2012 the net carrying amount of leased equipment was $6,403 (2011: $13,362). During the year, the Company acquired leased assets of $Nil (2011: $Nil) (see note 11). | | | | | | | | | |
|  | | |  | **2012** | | |  | **2011** | |
|  | | |  | **$** | | |  | **$** | |
| **Note 9 – Intangibles** | | |  |  | | |  |  | |
| Website – at cost | | |  | 54,330 | | |  | 84,165 | |
| Accumulated amortisation | | |  | (23,775) | | |  | (25,846) | |
| Total intangibles | | |  | 30,555 | | |  | 58,319 | |

**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 2010 |  |  |  | 40,701 |
| Acquisitions |  |  |  | 43,464 |
| Balance at 30 June 2011 |  |  |  | 84,165 |
| Acquisitions |  |  |  | - |
| Disposals |  |  |  | (29,835) |
| Balance at 30 June 2012 |  |  |  | 54,330 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Amortisation and impairment losses** |  |  |  |  |
| Balance at 1 July 2010 |  |  |  | 8,388 |
| Amortisation for the year |  |  |  | 17,458 |
| Impairment loss |  |  |  | - |
| Balance at 30 June 2011 |  |  |  | 25,846 |
| Amortisation for the year |  |  |  | 13,583 |
| Impairment loss |  |  |  | - |
| Disposals |  |  |  | (15,654) |
| Balance at 30 June 2012 |  |  |  | 23,775 |
|  |  |  |  |  |
| **Carrying Amounts** |  |  |  |  |
| At 1 July 2010 |  |  |  | 32,313 |
| At 30 June 2011 |  |  |  | 58,319 |
|  |  |  |  |  |
| At 1 July 2011 |  |  |  | 58,319 |
| At 30 June 2012 |  |  |  | 30,555 |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  |  |  | **$** |  | **$** |
|  |  |  |  |  |  |
| **Note 10 – Trade and Other Payables** | |  |  |  |  |
| Trade payables | |  | 26,086 |  | 9,751 |
| Other payables | |  | 187,164 |  | 168,003 |
| Total trade and other payables | |  | 213,250 |  | 177,754 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 11 – Loans and Borrowings** | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| This note provides information about the contractual terms of the Company’s interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company’s exposure to interest rate and liquidity risk, see note 15. | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| CURRENT | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| Finance lease liability | | | | | | | | | | | | |  | | - | | | | |  | | 6,961 | | |
| NON-CURRENT | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| Finance lease liability | | | | | | | | | | | | |  | | - | | | | |  | | - | | |
|  | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
|  | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| **Terms and Debt Repayment Schedule** | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
|  |  | | | | |  | | | | | | | | | **30 June 2012** | | | | |  | | **30 June 2011** | | |
|  | **Nominal** | | | | |  | |  | | | | | | | **Face** | | | | **Carrying** | |  | **Face** | | **Carrying** |
|  | **Interest Rates** | | | | |  | | **Year of Maturity** | | | | | | | **Value** | | | | **Amount** | |  | **Value** | | **Amount** |
| Finance lease liabilities | 19.51% | | | | |  | | 2012 | | | | | | | - | | | | - | |  | 8,647 | | 6,961 |
| Total interest-bearing liabilities | | | | | | | | | | | | |  | | - | | | - | |  | | 8,647 | | 6,961 |
|  | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
|  | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| **Finance Lease Liabilities** | | | | | | | | | | | | |  | |  | | | | |  | |  | | |
| Finance lease liabilities of the Company are payable as follows: | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | **Future minimum** | | | | | | | |  | | | | | |  | | **Present value minimum** | | |
|  | | | | | | |  | | **lease payments** | | | | |  | |  | **Interest** | | | | |  | **lease payments** | | |
|  | | | | | | | **2012** | | | | **2011** | | |  | | | **2012** | | **2011** | |  | **2012** | | **2011** |
| Less than one year | | | | | - | | | | | | 8,647 | | |  | | | 1,686 | | 1,686 | |  | - | | 6,961 |
| Between one and five years | |  |  | |  | | | | | - | - | | |  | - | | | - | |  | | - | | - |
|  | | |  |  | | | | | | - | | 8,647 | |  | 1,686 | | | 1,686 | |  | | - | | 6,961 |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2012** |  | **2011** |
|  |  | **$** |  | **$** |
|  |  |  |  |  |
| **Note 12 – Employee Benefits** |  |  |  |  |
| CURRENT |  |  |  |  |
| Liability for annual leave |  | 82,782 |  | 60,850 |
| Liability for long service leave |  | 45,448 |  | 38,699 |
|  |  | 128,230 |  | 99,549 |
| NON-CURRENT |  |  |  |  |
| Liability for long service leave |  | 3,497 |  | 1,453 |

