ACEL
Inspiring Educational Leaders
Australian Council for Education Leaders
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DIRECTOR'S REPORT

The Directors present their report on the accounts for the Company for the year ended 30th June 2014.

1. DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

Jim Watterston	Jenny Stanley	Helen Starr
Chris Presland	Jeremy Beard	Keith Newton
Anthony Roberts	Anne Foale	Kevin Richardson
Kerrie Blain	Ann McIntyre	Christine Cawsey

2. PRINCIPAL ACTIVITIES

The principal activity of the company is to provide professional development resources and programmes for educational leaders.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The company has had another successful year across all areas of operation. The profit generated from the core business, augmented by profit generated from the annual conference contributed to the strong surplus for the year. Our strong financial position will enable us to invest in key initiatives detailed in our strategic plan. These include more member events, professional development workshops, publications and advocacy for the profession.

4. MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

At the date of this report, the Directors are not aware of any matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect:

a. the company's operations
b. the results of those operations
c. the company's state of affairs

in the financial years subsequent to the 30th of June 2014

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN OPERATIONS

The company maintains a strong financial position and is expected to deliver a strong operational performance in the coming year.

6. INFORMATION ON DIRECTORS

ACEL Directors' Qualifications, Special Responsibilities & Term Dates					
Name	Qualifications	Special Responsibilities	1st Term Start Date	1st Term End Date	2nd Term End Date (if reappointed)
Dr Jim Watterston	Dip Ed, BEd, Grad Dip Ed Admin, MEd, Doctorate	President	20/08/2010	20/08/2013	20/08/2016
Mr Kevin Richardson	Bachelor of Education, Diploma of Teaching, Graduate Diploma of Theology in Education	Independent Director	8/09/2010	8/09/2013	8/09/2016
Mr Chris Presland	BA (Sydney University), Diploma in Education (Sydney University), FACEL	NSW Branch President	21/06/2011	21/06/2014	21/06/2017
Ms Kerrie Blain	BA Dip Ed. Dip Ed Leadership	ACT Branch President	28/06/2011	28/06/2014	28/06/2017
Mr Jeremy Beard	B.Sc.Ed (Unimelb); M.Ed(Unimelb); ICF (GCI)	VIC Branch President	27/06/2011	27/06/2014	27/06/2017
Ms Anne Foale	BA TasUni, Diploma of Teacher Libaraianship Tas Coll of Adv Edu., Grad Dip Teaching ACU, Master of Ed Leadership ACU, MACEL, MACE	TAS Branch President	29/08/2011	29/08/2014	29/08/2017
Dr Jenny Stanley	Cert PR; Dip T (ECE); B Ed; M Ed Management; EdD	SA Branch President, Company Secretary	16/09/2011	16/09/2014	16/09/2017
Mr Keith Newton	BA (Social Science), Master Education Management	WA Branch President	3/06/2011	3/06/2014	3/06/2017
Mr Anthony Roberts	Dip Teaching (Queensland University of Technology); Bachelor of Education (University of South Australia)	NT Branch President	29/06/2011	29/06/2014	29/06/2017
Ms Helen Starr	BEd; Grad Cert Adult Learning; Cert Project Management; Cert Behaviour Managment; Cert Leadership; FACEL, FACELQ, MAICD, MAIM	QLD Branch President	3/06/2009	3/06/2012	3/06/2015
Ms Christine Cawsey	MEd (Admin), BA, DipEd	Independent Director	7/12/2012	7/12/2015	7/12/2018
Ms Ann McIntyre	MLitt, BA, DipT, GDipOLCD, FACE	Independent Director	7/12/2012	7/12/2015	7/12/2018

7. DIRECTORS' MEETINGS

During the year, 5 Directors' meetings were held – the meeting in October was split into two sessions but was effectively one meeting

ACEL Board Meeting Attendance 2013-2014					
	10-Aug-13	1 & 3-Oct-14	7-Dec-13	15-Feb-14	10-May-14
Dr Jim Watterston	X	X	A	X	X
Mr Kevin Richardson	X	X	A	X	X
Mr Chris Presland	X	X	X	X	A
Ms Kerrie Blain	X	X	X	X	X
Mr Jeremy Beard	X	X	X	X	X
Ms Anne Foale	A	A	X	X	X
Dr Jenny Stanley	X	X	A	X	X
Mr Keith Newton	X	X	X	X	X
Mr Anthony Roberts	X	X	X	X	X
Ms Helen Starr	X	X	X	X	X
Ms Christine Cawsey	X	X	X	X	X
Ms Ann McIntyre	X	X	X	X	A
Key: X = Attended. A = Absent.					

