

AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS



FINANCIAL REPORT | 2017-2018



PROFESSIONAL LEARNING

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Australian Council for Educational Leaders

ABN 75 132 672 416

Financial Statements

For the Year Ended 30 June 2018

Australian Council for Educational Leaders

ABN 75 132 672 416

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For the Year Ended 30 June 2018

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Australian Council for Educational Leaders

ABN 75 132 672 416

Auditor's Independence Declaration to the Board of Directors of Australian Council for Educational Leaders

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

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hill Rogers

Assurance Partners



Brett Hanger

Partner

Dated this 3rd day of August 2018

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Australian Council for Educational Leaders

ABN 75 132 672 416

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	3	5,191,887	4,544,786
Employee benefits expense		(1,163,593)	(978,844)
Depreciation and amortisation expense		(42,093)	(25,912)
Conference and event expense		(1,015,549)	(1,196,818)
Membership and development		(264,085)	(269,237)
Branch expenditure		(90,330)	(92,801)
Professional learning		(1,756,323)	(1,024,434)
Bookshop and resources		(252,551)	(220,590)
Printing and stationery		(28,087)	(26,149)
Other expenses		(385,723)	(387,283)
Surplus before income tax		193,553	322,718
Income tax expense		-	-
Surplus for the year		193,553	322,718
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		193,553	322,718

The accompanying notes form part of these financial statements.

Australian Council for Educational Leaders

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Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,428,955	1,766,831
Trade and other receivables	5	200,860	318,076
Other assets	6	593,461	1,178,879
TOTAL CURRENT ASSETS		2,223,276	3,263,786
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,833,326	1,868,154
TOTAL NON-CURRENT ASSETS		1,833,326	1,868,154
TOTAL ASSETS		4,056,602	5,131,940
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	476,927	634,102
Employee benefits	9	48,091	51,726
Other liabilities	10	1,129,868	2,245,424
TOTAL CURRENT LIABILITIES		1,654,886	2,931,252
NON-CURRENT LIABILITIES			
Employee benefits	9	40,389	32,914
TOTAL NON-CURRENT LIABILITIES		40,389	32,914
TOTAL LIABILITIES		1,695,275	2,964,166
NET ASSETS		2,361,327	2,167,774
EQUITY			
Retained earnings		2,361,327	2,167,774
TOTAL EQUITY		2,361,327	2,167,774

The accompanying notes form part of these financial statements.

Australian Council for Educational Leaders

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

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	2,167,774	2,167,774
Surplus attributable to the entity	193,553	193,553
Balance at 30 June 2018	2,361,327	2,361,327

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	1,845,056	1,845,056
Surplus attributable to the entity	322,718	322,718
Balance at 30 June 2017	2,167,774	2,167,774

The accompanying notes form part of these financial statements.

Australian Council for Educational Leaders

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Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,171,784	4,985,686
Payments to suppliers and employees		(4,524,158)	(4,465,887)
Interest received		21,763	56,113
Net cash provided by/(used in) operating activities	15	<u>(330,611)</u>	<u>575,912</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(7,265)</u>	<u>(1,658,552)</u>
Net cash provided used in investing activities		<u>(7,265)</u>	<u>(1,658,552)</u>
Net decrease in cash and cash equivalents held		(337,876)	(1,082,640)
Cash and cash equivalents at beginning of year		1,766,831	2,849,471
Cash and cash equivalents at end of financial year	4	<u>1,428,955</u>	<u>1,766,831</u>

The accompanying notes form part of these financial statements.

Australian Council for Educational Leaders

ABN 75 132 672 416

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Australian Council for Educational Leaders as an individual entity. Australian Council for Educational Leaders is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Australian Council for Educational Leaders is Australian dollars.

The financial report was authorised for issue by the directors on 11/8/18.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. 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 for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

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 benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Revenue and Other Income

Revenue from continuing operations

	2018	2017
	\$	\$
- branch income	45,006	41,180
- professional learning	2,504,535	1,445,007
- bookshop and resources	454,280	434,012
- conference and events	1,248,608	1,644,279
- member subscriptions	837,558	872,389
- interest received	21,763	56,114
- other income	80,137	51,805
	<u>5,191,887</u>	<u>4,544,786</u>