**Movement in employee benefits**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Opening balance at 1 July |  | 101,002 |  | 89,487 |
| Additional provisions raised during the year |  | 118,178 |  | 80,726 |
| Amounts used |  | (87,453) |  | (69,211) |
| Closing balance at 30 June |  | 131,727 |  | 101,002 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Note 13 – Deferred Income** |  |  |  |  |
| Membership fees received in advance |  | 430 |  | 555 |
| Sponsorship revenue received in advance |  | 2,273 |  | - |
|  |  | 2,703 |  | 555 |
|  |  |  |  |  |
| **Note 14 – Cash Flow Information** |  |  |  |  |
| 1. **Reconciliation of cash** |  |  |  |  |
| Cash on hand |  | 50 |  | 315 |
| Cash at bank |  | 532,833 |  | 427,031 |
| Total cash and cash equivalents |  | 532,883 |  | 427,346 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. **Reconciliation of cash flow from operating activities** |  |  |  |  |
| *Cash flows from operating activities* |  |  |  |  |
| Profit after income tax for the year |  | 14,864 | 59  59 | 30,756 |
| Adjustments for: |  |  |  |  |
| Depreciation and amortisation |  | 59,376 |  | 60,904 |
| Loss on disposal of intangible assets |  | 14,182 |  | - |
| Change in assets and liabilities: |  |  |  |  |
| Change in trade and other receivables |  | (13,383) |  | 357,692 |
| Change in prepayments |  | (9,234) |  | (6,609) |
| Change in trade and other payables |  | 35,496 |  | (112,761) |
| Change in employee benefits |  | 30,724 |  | 11,515 |
| Change in deferred income |  | 2,148 |  | 95 |
| Net cash from operating activities |  | 134,173 |  | 341,592 |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

**Note 15 - Financial Risk Management**

The Company’s financial instruments consist mainly of short-term deposits with banks, short-term investments, accounts receivable, accounts payable and finance leases.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | **2012** |  | **2011** |
|  |  | **Note** |  | **$** |  | **$** |
|  |  | |  |  |  |  |
| **Financial Assets** | | |  |  |  |  |
| Cash and cash equivalents | | 5 |  | 532,883 |  | 427,346 |
| Trade and other receivables | | 6 |  | 101,645 |  | 88,262 |
|  | | |  | 634,528 |  | 515,608 |
|  | | |  |  |  |  |
| **Financial Liabilities** | |  |  |  |  |  |
| Trade and other payables | | 10 |  | 213,250 |  | 177,754 |
| Loans and borrowings | | 11 |  | - |  | 6,961 |
|  | | |  | 213,250 |  | 184,715 |

**Financial Risk Management Policies**

The Company’s overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. An implicit risk management policy exists and includes credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and net fair values.

1. **Interest Rate Risk**

The Company’s exposure to interest rate risk, which is the risk that a financial instrument’s value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for classes of financial assets and financial liabilities, is set out below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Fixed Interest Maturing in** | |  |  | |
|  |  | **Floating Interest Rate** | **1 Year or Less** | **Over 1 to 5 Years** | **Non–Interest**  **Bearing** | | **Total** |
| **2012** | **Note** | **$** | **$** | **$** | **$** | | **$** |
| **Financial Assets** |  |  |  |  |  | |  |
| Cash and cash equivalents | 5 | 490,135 | 42,698 | - | 50 | | 532,883 |
| Trade and other receivables | 6 | - | - | - | 101,645 | | 101,645 |
| **Total Financial Assets** |  | 490,135 | 42,698 | - | 101,695 | | 634,528 |
|  |  |  |  |  |  | |  |
| Weighted Average Interest Rate of cash and cash equivalents | | | | |  | | 3.0% |
|  |  |  |  |  |  | |  |
| **Financial Liabilities** |  |  |  |  |  | |  |
| Trade and other payables | 10 | - | - | - | 213,250 | | 213,250 |
| Loans and borrowings | 11 | - | - | - | - | | - |
| **Total Financial Liabilities** |  | - | - | - | 213,250 | | 213,250 |
|  |  |  |  |  |  | |  |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