8. AUDITORS INDPENDENCE DECLARATION

The Auditors Independence Declaration for the year ended 30th June 2014 has been received and is included in this report.

Signed on the 16th August 2014 in accordance with a resolution of the Directors.

Dr Jim Watterston	Dr Jenny Stanley
Director	Director

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 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.

Name of Auditor: Nigel Tolley

Date: 12th August 2014

Address: GPO Box 1955, SYDNEY, NSW 2001

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
Revenue	2	1,638,468	1,456,830
Other income	2	190,397	322,546
Employee provisions expense		(515,596)	(499,950)
Depreciation and amortisation expense		(1,315)	(1,354)
Interest expense	3	-	-
Bad and doubtful debts expense	3		(313)
Motor vehicle expenses		-	-
Utilities expense		(5,293)	(7,974)
Rental expense		(50,902)	(67,292)
Staff training and development expenses		(9,378)	(5,094)
Audit, legal and consultancy fees		(17,350)	(25,745)
Client support services expenses		(445,767)	(712,008)
Fundraising expenses		-	-
Sundry expenses		-	-
Current year surplus (loss) before income tax		402,470	459,646
Tax expense		-	-
Net current year surplus (loss)		402,470	459,646
Other comprehensive income			
Gain on revaluation of property, plant and equipment	7	-	-
Other comprehensive income for the year		-	-
Total comprehensive income (loss) for the year		402,470	459,646
Net current year surplus (loss) attributable to members of the entity		402,470	459,646
Total comprehensive income attributable to members of the entity		402,470	459,646

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2014	2013
		$	$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	1,302,607	915,417
Accounts receivable and other debtors	5	44,905	4,388
TOTAL CURRENT ASSETS		1,347,512	919,805
NON-CURRENT ASSETS			
Financial assets - Rental Bond	5	15,020	12,397
Property, plant and equipment	6	7,618	1,715
TOTAL NON-CURRENT ASSETS		22,638	14,112
TOTAL ASSETS		1,370,150	933,917
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	336,566	312,193
Employee provisions	8	31,471	22,081
TOTAL CURRENT LIABILITIES		368,037	334,274
NON-CURRENT LIABILITIES			
Employee provisions	8	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		368,037	334,274
NET ASSETS		1,002,113	599,643
EQUITY			
Retained surplus		1,002,113	599,643
Reserves			
TOTAL EQUITY		1,002,113	599,643

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained Surplus	Revaluation Surplus	Financial Assets Reserve	Total
		$	$	$	$
Balance at 1 July 2011					
		139,998			139,998
Comprehensive income					
Surplus for the year attributable to members of the entity		459,645			458,645
Other comprehensive income for the year					
Total comprehensive income attributable to members of the entity		599,643			599,643
Balance at 30 June 2013					
Balance at 1 July 2013		599,643			599,643
Comprehensive income					
Surplus for the year attributable to members of the entity		402,470	-		402,470
Other comprehensive income for the year	16	-			-
Total comprehensive income attributable to members of the entity		402,470			402,470
Other transfers					
Cumulative revaluation surplus relating to sale of property, transferred to retained surplus	16				
Total other transfers					
Balance at 30 June 2014		1,002,113			1,002,113

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,749,635	2,204,471
Receipts from donations, bequests and raffles		-	-
Payments to suppliers and employees		(2,343,567)	(1,756,207)
Interest received		11,660	15,924
Dividends received		-	-
Interest paid		-	-
Net cash generated from operating activities	13	394,408	464,188
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			
Payment for property, plant and equipment		(7,218)	-
Proceeds from sale of available-for-sale investments		-	-
Payment for available-for-sale investments		-	-
Payment for financial assets at fair value through profit or loss		-	-
Payment for intangibles		-	-
Payment for held-to-maturity investments		-	-
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease liabilities		-	-
Net cash used in financing activities		-	-
Net increase in cash held		387,190	464,188
Cash on hand at beginning of the financial year		915,417	451,229
Cash on hand at end of the financial year	4	1,302,607	915,417

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The financial statements cover Australian Council for Educational Leaders as a Not For Profit (Reporting) Limited as an individual entity, incorporated and domiciled in Australia. Australian Council for Education Leaders is a company limited by guarantee.

