ASSOCIATION OF
ACCOUNTING TECHNICIANS

ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LTD

The Body for Professional Bookkeepers

Annual Report

2016–17

HONESTAS PERSEVERANTIA INTEGRITAS

ASSOCIATION OF
ACCOUNTING TECHNICIANS

PRESIDENT'S MESSAGE

On behalf of the Board, I am pleased to present the 2016-17 Annual Report for the Association of Accounting Technicians Australia (AAT Australia) following what has proven to be a very interesting year of change and pathway to more exciting times ahead.

We have concluded several months of negotiations with our three sponsor bodies which will see a realignment of sponsor arrangements in the new financial year. A new service level agreement has been endorsed to form a stronger relationship between AAT Australia and the Institute of Public Accountants (IPA).

The new service level agreement will draw on the growing resources and professional support networks of the IPA and provide AAT Australia members with new benefits including enhanced education pathways, continuous professional development and networking opportunities.

I would like to acknowledge the efforts of Stuart Norman as AAT's CEO who has resigned and will depart the organisation July 2017. The Board has identified a high calibre replacement to lead the AAT into our next phase.

I am very confident that the result of these changes will be the delivery of greater member benefit and value.

Greg Dennis
Chairman

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Association of Accounting Technicians (Australia) Limited

ABN: 25 085 441 934

Financial Report

For The Year Ended 30 June 2017

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

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

DIRECTORS' REPORT

Your directors present this report on the Association of Accounting Technicians (Australia) Limited ('AAT Australia') for the financial year ended 30 June 2017.

Board of Directors and Attendance at Board Meetings

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

		Board Meetings	
	Appointed/ Ceased	**No. attended**	**No. eligible to attend**
Nicholas Diss		4	5
Gregory Dennis		5	5
Yvonne Wilson	Ceased Feb 2017	4	4
Daryl Koch		5	5
Duncan Pittard		4	5
Jeffrey Hughes		4	5
Paul Meissner		3	3

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

Principal Activities

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

AAT Australia's Objectives

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

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

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

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

DIRECTORS' REPORT (CONT'D)

AAT Australia's Strategies

In order to achieve the objectives above AAT Australia will pursue the following specific strategies:

- engagement with Industry
- meeting the educational and knowledge needs of our members
- building our brand
- higher level of advocacy and ethical standards

Key Performance Measures

AAT Australia achieved a number of key performance measures including:

- Deliver a fourth consecutive surplus
- An improved cash position placing the organisation in a more sustainable position
- Membership retention rate of more than 90%
- Increase membership on previous year.

Information on Directors

Nicholas Diss	Nicholas Diss is the Deputy CFO of CPA Australia. He has been at CPA Australia for 16 years and has held roles as management accountant, finance manager and general manager – finance and administration. In his current role, Nicholas is responsible for the global finance, administration and planning functions which include management reporting, corporate planning, strategic risk management, budgeting, new market analysis and entry, risk management, business continuity planning, member transactions and corporate and sustainability reporting. Nicholas has been on the AAT Australia Board since 2012 and has a strong background in strategic and operational planning, large complex IT system implementations, integrated reporting and leadership of multinational finance functions.
Gregory Dennis	Greg Dennis FIPA, has held prominent leadership roles with the IPA, Office of the Governor General of Australia, ComSuper, Maximus Solutions (Australia), and the Tertiary Education and Quality Standards Agency. Greg is CFO of the Australian Pesticides & Veterinary Medicines Authority and until recently was a teaching Professor at Chuo University (Tokyo).
Yvonne Wilson	Yvonne Wilson is the Manager of Performance and Review in TAFE NSW. Previously, she held various positions in TAFE NSW related to teaching and resource development in the area of Accounting and Bookkeeping. These include the role of Program Manager for Accounting and Finance Courses across TAFE NSW, as well as Manager and Head Teacher in the Business and Finance Faculty of an Institute. In these roles she provided educational leadership and managed the development and delivery of high quality programs, in the Accounting/Bookkeeping disciplines. Yvonne's commercial experience consists of over 30 years of preparing statutory lodgements and taxation work for a variety of entities including companies, trusts, partnerships and superannuation funds. Other tasks included budgeting, wage analysis, management consulting/reporting and auditing. She holds a Graduate Diploma in Accounting from Flinders University, and a Bachelor of Education.