**Note 15 - Financial Risk Management (continued)**

1. **Interest Rate Risk (continued)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Fixed Interest Maturing in** | |  |  | |
|  |  | **Floating Interest Rate** | **1 Year or Less** | **Over 1 to 5 Years** | **Non–Interest**  **Bearing** | | **Total** |
| **2011** | **Note** | **$** | **$** | **$** | **$** | | **$** |
| **Financial Assets** |  |  |  |  |  | |  |
| Cash and cash equivalents | 5 | 327,992 | 99,039 | - | 315 | | 427,346 |
| Trade and other receivables | 6 | - | - | - | 88,262 | | 88,262 |
| **Total Financial Assets** |  | 327,992 | 99,039 | - | 88,577 | | 515,608 |
|  |  |  |  |  |  | |  |
| Weighted Average Interest Rate of cash and cash equivalents | | | | |  | | 5.0% |
|  |  |  |  |  |  | |  |
| **Financial Liabilities** |  |  |  |  |  | |  |
| Trade and other payables | 10 | - | - | - | 177,754 | | 177,754 |
| Loans and borrowings | 11 | - | 6,961 | - | - | | 6,961 |
| **Total Financial Liabilities** |  | - | 6,961 | - | 177,754 | | 184,715 |
|  |  |  |  |  |  | |  |

1. **Liquidity Risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise. Liquidity risk is minimised by:

* preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
* maintaining a reputable credit profile;
* managing credit risk related to financial assets; and
* investing only in surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management’s expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows to settle financial liabilities is presented in the table below.

**Financial Asset and Financial Liability Maturity Analysis**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Within 1 year** | **Total** | | **Within 1 year** | | | | | **Total** | |
|  | **2012** | **2012** | | **2011** | | | | | **2011** | |
|  | **$** | **$** | | **$** | | | | | **$** | |
|  |  |  | |  | | | | |  | |
| **Financial Assets – cash flow realisable** |  |  | |  | | | | | |
| Cash and cash equivalents | 532,883 | 532,883 | | 427,346 | | | 427,346 | | | |
| Trade and other receivables | 101,645 | 101,645 | | 88,262 | | | 88,262 | | | |
| **Total anticipated inflows** | 634,528 | 634,528 | | 515,608 | | | 515,608 | | | |
|  |  |  | |  | | | | | |
| **Financial Liabilities - due for payment** |  |  | |  | | | | | |
| Trade and other payables | 213,250 | 213,250 | | 177,754 | | | 177,754 | | | |
| Loans and borrowings | - | - | | 6,961 | | | 6,961 | | | |
| **Total expected outflows** | 213,250 | 213,250 | | 184,715 | | | 184,715 | | | |
|  |  |  | |  | | | |
| **Net inflow/(outflow)  on financial instruments** | 421,278 | 421,278 | | 330,893 | | 330,893 | | | | |
|  |  | |  | |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

**Note 15 - Financial Risk Management (continued)**

1. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Company has otherwise cleared, through its Finance and Audit Committee, as being financially sound.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are not past, due or impaired, are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 6.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Credit risk related to balances with banks and other financial institutions is managed by the Finance and Audit Committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor’s (S&P) rating of at least A-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P Counterparty Credit Ratings.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | |  | **2012** |  | **2011** |
|  |  | **Note** |  | **$** |  | **$** |
|  |  | |  |  |  |  |
| **Cash and cash equivalents** | |  |  |  |  |  |
| * A- rated | | 5 |  | 532,833 |  | 427,031 |
|  | | |  | 532,833 |  | 427,031 |