The financial statements were authorised for issue on 16th August 2014 by the directors of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except where stated and for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Revenue**

If non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity 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 entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. If dividend revenue were received, it would be recognised when the right to receive a dividend had been established.

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

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

b. **Inventories on Hand**

There were no inventories on hand during the financial year. Should inventories be held, they would be measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration would be measured at the current replacement cost as at the date of acquisition.

c. **Property, Plant and Equipment**

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 – 40%
Leased plant and equipment	N/A%

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

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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. **Leases**

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity 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 recognised 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.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 recognised as expenses in 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*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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) *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 amount being included in profit or loss.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *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 will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 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.

f. **Impairment of Assets**

At the end of each reporting period, the entity 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 in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon 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 an asset's class, the entity 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 recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. **Employee Provisions**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

h. **Cash on Hand**

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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

i. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

j. **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.

k. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

l. **Intangibles**

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

m. **Provisions**

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

n. **Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

o. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

p. **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.

q. **Economic Dependence**

Australian Council for Education Leaders is dependent on its members 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 members will not continue to support Australian Council for Education Leaders.

r. **New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

– AASB 9*: Financial Instruments* (December 2010) and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the company is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

AASB 10 replaces parts of AASB 127: *Consolidated and Separated Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company's financial statements.

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the company's financial statements.

– AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  - (i) for an offer that may be withdrawn – when the employee accepts;
  - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
  - (iii) where the termination is associated with a restructuring of activities under *rovisions, Contingent Liabilities and Contingent Assets* and if earlier than the itions – when the related restructuring costs are recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These Standards are not expected to significantly impact the company's financial statements.

– AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the company's financial statements.

– AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the company's financial statements.

– AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the company's financial statements.

s. Membership. Given the nature of ACEL, it is considered prudent to recognise income when received rather than on an accruals basis.

Audit Accrual. ACEL accrues the audit fee for the year to which the audit relates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: REVENUE AND OTHER INCOME

	2014	2013
	$	$
Revenue		
Other income		
– Income from operations	1,626,808	1,440,906
– Interest received	11,660	15,924
– other	190,397	322,546
Total other income	1,828,865	1,779,376
Total revenue and other income	1,828,865	1,779,376

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: SURPLUS FOR THE YEAR

	2014	2013
	$	$
a. **Expenses**		
The results for the year from operations include the following specific expenses through the profit and loss		
Cost of operations	650,753	532,722
Employee benefits expense – contributions to defined contribution superannuation funds	49,530	51,357
Rental expense on operating leases:		
– minimum lease payments	50,902	67,292
– contingent rentals	-	
Total rental expense	50,902	67,292
Audit fees:		
– audit services	14,350	14,000
– taxation services	-	-
Total audit remuneration	14,350	14,000

b. **Significant Revenue and Expenses**

There were no significant items of revenue and expense not already mentioned in this report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: CASH ON HAND

	2014	2013
	$	$
CURRENT		
Cash at bank	1,301,904	914,096
Cash float	703	1,321
Total cash on hand as stated in the statement of financial position and statement of cash flows	1,302,607	915,417

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2014	2013
		$	$
CURRENT			
Accounts receivable		44,905	2,730
Provision for doubtful debts	5a	-	-
		44,905	2,730
Other debtors		-	1,658
Total current accounts receivable and other debtors		44,905	4,388
NON-CURRENT			
Rental Bond		15,020	12,397
Total non-current accounts receivable and other debtors		15,020	12,397
Total accounts receivable and other debtors	14	59,925	16,785

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

a. **Provision for Doubtful Debts**

Movement in the provision for doubtful debts is as follows:

	$
Provision for doubtful debts as at 1 July 2012	-
– Charge for year	-
– Written off	-
Provision for doubtful debts as at 30 June 2013	-
– Charge for year	-
– Written off	-
Provision for doubtful debts as at 30 June 2014	-

b. **Credit Risk – Accounts Receivable and Other Debtors**

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue) < 30	31–60	61–90	> 90	Within Initial Trade Terms
	$	$	$	$	$	$	$
2014							
Current							
Accounts receivable	44,905		38,446	98		6361	38,446
Other debtors							
Non-current							
Other debtors	15,020					15,020	15,020
Total	59,925		38,446	98		21,381	53,466
2013							
Current							
Accounts receivable	2,730		1,118	1,612			1,118
Other debtors	1,658					1,658	1,658
Non-current							
Other debtors	12,397					12,397	12,397
Total	16,785		1,118	1,612		14,055	15,173