DIRECTORS' REPORT (CONT'D)

Information on Directors (cont'd)

Daryl Koch	Daryl had a long career in corporate life before building his own Risk and Governance business. All of his corporate life was spent working in banks, both international and Australian. For 25 years he had various senior roles in Financial Markets (including Foreign Exchange, Interest Rate Risk and Derivatives). In 2006 Daryl made the switch to managing operational risk and compliance governance around Financial Markets. Nowadays, Daryl is Principal of Canterbury Commercial Services which sees him contract in an advisory role to various firms spanning board governance, company secretariat, AFSL compliance and financial and operational risk management.
Duncan Pittard	Duncan is the Regional Manager - Victoria & Tasmania and Segment Lead (Corporate) at Chartered Accountants Australia and New Zealand. He joined the Chartered Accountants ANZ (formerly the Institute of Chartered Accountants) in March 2004 and has more than 25 years' experience in the accounting and finance profession. Duncan is responsible for planning, leading, directing and managing the performance of the Victorian & Tasmanian Regions for Chartered Accountants ANZ to ensure the organisation effectively represents and supports all key stakeholders and promotes the importance of the profession, as well as leading the organisation's engagement strategy for the Corporate Sector.
Jeffery Hughes	Jeff Hughes is the Chief Operating Officer - member services for CPA Australia and Chief Operating Officer Advice for CPA Australia's financial services subsidiary CPA Australia Advice. He leads CPA Australia's divisions and branches in Australia, New Zealand, Europe and Asia and is accountable for the education portfolio which encompasses professional development and CPA Program. Jeff's other responsibilities encompass public practice, professional conduct and member admission / enquiries as well as the communications, content and publishing activity across the organisation. A member of CPA Australia's executive management group, Jeff has experience in management and leadership, strategic development and implementation. Previously he was CFO and company secretary of Rio Tinto's listed uranium company Energy Resources of Australia Ltd.
Paul Meissner	Paul Meissner is the next generation of accountant. His firm, 5ways Group, operate 100% in the cloud. Paul has a passion for the small-medium business market and using technology to streamline how businesses operate. He and his firm are active on social media, networking and sharing ideas with Accountants and bookkeepers around the world. Paul and 5ways know technology, being 2014 Xero Award winners (100% Cloud)".

DIRECTORS' REPORT (CONT'D)

Limitation of Members' Liability

AAT Australia is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In accordance with the Constitution, the liability of members in the event of the company being wound up would not exceed $6.00 per member towards meeting any outstanding obligations of the company. The number of voting members as at 30 June 2017 is 1,161. As at 30 June 2017 the collective liability of members was $6,966 (2016: $7,824).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors.

Greg A Dennis

Gregory Dennis

Signed in Melbourne, this 25 day of October 2017.

McLean Delmo Bentleys
THINKING AHEAD

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of:

i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Adam Roberts
Partner

Hawthorn
25 October 2017

ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED

ABN 25 085 441 934

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenue			
Revenue from ordinary activities	2	533,174	622,937
Interest received		637	1,932
Loan debt forgiveness	13	340,000	-
Total revenue		873,811	624,869
Expenses			
Marketing and publications expenses		(99,631)	(145,043)
Administrative expenses		(41,977)	(62,192)
Employee benefits expense		(249,076)	(306,377)
Corporate services expenses		(67,000)	(67,000)
Depreciation expense		(13,544)	(13,289)
Finance costs		(14,932)	(28,171)
Total expenses		(486,160)	(622,072)
Surplus for the year	3	**387,651**	**2,797**
Other Comprehensive Income		-	-
Total comprehensive income for the year		**387,651**	**2,797**

The accompanying notes form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	7	177,862	293,124
Trade and other receivables	8	635	5,773
Other assets	9	11,950	7,126
Total current assets		190,447	306,023
Non-Current Assets			
Plant and equipment	10	5,865	19,409
Total non-current assets		5,865	19,409
Total Assets		**196,312**	**325,432**
Current Liabilities			
Trade and other payables	11	47,857	66,967
Income in advance		238,314	294,749
Provisions	12	19,624	19,277
Borrowings	13	-	140,000
Total current liabilities		305,795	520,993
Non-Current Liabilities			
Provisions	12	-	11,573
Borrowings	13	620,000	910,000
Total non-current liabilities		620,000	921,573
Total Liabilities		**925,795**	**1,442,566**
Net Liabilities		**(729,483)**	**(1,117,134)**
Equity			
Accumulated losses		(729,483)	(1,117,134)
Total Equity		**(729,483)**	**(1,117,134)**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Losses
Balance as at 1 July 2015	(1,119,931)
Surplus for the year	2,797
Balance as at 30 June 2016	**(1,117,134)**
Surplus for the year	387,651
Balance as at 30 June 2017	**(729,483)**

The accompanying notes form part of these financial statements.