**Notes to the Financial Statements**

**For The Year Ended 30 June 2012**

**Note 15 - Financial Risk Management (continued)**

1. **Net Fair Values**

The net fair value of financial assets and financial liabilities approximates their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Carrying** | **Net Fair** | **Carrying** | **Net Fair** |
|  | **Amount** | **Value** | **Amount** | **Value** |
|  | **2012** | **2012** | **2011** | **2011** |
|  | **$** | **$** | **$** | **$** |
| **Financial Assets** |  |  |  |  |
| Cash and cash equivalents | 532,883 | 532,883 | 427,346 | 427,346 |
| Trade and other Receivables | 101,645 | 101,645 | 88,262 | 88,262 |
|  | 634,528 | 634,528 | 515,608 | 515,608 |
|  |  |  |  |  |
| **Financial Liabilities** |  |  |  |  |
| Trade and other payables | 213,250 | 213,250 | 177,754 | 177,754 |
| Loans and borrowings | - | - | 6,961 | 6,961 |
|  | 213,250 | 213,250 | 184,715 | 184,715 |

Fair values are materially in line with carrying values.

**Note 16 – Operating Leases**

Non–cancellable operating lease rentals are payable as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  |  |  | **$** |  | **$** |
| *Payable – minimum lease payments* | |  |  |  |  |
| - Less than one year | |  | 141,894 |  | 145,123 |
| - Between one and five years | |  | 5,965 |  | 11,931 |
|  | |  | 147,859 |  | 157,054 |

## The company leases office and car parking facilities 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 and amount of $138,644 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2011 $132,485). Notes to the Financial Statements

**For The Year Ended 30 June 2012**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2012** |  | **2011** |
|  |  |  | **$** |  | **$** |

**Note 17 – Capital Commitments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Document Management System* |  |  |  |  |
| Contracted but not provided for and payable: |  |  |  |  |
| - Within one year |  | - |  | 6,000 |
| - One year or later and no later than five years |  | - |  | - |
|  |  | - |  | 6,000 |
| Total capital commitments |  | - |  | 6,000 |
|  |  |  |  |  |

**Note 18 – Related Parties**

1. **Directors’ compensation**

The Directors act in an honorary capacity and receive no compensation for their services. During the year travel expenses totalling $36,635 (2011: $43,714) were incurred in fulfilling their role.

1. **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, Deputy Chief Executive Officer

Yuriko Hoshi, Business Manager

Una Lawrence, Director of Policy and Campaigns

**Note 19 - Company Details**

The registered office of the Company is:

Australian Communications Consumer Action Network Limited

Level 4, Suite 2, 55 Mountain Street

Ultimo NSW 2007

The principal place of business is:

Australian Communications Consumer Action Network Limited

Level 4, Suite 2, 55 Mountain Street

Ultimo NSW 2007

# Directors’ Declaration

In the opinion of the Directors of the Australian Communications Consumer Action Network Limited (“the Company”):

1. The financial statements and notes, as set out on pages 7 to 27, are in accordance with the *Corporations Act 2001*; including

(a) Giving a true and fair view of the Company’s financial position as at 30 June 2012 and of the performance, for the year ended on that date; and

(b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

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

Signed in accordance with a resolution of the Board of Directors

Michael Fraser Johanna Plante

Director Director  
  
Dated this 1st day of August 2012

Sydney, NSW

## **Independent Auditor’s Report** To the Members of Australian Communications Consumer Action Network Limited A.B.N. 42 133 719 678

**Report on the Financial Report**

We have audited the accompanying financial report of Australian Communications Consumer Action Network Limited, which comprises the statement of financial position as at 30 June 2012 and the statement of 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.

**Directors Responsibility for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation of the financial report that gives a true and fair view 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 Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with applicable independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Australian Communications Consumer Action Network Limited, would be in the same terms if given to the Directors as at the time of the auditor’s report.

**Independent Auditor’s Report**  
  
**To the Members of   
Australian Communications Consumer Action Network Limited   
A.B.N. 42 133 719 678**

**Auditor’s Opinion**

|  |  |  |  |
| --- | --- | --- | --- |
| In our opinion the financial report of the Australian Communications Consumer Action Network Limited is in accordance with the *Corporations Act 2001*, including: | | | |
|  |  | |  |
|  |  |  | |
|  | (a) | Giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and | |
|  |  |  | |
| (b) | | Complying with Australian Accounting Standards and the *Corporations Regulations 2001*. | |
|  |  |  | |
|  |  | | |

**MOSAIC AUDIT & CONSULTING**

**Vanessa Patricio**

Principal

Registered Company Auditor # 333315

Dated this 1st day of August 2012

Sydney, NSW