4 Cash and Cash Equivalents

Cash at bank and in hand

Short-term deposits

687,447	955,361
<u>741,508</u>	<u>811,470</u>
<u>1,428,955</u>	<u>1,766,831</u>

5 Trade and Other Receivables

CURRENT

Trade receivables

200,860	318,076
<u>200,860</u>	<u>318,076</u>

6 Other Assets

CURRENT

Prepayments

593,461	1,178,879
<u>593,461</u>	<u>1,178,879</u>

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2018

7 Property, plant and equipment

	2018	2017
	\$	\$
Buildings		
At cost	1,641,342	1,641,342
Total land and buildings	<u>1,641,342</u>	<u>1,641,342</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	175,127	175,127
Accumulated depreciation	(21,055)	(3,542)
Total furniture, fixtures and fittings	<u>154,072</u>	<u>171,585</u>
Office equipment		
At cost	\$ 52,405	\$ 45,140
Accumulated depreciation	(25,747)	(13,608)
Total office equipment	<u>\$ 26,658</u>	<u>\$ 31,532</u>
Computer software		
At cost	\$ 49,765	\$ 49,765
Accumulated depreciation	(38,511)	(26,070)
Total computer software	<u>\$ 11,254</u>	<u>\$ 23,695</u>
Total plant and equipment	<u>191,984</u>	<u>226,812</u>
Total property, plant and equipment	<u>1,833,326</u>	<u>1,868,154</u>

Australian Council for Educational Leaders

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

7 Property, plant and equipment

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:

	Buildings \$	Furniture, Fixtures and Fittings \$	Office Equipment \$	Computer Software \$	Total \$
Year ended 30 June 2018					
Balance at the beginning of year	1,641,342	171,585	31,532	23,695	1,868,154
Additions	-	-	7,265	-	7,265
Depreciation expense	-	(17,513)	(12,139)	(12,441)	(42,093)
Balance at the end of the year	1,641,342	154,072	26,658	11,254	1,833,326

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
Trade and other payables	417,274	555,612
GST payable	59,653	78,490
	<u>476,927</u>	<u>634,102</u>

9 Employee Benefits

CURRENT		
Annual leave	48,091	51,726
	<u>48,091</u>	<u>51,726</u>
NON-CURRENT		
Long service leave	40,389	32,914
	<u>40,389</u>	<u>32,914</u>

10 Other Liabilities

CURRENT		
Deferred income	1,129,868	2,245,424
	<u>1,129,868</u>	<u>2,245,424</u>

11 Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 5,554 (2017: 5,794).

12 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 720,903 (2017: \$ 668,717).

13 Auditors' Remuneration

Remuneration of the auditor for:		
- auditing the financial statements	16,000	17,514
	<u>16,000</u>	<u>17,514</u>

14 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

Australian Council for Educational Leaders

ABN 75 132 672 416

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Cash Flow Information

(a) Reconciliation of cash

	2018	2017
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	1,428,955	1,766,831
	<u>1,428,955</u>	<u>1,766,831</u>

(b) Reconciliation of result for the year to cashflows from operating activities

Surplus for the year	193,553	322,718
Non-cash flows in profit:		
- depreciation	42,093	25,912
- net loss on disposal of property, plant and equipment	-	18,660
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	117,216	(49,715)
- (increase)/decrease in prepayments	585,418	(696,564)
- increase/(decrease) in income in advance	(1,115,556)	546,728
- increase/(decrease) in trade and other payables	(157,175)	379,236
- increase/(decrease) in employee benefits	3,840	28,937
Cashflows from operations	<u>(330,611)</u>	<u>575,912</u>

16 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Statutory Information

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

Australian Council for Educational Leaders
Suite 50, Level 5
50 Holt Street, Surry Hills NSW 2010

Australian Council for Educational Leaders

ABN 75 132 672 416

Directors' Declaration

The directors' declare that in their opinion:

- there are reasonable grounds to believe that the entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Stephen Girdle

Dated

11 / 8 / 18

Director

Ross Fox

11 / 8 / 18

Australian Council for Educational Leaders

Independent Auditor's Report to the members of Australian Council for Educational Leaders

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Council for Educational Leaders, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Australian Council for Educational Leaders has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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.

Hill Rogers

Assurance Partners



Brett Hanger

Partner

Dated this 24th day of August 2018



The Australian Council for Educational Leaders (ACEL) is a not-for-profit company that actively supports the development of educational leadership capabilities across Australia through conferences and workshops, leadership programs, in-house publications, online resources, and a bookshop. Access to these leadership-focused opportunities is available for classroom teachers through to system leaders.

ACEL is the largest professional association in the education sector in Australia and the wider Asia-Pacific region.

Our Purpose:

To inspire, support, recognise and advocate for excellence in educational leadership.





2017 RESPECT THE PAST LEAD THE PRESENT SECURE THE FUTURE

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RESPECT THE PAST
LEAD THE PRESENT
SECURE THE FUTURE

SETTING THE LEARNING AGENDA
2017 ICEL NATIONAL CONFERENCE





FINANCIAL REPORT 2017-2018

The ACCEL brand communicates our complete commitment to providing quality educational leadership services.

The ACCEL logo is an adaption of the Commonwealth Council for Educational Administration and Management logo that was created by William Walker with the establishment of this Council in 1970.

Australian Council for Educational Leaders

ABN 75 132 672 416

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