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2014	**2013**
	$	**$**
Plant and Equipment		
Plant and equipment:		
At cost	24,734	17,516
Less accumulated depreciation	(17,116)	(15,801)
Total property, plant and equipment	7,618	1,715

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Leased Motor Vehicles	Furniture and Equipment	Total
	$	$	$	$
2014				
Balance at the beginning of the year	-	-	1,715	1,715
Additions at cost	-	-	7,218	7,218
Additions at fair value	-	-	-	-
Disposals	-	-	-	-
Revaluations	-	-	-	-
Depreciation expense	-	-	(1,315)	(1,315)
Carrying amount at the end of the year	-	-	7,618	7,618
2013				
Balance at the beginning of the year	-	-	6,565	6,565
Additions at cost	-	-	-	-
Additions at fair value	-	-	-	-
Disposals	-	-	(3,496)	(3,496)
Revaluations	-	-	-	-
Depreciation expense	-	-	(1,354)	(1,354)
Carrying amount at the end of the year	-	-	1,715	1,715

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note	2014	2013
		$	$
CURRENT			
Accounts payable		336,566	312,193
Deferred income		-	-
Other current payables		-	-
Other payables (net amount of GST payable)		31,471	22,081
	7a	368,037	334,274

a. **Financial liabilities at amortised cost classified as trade and other payables**

	Note	2014	2013
Accounts payable and other payables:			
– total current		368,037	334,274
– total non-current		-	-
		368,037	334,274
Less deferred income		-	-
Less other payables (net amount of GST payable)		(31,471)	(22,081)
Financial liabilities as accounts payable and other payables	14	336,566	312,193

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest is payable on outstanding payables during this period. For payables outstanding longer than one month, 0% per annum is payable on the outstanding balance.

NOTE 8: EMPLOYEE PROVISIONS

	Employee Provisions
	$
Opening balance at 1 July 2013	22,081
Additional provisions raised during year	9,390
Amounts used	-
Balance at 30 June 2014	31,471

	2014	2013
	$	$
Analysis of Employee Provisions		
Current:		
– annual leave entitlements	31,471	22,081
– long service leave entitlements	-	-
Total current employee provisions	31,471	22,081
Non-current:		
– long service leave entitlements	-	-
	-	-

Employee Provisions

Employee provisions represent amounts accrued for annual leave.

No provision has been recognised for employee entitlements relating to Long Service Leave. If it had been, in calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(g) to these financial statements

NOTE 9: CAPITAL AND LEASING COMMITMENTS

		2014	2013
		$	$
a.	**Finance Lease Commitments**		
	Payable – minimum lease payments:		
	– not later than 12 months	-	-
	– later than 12 months but not later than five years	-	-
	– later than five years	-	-
	Minimum lease payments	-	-
	Less future finance charges	-	-
	Present value of minimum lease payments	-	-
b.	**Operating Lease Commitments**		
	Non-cancellable operating leases contracted for but not capitalised in the financial statements		
	Payable – minimum lease payments:		
	– not later than 12 months	25,000	50,000
	– later than 12 months but not later than five years	-	25,000
	– later than five years	-	-
		25,000	75,000

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five-year term. Increase in lease commitments may occur in line with the consumer price index (CPI).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2014	2013
	$	$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Claims:		
The directors are not aware of any contingent liabilities.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12: RELATED PARTY TRANSACTIONS

The directors are not aware of any related party transactions. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13: CASH FLOW INFORMATION

	2014	2013
	$	$
Reconciliation of Cash Flow from Operating Activities with Current Year Surplus		
Profit after income tax	402,470	459,646
Non-cash flows:		
Depreciation and amortisation expense	1,315	1,354
Fair value gains on investments in shares held for trading		
Gains on disposal of property, plant and equipment		3,495
Doubtful debts expense		
Loss on sale of investments		
Gains on contributed assets		
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(43,140)	19,338
Increase/(decrease) in accounts payable and other payables	24,373	(48,796)
(Increase)/decrease in accrued income		
Increase/(decrease) in employee provisions	9,390	4,988
(Increase)/decrease in inventories on hand		24,163
(Increase)/decrease in prepayments		
	394,408	464,188