ASSOCIATION OF ACCOUNTING TECHNICIANS (AUSTRALIA) LIMITED

ABN 25 085 441 934

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Cash Flows from Operating Activities			
Receipts from members and customers		591,629	680,658
Payments to suppliers and employees		(602,596)	(665,113)
Interest received		637	1,932
Interest paid		(14,932)	(28,171)
Net cash provided by/ (used in) operating activities	14	(25,262)	(10,694)
Cash Flows from Investing Activities			
Payment for plant and equipment		-	(5,400)
Net cash used in investing activities		-	(5,400)
Cash Flows from Financing Activities			
Payment of borrowings		(90,000)	-
Net cash used in financing activities		(90,000)	-
Net increase/ (decrease) in cash held		**(115,262)**	**(16,094)**
Cash and cash equivalents at the beginning of the year		293,124	309,218
Cash and cash equivalents at the end of the year	7	**177,862**	**293,124**

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting company because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25th October 2017 by the directors of the company.

Accounting Policies

(a) Cash and Cash Equivalents

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

(b) Plant and Equipment

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

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	12–40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

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

(c) Income Tax

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

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

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

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

(d) Financial Instruments (cont'd)

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company 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 have expired. The difference between the carrying amount 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.

(e) Impairment of Assets

At the end of each reporting period, the company reviews the carrying amounts 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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 entity 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 a class of asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Borrowing Costs

All borrowing costs are recognised as expenses when incurred.

(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 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 a part of current trade and other payables in the statement of financial position.

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 government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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.

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

(h) Revenue

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

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

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

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

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Comparative Figures

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

(k) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates – Impairment

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

No impairment has been recognised for the year ended 30 June 2017.

(l) New Accounting Standards for Application in Future Periods

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

	2017 $	2016 $
Note 2: Revenue from ordinary activites		
Members subscriptions	469,494	484,661
Advertising and commission revenue	29,612	88,325
Seminar revenue	34,068	49,951
Total revenue from ordinary activities	533,174	622,937

Note 3: Surplus for the year

The following significant expense items are relevant in explaining the financial performance:

Magazine publication	45,000	48,815
Advertising, promotion and prizes	6,479	23,312
Service fee – Institute of Public Accountants	67,000	67,000

Note 4: Income Tax Expense

The prima facie income tax payable at 30% on net surplus is $116,295 (2016: $841). This is offset by a permanent difference arising from mutual activities with members and unconfirmed accumulated tax losses.

As at balance date, unconfirmed accumulated tax losses of $489,508 (2016: confirmed tax loss of $743,740) existed, giving rise to a potential future tax benefit. The potential future tax benefit attributable to the tax losses is not recognised, as realisation is not certain.

Note 5: Key Management Personnel Compensation

The total remuneration paid to 1 (2016: 1) key management personnel of the company is as follows:

Key management personnel compensation	152,759	156,621

Note 6: Auditor's Remuneration

Remuneration of the auditor for:

- auditing the financial statements	6,250	6,250
- taxation and FBT services	4,380	3,800

Note 7: Cash and Cash Equivalents

Cash at bank	177,862	293,124

	2017 $	2016 $
Note 7: Cash and Cash Equivalents (cont'd)		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:		
Cash and cash equivalents	177,862	293,124
Note 8: Trade and Other Receivables		
Trade receivables, net	635	5,773
Note 9: Other Assets		
Prepayments	11,950	4,467
Accrued income	-	2,659
Total other assets	11,950	7,126
Note 10: Plant and Equipment		
Plant and equipment – at cost	52,792	52,792
Less accumulated depreciation	(46,927)	(33,383)
Total plant and equipment	5,865	19,409
Movements in Carrying Amounts		
Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are as follows:		
Balance at the beginning of the year	19,409	27,298
Additions	-	5,400
Depreciation expense	(13,544)	(13,289)
Carrying amount at the end of the year	5,865	19,409
Note 11: Trade and Other Payables		
Trade creditors	8,745	8,304
Accrued expenses	15,966	24,272
GST payable	23,146	34,391
Total trade and other payables	47,857	66,967

	2017 $	2016 $
Note 12: Provisions		
Current		
Employee entitlements	19,624	19,277
Non-Current		
Employee entitlements	-	11,573
Total provisions	19,624	30,850
Note 13: Borrowings		
Current		
Loan – secured	-	140,000
Non-Current		
Loan – secured	620,000	910,000

During 2007/2008 the directors negotiated a loan of $350,000 each, fully paid, from the Institute of Public Accountants, CPA Australia and the Chartered Accountants Australia and New Zealand. On 30th June 2017 the directors executed a Deed of Variation of Loan Agreement where CPA Australia and the Chartered Accountants Australia and New Zealand has agreed to a write down of $170,000 each on the principal sum. The Institute of Public Accountants agrees to lend an additional principal amount of $299,998 for AAT to use towards principal repayments of the loan with the other two sponsoring bodies. The loan of $620,000 is subject to variable interest at a rate of 0.5% above the 90 day bank bill rate per annum.

Repayments

Interest is calculated from the date at which the principal sum was advanced and payable on the corresponding day of each successive month.

The total sum is repayable in full by 30 June 2021 and the company has the option to repay the amount earlier.

The repayment terms of the loan, in an agreement with the Institute of Public Accountants has been deferred from 1 July 2017 to 7 July 2019.

Security

The Institute of Public Accountants, CPA Australia and the Chartered Accountants Australia and New Zealand have a charge over the assets of the company registered with the Personal Properties Securities Act (PPSA) - registration number 201112151158563.

	2017 $	2016 $
The carrying amount of assets available under registered charge	196,312	325,432

	2017 $	2016 $
Note 14: Cash Flow Information		
Reconciliation of cash flow from operations with surplus		
Surplus for the year	387,651	2,797
Non-cash flows items:		
Depreciation	13,544	13,289
Loan forgiveness	(340,000)	-
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	5,138	(4,573)
(Increase)/Decrease in other assets	(4,824)	7,629
Increase/(Decrease) in trade and other payables	(75,545)	(39,766)
Increase/(Decrease) in provisions	(11,226)	9,930
Cash flows from operations	(25,262)	(10,694)

Note 15: Related Party Transactions

Directors' related entities:

	2017 $	2016 $
Payments to CPA Australia, a company where Mr. Nicholas Diss, a director, is Deputy CFO and Mr. Jeffrey Hughes, a director, is COO of Member Services.		
- Interest	-	9,390
- Principal	30,000	-
Payments to Chartered Accountants Australia New Zealand, a company Mr. Duncan Pittard, a director, is General Manager Victoria and Tasmania.		
- Interest	7,243	9,390
- Principal	30,000	-

Note 16: Working Capital Deficiency and Going Concern

As at 30 June 2017, AAT had working capital deficiency of $115,348 (2016: $214,970) and record a cash outflow from operating activities of $25,262 (2016: cash outflow of $10,694). Included within current liabilities is an amount of $238,314, disclosed in income in advance, which is represented by unexpired renewal of membership subscription. This amount is amortised on an annual basis over the expected life of the membership and therefore does not require a cash outflow to settle.

The financial statements have been prepared on a going concern basis notwithstanding the company has a net deficiency of $729,483 at 30 June 2017.

The directors after considering cash flow forecasts for the 2017-2018 year, available business lending overdraft facility of $100,000 and the recent re-negotiation with the three sponsoring bodies to write down and defer the principal repayment to 7 July 2019, are satisfied that AAT Australia is a going concern.

Note 17: Capital Management

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its principal activities and that returns from investments are maximised. The board ensures that the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The company's equity consists of financial liabilities, supported by financial assets.

Management effectively manages the company's capital by assessing the company's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

Note 18: Company Details

The registered office and principal place of business of the company is:

Level 6, 555 Lonsdale Street

Melbourne Victoria 3000

DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the Corporations Act 2001 and:

   i comply with Australian Accounting Standards applicable to the company; and

   ii give a true and fair view of the financial position of the company as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. Having regard to the matters disclosed in Note 16 to the financial statements, in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Greg A Dennis

Gregory Dennis

Signed in Melbourne, this 25 day of October 2017.

McLean Delmo Bentleys
THINKING AHEAD

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

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Association of Accounting Technicians (Australia) Limited, which comprises the statement of financial position as at 30 June 2017, 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 financial report of Association of Accounting Technicians (Australia) 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 2017 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis of 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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

McLean Delmo Bentleys
THINKING AHEAD

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

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 judgment 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 company'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 company 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 those charged with governance 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.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Adam Roberts
Partner

Hawthorn
27 October 2017

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