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

The company’s financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

The carrying amounts 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

	Note	2014	2013
		$	$
Financial assets			
Cash on hand	4	1,302,607	915,417
Accounts receivable and other debtors	5	59,925	16,785
Financial assets at fair value through profit or loss:			
– investments in listed shares, held for trading		-	-
Held-to-maturity investments:			
– investments in government and fixed interest securities		-	-
Available-for-sale financial assets:			
– investments in listed shares, available for sale		-	-
Total financial assets		1,362,532	932,202

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

	Note	2014	2013
		$	$
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and other payables	7a	336,566	312,193
– lease liabilities		-	-
Total financial liabilities		312,193	312,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The audit and risk committee is responsible for monitoring and managing the company's compliance with its risk management strategy. The audit and risk committee's overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

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

The company does not have any material credit risk exposures as its major source of revenue is income from members, sale of its programs and the conference.

Credit risk exposures

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

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the audit and risk committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2014	2013
		$	$
Cash on hand			
– AA rated		1,302,607	915,417
	4	1,302,607	915,417

b. **Liquidity risk**

NOTE 14: FINANCIAL RISK MANAGEMENT

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

– 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;
– only investing surplus cash with major financial institutions; and
– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Sensitivity analysis

The company has minimal exposure to changes in interest rates.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

		2014		2013	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
		$	**$**	**$**	**$**
Financial assets					
Cash on hand	(i)	1,302,607	1,302,607	915,417	915,417
Accounts receivable and other debtors	(i)	59,925	59,925	16,785	16,785
Available-for-sale financial assets:		1,362,532	1,362,532	932,202	932,202
– at fair value:					
- listed investments available for sale	(ii)	-	-	-	-
Financial assets at fair value through profit or loss:					

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

		2014		2013	
	Note	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
		$	**$**	**$**	**$**
– at fair value:					
- listed investments held for trading	(ii)	-	-	-	-
Held-to-maturity financial assets:					
– government and fixed interest securities	(iii)	-	-	-	-
Total financial assets		1,362,532	1,362,532	932,202	932,202
Financial liabilities					
Accounts payable and other payables	(i)	336,566	336,566	312,193	312,193
Lease liabilities	(iv)	-	-	-	-
Total financial liabilities		336,566	336,566	312,193	312,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: FINANCIAL RISK MANAGEMENT

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

(ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

(iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

(iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate debt will differ to the carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that within tolerable risk parameters adequate cash flows are generated to fund its portfolio of activities and programs and that returns from investments are maximised. The Audit and Risk Committee ensures that the overall risk management strategy is in line with this objective.

The Audit and Risk Committee operates under policies approved by the board of directors. 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 entity's capital consists of financial liabilities, supported by financial assets.

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

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. There is currently no debt other than normal accounts payable. The directors therefore consider it is not relevant to include gearing ratios.

NOTE 16: RESERVES

The company had no reserves set aside at the end of the financial year.

NOTE 17: ENTITY DETAILS

The registered office of the entity is:

Australia Council for Education Leaders
Suite 504   Level 5
46 – 56 Kippax Street
Surry Hills   NSW 2010

The principal place of business is:

Australia Council for Education Leaders
Suite 504   Level 5
46 – 56 Kippax Street
Surry Hills   NSW 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 18: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $1.00 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the number of members was 7410.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Council for Educational Leaders, the directors declare that:

1. The financial statements and notes, as set out on pages 4 to 28, are in accordance with the *Corporations Act 2001* and:
   a. comply with Australian Accounting Standards; and
   b. give a true and fair view of the financial position of the company as at 30 June 2013 and of its performance for the year ended on that date.
2. 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.

   This declaration is made in accordance with a resolution of the Board of Directors.

Jim Watterson (Chair) Jenny Stanley (Director)

Dated this Sixteenth day of August 2014

Tolley & Co Pty Ltd
ABN 11 087 355 539
Chartered Accountants

Nigel E Tolley BA FCA FCIS

Independent Auditor's Report

To the members of AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS

Report on the Financial Report

I have audited the accompanying financial report of AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS, which comprises the statement of financial position as at 30 June 2014, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. I conducted the audit in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and the planning and performance of the audit to obtain reasonable assurance about 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the audit opinion.

Independence

In conducting the audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion the financial report of AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS 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 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Nigel Tolley
18th August 2014

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